Agenda - Executive Policy Committee - June 4, 2003

REPORTS

Item No. 7 CentreVenture 2000 Heritage Tax Credit Program Amendment File EP-1.2.3 (Vol. 4)

ADMINISTRATIVE RECOMMENDATION:

1. That Council approve the proposed amendments to the CentreVenture Heritage Tax Credit By-law No. 7632/2000;

2. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary by-law amendments in accordance with the above; and

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

Re: CENTREVENTURE 2000 HERITAGE TAX CREDIT PROGRAM AMENDMENT

For submission to: **Executive Policy Committee**

Original report signed by: **Director of Planning, Property and Development**

Report date: May 8, 2003

Recommendation(s):

1. That Council approve the proposed amendments to the CentreVenture Heritage Tax Credit By-law No. 7632/2000;

2. That the City Solicitor/Manager of Legal Services be instructed to prepare the necessary by-law amendments in accordance with the above; and

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

REPORT SUMMARY

Key Issues:

- This Report recommends an amendment to the CentreVenture Heritage Tax Credit By-law No. 7632/2000 in order to extend the deadline to December 31, 2004 for the substantial completion of approved projects.

- The CentreVenture Development Corporation is confident that this program will lever significant private investment within the Downtown.

Implications of the Recommendation(s):

General implications:

	None
	For the organization overall and/or for other departments
X	**For the community and/or organizations external to the City of Winnipeg**
X	**Involves a multi-year contract**

Comment(s):

- CentreVenture has identified the use of heritage conservation tax credits as an important tool in downtown revitalization.
- Tax credits may be utilized by the applicant over a maximum ten-year period.

Policy implications:

X	**No**
	Yes

Comment(s):

-

Environmental implications:

X	**No**
	Yes

Comment(s):

-

Human resources implications:

X	**No**
	Yes

Comment(s):

-

Financial implications:

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s):

- On May 24, 2000 Council approved contributions in the amount of $2.5 million for the Heritage Investment Reserve.
- To date, that entire amount has been allocated, with projects in the amount of $1,090,000 in the process of being completed.
- There are no overall financial implications to the City

REASON FOR THE REPORT:

In March 2003, the CentreVenture Development Corporation ("CentreVenture") advised that they support the requests of a number of their heritage program recipients that the deadline for the completion of work be extended.

In keeping with CentreVenture's established reporting relationship with the City, the Executive Policy Committee is identified as the Designated Committee for the purposes of administering this by-law.

HISTORY:

On May 13, 1999, Council amended and 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.

On September 24, 1999, the CentreVenture Board adopted its Start-Up Business Plan. On pages 35 and 37 of the Start-Up Business Plan, CentreVenture identified the Downtown Heritage Tax Credit Program and the Gail Parvin Hammerquist Fund as programs that should be administered by CentreVenture under the Development Bank function.

On September 29, 1999, Council "endorsed the spirit and intent of CentreVenture's Start-Up Business Plan."

On March 15, 2000, Council established the Heritage Investment Reserve in accordance with Section 338(1) of *The City of Winnipeg Act.*

On April 26, 2000, Council amended and adopted the creation of the CentreVenture Heritage Tax Credit Program as well as the CentreVenture Downtown Heritage Program.

On May 24, 2000, Council passed the CentreVenture Heritage Tax Credit By-law No. 7632/2000.

DISCUSSION:

CentreVenture Development Corporation

Council created CentreVenture to facilitate private and public sector investment and development by aggressively seeking new business, leveraging investment, and partnering with other levels of government.

Many designated structures within the downtown are currently underutilized or lie vacant thereby providing little in the way of municipal or business tax revenues to the City. The Tax Credit enables the renovation of these structures, putting them back onto the tax rolls in productive use. Ultimately, the City receives policy, financial and social benefits far in excess of the tax credits utilized as incentives to motivate such development.

CentreVenture 2000 Heritage Tax Credit Program

Council approved the CentreVenture 2000 Heritage Tax Credit Program on May 24, 2000 with a $2.5 million budget. CentreVenture and the Administration approved 13 applications: $2.2 million in tax credits was committed. Legal Services advises that the CentreVenture 2000 Heritage Tax Credit Program created by the CentreVenture Heritage Tax Credit By-law No. 7632/2000 expired on April 30, 2003 and that no additional applications may be received and projects approved under that Program. Further, they advise that approved projects must be completed within a reasonable period of time following April 30, 2003. Legal Services feels that a reasonable period of time under the current by-law would be until December 31, 2003.

However, to allow all approved projects sufficient time to be completed, CentreVenture and the Administration request Council approve the proposed amendment to the CentreVenture Heritage Tax Credit By-law No. 7632/2000 and extend the deadline to December 31, 2004 for substantial completion of approved projects.

Financial Impact

The impact of the proposed by-law amendment will only extend the time period for the completion of funded projects. There will be an impact on cash flow forecasts for the Heritage Investment Reserve but no impact on the General Revenue Fund.

Financial Impact Statement **Date:** 16-May-03

COMMENTS:

The proposed by-law amendments will result in an extension of time for the completion of projects for which funds have already been committed within the Heritage Investment Reserve. While the cash flow forecasts for the Reserve will be impacted, there is no financial impact on the general Revenue Fund.

Gord Courage, Manager
Support Services Division

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:
Legal Services

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Planning and Land Use
Prepared by: Giles Bugailiskis
PPD File #:

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