Minutes – Executive Policy Committee – September 5, 2012

REPORTS

Minute No. 371 CentreVenture Development Corporation – Extension of Asset Agreement

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommends to Council:

1. That the current Asset Agreement for CentreVenture Development Corporation (CentreVenture) be extended for three years commencing February 28, 2011.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

Minutes – Executive Policy Committee – September 5, 2012

DECISION MAKING HISTORY:

Moved by Deputy Mayor Swandel,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: **CentreVenture Development Corporation - Extension of Asset Agreement**

Critical Path: **Executive Policy Committee – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Holmes	B. Thorgrimson	N/A	P. Sheegl CAO

RECOMMENDATIONS

1. That the current Asset Agreement for CentreVenture Development Corporation (CentreVenture) be extended for three years commencing February 28, 2011.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

REASON FOR THE REPORT

Council approval is required for the renewal of CentreVenture's Asset Management Agreement which expired on February 27th, 2011.

IMPLICATIONS OF THE RECOMMENDATIONS

- The proposed three year extension for CentreVenture's Asset Agreement will align with CentreVenture's Operating budget and Development Plan which will expire at the end of 2013 and is consistent with the November 9, 2011 recommendation of the Executive Policy Committee, adopted by Council on November 16, 2011 amending and approving CentreVenture's operating grant to up to $300,000 per annum from 2011 to 2013.
- CentreVenture would continue to be granted options to acquire an interest in all City-owned properties and heritage buildings within the downtown.
- Renewal of the Asset Agreement will assist CentreVenture to offset operating costs to ensure long-term sustainability.,

HISTORY

- On May 13, 1999, Council adopted the CentreVenture- *Downtown Revitalization Report* and its companion, *CentreVenture: A New Approach to Downtown Revitalization Report,* dated May 5, 1999. City Council endorsed the creation of CentreVenture Development Corporation to provide leadership in creating and sustaining business opportunities and economic growth in downtown Winnipeg.

- On July 9, 1999, CentreVenture Development Corporation was duly incorporated under the laws of the Province of Manitoba.

- Council created CentreVenture to facilitate private and public sector investment and development in the downtown by aggressively seeking new business, leveraging investment, and partnering with other levels of government. Since the summer of 1999, CentreVenture has established itself as a credible and sustainable Downtown Development Corporation by helping to put non-performing and surplus City-owned properties back onto municipal tax rolls, worked with the private sector to rejuvenate historic buildings, facilitated the realization of new housing units in the downtown and is playing an integral role in advancing a vital and vibrant vision for the downtown..

- On January 24, 2007, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

    1. That the Heart of Gold Plan (Strategic Plan 2007 to 2009) submitted by the CentreVenture Development Corporation be endorsed.
    2. That the current Asset Agreement for CentreVenture Development Corporation (CentreVenture) be extended for three years commencing February 28, 2007.
    3. That the Asset Agreement provide that commencing with the fiscal year 2006 and every year thereafter CentreVenture provide Council through Executive Policy Committee an annual written report including audited financial statements within 120 days of its fiscal year end for review, approval and acceptance.
    4. That an operating grant in the amount of $250,000 be approved for 2007.
    5. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the execution of any documents related thereto.

- On March 2008, CentreVenture met with the City to discuss their current operating grant and strategic plan. A $100,000 Operating Grant was approved and CentreVenture agreed to submit a new Strategic Plan at the end of 2010.

- At its March 9, 2011 meeting, the Executive Policy Committee referred the CentreVenture Development Corporation 2011-2013 Business Plan to the Winnipeg Public Service for analysis and recommendation on future funding models and report back within 120 days (July)

- At its September 14, 2011 meeting, The Executive Policy Committee laid over the matter for 60 days (minute 431 – CentreVenture Development Corporation 2011 – 2013 Business Plan)

- On November 16, 2011, Council adopted the following recommendations of the Executive Policy Committee:

    - On November 9, 2011, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

        1. That a new operating grant of up to $300,000 per annum from 2011 to 2013 be approved to CentreVenture Development Corporation to offset the projected operating budget shortfall identified in their 2011 – 2013 Business Plan.

2. That the grant of up to $300,000 per annum from 2011 to 2013 be funded by a transfer from the Permit Reserve Fund to the General Revenue Fund (Planning, Property and Development Department's current budget).

3. That the purpose of the Permit Reserve Fund be amended to allow it to provide a source of funds for annual operating grants in 2011, 2012 and 2013 (to be approved by Council) to CentreVenture Development Corporation.

4. That the recommended operating grant be disbursed in the following manner:

   A. Fifty percent (50%) of the projected operating shortfall for each year prior to receipt of CentreVenture Development Corporation's audited financial statements for that year, and

   B. The remainder after receipt of the audited financial statements for that same year.

5. That the Planning, Property and Development Department be directed to further analyze additional and longer term funding options for a downtown community investment fund to enhance the goals of CentreVenture Development Corporation in the interest of sustaining downtown development initiatives.

6. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

FINANCIAL IMPACT

Financial Impact Statement

Date: August 16, 2012

Project Name:

CentreVenture Development Corporation - Extension of Asset Agreement

COMMENTS:

The recommendations contained in this report are that the current Asset Agreement for CentreVenture Development Corporation (CentreVenture) be extended for three years commencing February 28, 2011. Approval of this recommendation would result in CentreVenture being granted retroactively the option to purchase properties and heritage buildings within the downtown, usually for nominal consideration of $1. The marketing and sale of such properties will assist CentreVenture to offset its operating costs. The net proceeds of disposition of these properties represents an opportunity cost to the City of Winnipeg.

Other than the noted opportunity costs, there are no financial implications associated with the recommendations contained in this report.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this report, there was consultation with:

Legal Services Department

SUBMITTED BY

Department	Planning, Property and Development
Division	Office of the Director
Prepared by:	Gary Holmes
Date:	August 20, 2012
File No.	

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