**Agenda - Executive Policy Committee – September 21, 2011**

**Report - Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – September 12, 2011**

**Item No. 1 Riverbank Stabilization Local Improvement Project for Winnipeg Condominium Corporation No. 168, and the Registered Condo Unit Owners located at 916 Cloutier Drive (St. Norbert Ward)**

STANDING COMMITTEE RECOMMENDATION:

On September 12, 2011, the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the "916 Cloutier Drive Riverbank Stabilization By-law No. 100/2009" be repealed.

2. That the following 2011 Local Improvement Project pursuant to the Riverbank Stabilization Grant and Local Improvement Tax Financing Program be proceeded with, namely:

    - Riverbank Stability Improvement Works including installation of 171 rock-filled columns, rip-rap erosion protection, some minor bank re-grading, revegetation / landscaping and final restoration for approximately 155 lineal meters along the bank of the Red River at the rear of and adjacent to 916 Cloutier Drive in the City of Winnipeg (Project #1420310111).

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

**Agenda - Executive Policy Committee – September 21, 2011**

**Report - Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – September 12, 2011**

DECISION MAKING HISTORY:

On September 12, 2011, the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**Title: THE UNDERTAKING OF A PROPOSED RIVERBANK STABILIZATION LOCAL IMPROVEMENT PROJECT FOR WINNIPEG CONDOMINIUM CORPORATION NO. 168, AND THE REGISTERED CONDO UNIT OWNERS LOCATED AT 916 CLOUTIER DRIVE AS DEPICTED IN APPENDIX 1**

**Critical Path: Standing Policy Committee on Property and Development – Executive Policy Committee – Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| B. Cull<br>Manager of Taxation and Finance | N. Karpa<br>City Assessor | J. Ferrier, Acting CFO | D. Joshi, COO |

## RECOMMENDATIONS

1. That the "916 Cloutier Drive Riverbank Stabilization By-law No. 100/2009" be repealed.

2. That the following 2011 Local Improvement Project pursuant to the Riverbank Stabilization Grant and Local Improvement Tax Financing Program be proceeded with, namely:

   - Riverbank Stability Improvement Works including installation of 171 rock-filled columns, rip-rap erosion protection, some minor bank re-grading, revegetation/landscaping and final restoration for approximately 155 lineal meters along the bank of the Red River at the rear of and adjacent to 916 Cloutier Drive in the City of Winnipeg *(Project #1420310111).*

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

## REASON FOR THE REPORT

Council approval is required to repeal the original local improvement authorization by-law titled "916 Cloutier Drive Riverbank Stabilization Authorization By-law No. 100/2009" (copy attached in Appendix 2).

Council approval and a local improvement authorization by-law are required to authorize the Riverbank Stability Improvement Works for 916 Cloutier Drive proceed as a local improvement pursuant to the Riverbank Stabilization Grant and Local Improvement Tax Financing Program.

## IMPLICATIONS OF THE RECOMMENDATIONS

### FINANCIAL IMPLICATIONS

(X) Within approved Current and/or Capital Budget.

( ) Current and/or Capital Budget adjustment is required.

Comment(s): The Local Improvement financing for this project is included as part of the $3 million in Local Improvement funding for Riverbank Stabilization that was approved by Council on September 24, 2008 and included in the 2009 Adopted Capital Budget. Funding remains in the 2011 Adopted Capital Budget.

## HISTORY

On July 16, 2008 Council approved the Riverbank Stabilization Grant Program and delegated authority to the Chief Administrative Officer to:

A. Establish and amend individual Project Agreements with affected property owners;
B. Determine, allocate and distribute to each successful program applicant the grant money associated with this Program as per the Program's Criteria and Procedures; and
C. Establish and amend technical criteria associated with the Project evaluation and program requirements.

On September 24, 2008, Council amended the Riverbank Stabilization Grant Program to include local improvement tax financing and renamed it as the Riverbank Stabilization Grant and Local Improvement Tax Financing Program.

On March 23, 2009, the Acting Chief Administrative Officer approved a Riverbank Stabilization Grant to the CONDO CORP and UNIT OWNERS of 916 Cloutier Drive in an amount not to exceed $150,000.

On July 22, 2009, Council concurred in the recommendation of the Standing Policy Committee on Property and Development and authorized the Riverbank Stabilization Local Improvement for 916 Cloutier Drive. The "916 Cloutier Drive Riverbank Stabilization Authorization By-law No. 100/2009" was enacted as a result.

Subsequently, in Fall 2010, the City was advised that the registered owners would not be proceeding to request payment of the grant and local improvement tax funding as approved in 2009 because of substantial changes to the project.

### APPROVAL OF THE AMENDED APPLICATION FOR THE GRANT PROGRAM

On January 17, 2011, the Planning, Property and Development Department submitted a Report to the Chief Administrative Officer with respect to the approval of the funding applications received under the City of Winnipeg's Riverbank Stabilization Grant Program.

On January 26, 2011, the Acting Chief Administrative Officer, under authority delegated by Council on July 16, 2008, approved a Riverbank Stabilization Grant to the CONDO CORP and UNIT OWNERS of 916 Cloutier Drive for an amount not to exceed $450,000 in total and further approved an amendment to the program criteria to allow project payments, reflecting works successfully completed, to take place

upon reaching Substantial Performance of the works which directly contribute to the riverbank stabilization.
On April 26, 2011, the Planning, Property and Development Department submitted a Report to the Chief Administrative Officer for approval to amend the funding previously approved on January 26, 2011; effectively increasing the eligible Grant from $450,000 to $465,000 for the 916 Cloutier Drive application received under the City of Winnipeg's Riverbank Stabilization Grant Program.

On May 17, 2011, this Report was approved by the Acting Chief Financial Officer and by the Acting Chief Administrative Officer. Given this approval, it was necessary to:

- Receive a new Local Improvements Application form with new approved amounts
- Generate a new "Petition For" form to be completed by the condo unit owners
- Execute a new Riverbank Stabilization Grant and Local Improvement Tax Financing Agreement
- Repeal the original local improvement authorization by-law titled "916 Cloutier Drive Riverbank Stabilization Authorization By-law No. 100/2009" and enact a new local improvement authorization by-law.

On May 25, 2011, a *"Petition For"* form was issued to Ms. Joan L. Irvine, on behalf of Mr. Bill Witts, Manager of Winnipeg Condominium Corporation No. 168 (Marina del Rey) for the benefiting registered condo unit owners located at 916 Cloutier Drive for this proposed local improvement within the Riel Community and Ward boundary.

On May 31, 2011, the Riverbank Stabilization Grant and Local Improvement Tax Financing Agreement made in duplicate effective January 26, 2011, between The City of Winnipeg, Winnipeg Condominium Corporation No. 168 operating as Marina del Rey, and the registered property owners was executed on behalf of the CITY, CONDO CORP and UNIT OWNERS.

The Assessment and Taxation Department received the fully signed *"Petition For"* form on June 7, 2011. See Appendix 1 for the location of the Local Improvement.

In compliance with Section 125 of *The City of Winnipeg Charter*, it was ascertained and certified by the Manager of Taxation and Finance that the signatures obtained from the benefiting registered condo unit owners on the *"Petition For"* form represent 100% of the total estimated assessable costs, as summarized in Table 1 below:

**Table 1: Local Improvement "Petition For" Results:**

| Project Number | Local Improvement | Petition For (Estimated Cash Cost) [Note 1] | Percentage Signed | City of Winnipeg Riverbank Stabilization Grant (25% of the cost) | Total Estimated Costs Recoverable from the Registered Condo Unit Owners | Estimate of Percentage Recoverable from the Registered Condo Unit Owners |
|---|---|---|---|---|---|---|
| 1420310111 | Riverbank Stabilization | $1,860,000 | 100% | $465,000 | $1,395,000 | 75% |

**Note 1:** The Estimated Cash Cost represents gross project expenditures. These costs will be reduced by up to 25% based on the approval of a grant from the Riverbank Stabilization Grant and Local Improvement Tax Financing Program.

Project Cost is actually $1,860,850 – rounded to $1,860,000 as per Administrative Report dated April 26, 2011 and per The City of Winnipeg Application for Local Improvements dated April 6, 2011 from the Planning, Property and Development Department.

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It should be noted that the Local Improvement financing for the Riverbank Stabilization Grant and Local Improvement Tax Financing Program will be subject to key baseline and evaluation criteria as approved by the Acting CAO on May 17, 2011:

1. **Maximum Local Improvement Tax Financing prior to the Grant being applied per property - $12,000.00 per riverbank lineal meter**

2. **Maximum Grant per property - $3,000.00 per riverbank lineal meter**

For this project, it has been confirmed in the Planning, Property and Development Department's Administrative Report dated April 26, 2011 that the *"length of stabilization"* is ***155 lineal meters***.

Therefore, based on the established criteria, the cost of this project is ***within*** the maximum Local Improvement Tax Financing as depicted below:

1. The estimated cost of the project is ***$1,860,000.*** The maximum local improvement tax financing is a maximum of $12,000 per riverbank lineal meter (prior to the Grant being applied to the property).

   **Test 1:** $1,860,000 / 155 riverbank lineal meters = $12,000 per lineal meter. Test onside.

2. The estimated Grant for the property is ***$465,000.*** This amount must be the lesser of 25% of the total estimated project cost and $3,000 per riverbank lineal meter.

   **Test 2(a):** $1,860,000 x 25% = $465,000. Test onside.

   **Test 2(b):** $465,000 / 155 riverbank lineal meters = $3,000 per lineal meter. Test onside.

The maximum funding allowed for the stabilization works for the property is ***$1,860,000*** ($12,000 x 155 riverbank lineal meters).

In accordance with Section 409(4) of *The City of Winnipeg Charter*, it states:

***"When notice and hearing not required***
***409(4)*** *Subsections (1) to (3) do not apply to a local improvement proposed by a petition signed* by all *of the registered owners, other than the city, of the total real property to be benefited by it."*

Therefore, as this petition was signed by 100% of the registered condo unit owners, it was not necessary to advertise this proposed local improvement. Further it is a requirement of the Riverbank Stabilization Grant and Local Improvement Tax Financing Program that 100% of the affected property owners must agree to the establishment of the local improvement.

Given that all of the affected property owners have signed in favor of the local improvement, the Winnipeg Public Service recommends that the Project proceed in adherence to the requirements stipulated under the Riverbank Stabilization Grant and Local Improvement Tax Financing Program.

## FINANCIAL IMPACT

### Financial Impact Statement

**Date:** August 11, 2011

**Project Name:** **First Year of Program** **2011**

Riverbank Stabilization Local Improvement, Marina Del Rey Project

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ 1,436,850 | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | 1,436,850 | - | - | - | - |
| Additional Capital Budget Required | $ - | $ - | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal | $ - | $ - | $ - | $ - | $ - |
| Debt - External | - | - | - | - | - |
| Grant | - | - | - | - | - |
| Reserves, Equity, Surplus | - | - | - | - | - |
| Other - Enter Description Here | - | - | - | - | - |
| Total Funding | $ - | $ - | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ - | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| **Direct Costs:** | | | | | |
| Riverbank Stabilization Grant | $ 465,000 | | | | |
| Debt & Finance (I/P Payments) | $ - | $ 125,271 | $ 125,271 | $ 125,271 | $ 125,271 |
| Less: Recovery from condo unit owners | $ - | $ 135,628 | $ 135,628 | $ 135,628 | $ 135,628 |
| Net Cost/(Benefit) | $ 465,000 | $ (10,357) | $ (10,357) | $ (10,357) | $ (10,357) |
| Less: Existing Budget Amounts | $ 465,000 | $ (10,357) | $ (10,357) | $ (10,357) | $ (10,357) |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:**

1. The total estimated project cost is $1,860,000. The Riverbank Stabilization Grant portion is a maximum of $3,000 per lineal meter or $465,000. The net cost of $1,395,000 will be the Local Improvement Tax financing portion to be recovered 100% from the registered condo unit owners for a period of 20 years. The Local Improvement Tax financing portion of $1,395,000 is included in the 2011 Adopted Capital Budget (part of the $3 million capital budget adopted for riverbank stabilization in the 2009 Adopted Capital Budget).
2. The Capital Expenditures Required includes the net cost of $1,395,000 plus 3% Corporate Finance administration charges for the total shown of $1,436,850.
3. Annual Debt & Finance Charges (I/P Payments) are calculated at 6.00% interest per annum or $125,271 per year for 20 years.
4. The cost recovery of $1,436,850 from the registered condo unit owners is calculated at 7.00% interest per annum over 20 years ($135,628 per year). This includes the rate of 6.00% approved by Council for 2011 Local Improvement Interest Rates (for 20 year terms) plus 1% administration fee to be charged in the ultimate tax imposition by-law in 2012.

[original signed by]
Radhika Abeysekera
Manager of Finance (Campus)
Corporate Finance Department

## CONSULTATION

**In preparing this report there was consultation with:**

**Internal**

Legal Services Department (as to legal issues only)
Parks, Waterway and Community Initiatives Division of the Planning, Property and Development Department

**External**

Marina del Rey (Winnipeg Condo Corporation No. 168)

## SUBMITTED BY

Department: Assessment and Taxation
Division: Taxation and Finance
Prepared by: G. Wladyka, Senior Local Improvement Clerk
Date: August 10, 2011
File No. N/A

Appendices:

- Appendix 1 – Map of Local Improvement
- Appendix 2 – Local Improvement Authorization By-law 100/2009

