**Minute No. 521**
**Report - Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – July 8, 2013**

**Item No. 3 Establishment of the Exchange Waterfront Neighbourhood Development Program**

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management and adopted the following:

1. That subject to a funding commitment from the Province of Manitoba equal to at least 50% of total Program costs plus associated borrowing cost, the establishment of the Exchange Waterfront Neighbourhood Development Plan (the "Program") as per Program parameters outlined in Appendix A, be approved, with the following amendments:

   A. Delete the words "and cost share of items II – V", and replace it with the words "and cost share of items II, III and V".

   B. Add a new Item VI., as follows:

      VI. Downtown Grocery Store:
         i. That a downtown grocery store remain a high priority and that all efforts be made to attract one to the area.

2. That the City's share of funding for the Program be allocated from the total of 15 years of incremental municipal property tax generated by the projects approved under the Downtown Residential Development Grant Program (DRDGP) minus the municipal portion of the grant provided to developers of such projects pursuant to the DRDGP; which City share shall not exceed a maximum of $3.89 million plus associated borrowing costs.

3. That the City of Winnipeg enter into:

   A. An administration agreement with Centre Venture Development Corporation ("CV") which sets out the terms and conditions whereby CV shall administer the Program on behalf of the City and will receive an administration fee not exceeding $250,000 over the term of the Program;

   B. A funding agreement with the Province of Manitoba which sets out the terms and conditions of the Province's contribution to the Program;

**Report - Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – July 8, 2013**

COUNCIL DECISION (continued):

C. Such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of this report.

4. That criteria "H" and "I" of the loan guarantee policy adopted by Council on June 17, 1992, be waived, and loan guarantees for a total maximum of up to $7.785 million in favour of CV be approved to allow CV to borrow the funds required to implement the Program, said loan guarantees to be issued in phases and upon terms and conditions as identified in Appendix B.

5. That the Chief Administrative Officer be delegated authority to negotiate and approve the terms and conditions of the agreements referenced in Recommendation 3, in accordance with the terms and conditions set forth in the foregoing recommendations and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

6. That the City of Winnipeg Public Service report back to Council with recommendations for program criteria for the Purchaser Incentive Program and the Patio Enhancements Program proposed as part of the overall Program.

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

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DECISION MAKING HISTORY:

Moved by Councillor Pagtakhan,

That the recommendation of the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management be adopted.

Carried

Councillors Mayes, Orlikow and Wyatt asked to be recorded as having voted in opposition to the item, in accordance with Rule 47.7 of the Procedure By-law.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 10, 2013, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On July 8, 2013, the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management concurred in the recommendation of the Winnipeg Public Service with the following amendments:

- Add the following to Recommendation 1., after the words "be approved":

  ", with the following amendments:

  A. Delete the words "and cost share of items II – V", and replace it with the words "and cost share of items II, III and V".

  B. Add a new Item VI., as follows:

     VI. Downtown Grocery Store:
        i. That a downtown grocery store remain a high priority and that all efforts be made to attract one to the area."

and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**Title:** **Establishment *of the Exchange Waterfront Neighbourhood Development Program.***

**Critical Path:** **Standing Policy Committee on Downtown Development, Heritage, and Riverbank Management – Executive Policy Committee - Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| W. Yee | B. Thorgrimson | M. Ruta | D. Joshi<br>COO |

## RECOMMENDATIONS

1. That subject to a funding commitment from the Province of Manitoba equal to at least 50% of total Program costs plus associated borrowing cost, Council approves the establishment of the Exchange Waterfront Neighbourhood Development Plan (the "Program") as per Program parameters outlined in Appendix A.
2. That the City's share of funding for the Program be allocated from:
    a. the total of 15 years of incremental municipal property tax generated by the projects approved under the Downtown Residential Development Grant Program (DRDGP) minus the municipal portion of the grant provided to developers of such projects pursuant to the DRDGP; which City share shall not exceed a maximum of $3.89 million plus associated borrowing costs.
3. That the City of Winnipeg enter into:
    (i) an administration agreement with Centre Venture Development Corporation ("CV") which sets out the terms and conditions whereby CV shall administer the Program on behalf of the City and will receive an administration fee not exceeding $250,000 over the term of the Program;
    (ii) a funding agreement with the Province of Manitoba which sets out the terms and conditions of the Province's contribution to the Program;
    (iii) such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of this report.
4. That Council waive criteria "H" and "I" of the loan guarantee policy adopted by Council on June 17, 1992 and approve loan guarantees for a total maximum of up to $7.785 million in favour of CV to allow CV to borrow the funds required to implement the Program, said loan guarantees to be issued in phases and upon terms and conditions as identified in Appendix B;
5. That the Chief Administrative Officer be delegated authority to negotiate and approve the terms and conditions of the agreements referenced in Recommendation 3, in accordance with the terms and conditions set forth in the foregoing recommendations and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

6. That the City of Winnipeg Public Service report back to Council with recommendations for program criteria for the Purchaser Incentive Program and the Patio Enhancements Program proposed as part of the overall Program.
7. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

## EXECUTIVE SUMMARY

This report proposes the creation of a new program to increase residential and retail density in the Exchange and Waterfront neighbourhood downtown by implementing an incentive grant for purchasers of condo units built under the Downtown Residential Development Grant Program (DRDGP), and serve as a catalyst for development of amenities for those who live there. The program also serves to leverage investment for street-scaping as well as safety initiative resources and proposed parking and transportation solutions for the area.

The City would enter into an agreement with Centre Venture Development Corporation ("CV") and provide a loan guarantee for $7.785M so CV can administer the program on behalf of the City.

The City's share of the proposed cost-sharing program with the Province of Manitoba is up to 50% of total program cost allocated from 15-years of incremental municipal property tax generated by the development of units under the DRDGP and will not exceed $3.89M.

A Program Governance Committee will be created to oversee expenditures under this Program and provide greater transparency, oversight, and risk mitigation. The Committee will review budget allocations and recommend appropriate borrowing as future projects under the DRDGP proceed. Centre Venture will report to this Committee no less than semi-annually.

## REASON FOR THE REPORT

Council approval is required to assign incremental municipal property taxes and to provide the proposed loan guarantee(s) in favour of Centre Venture Development Corporation. Also, the Public Service is seeking Council's direction to negotiate the final terms of a funding partnership for this purpose with the Province of Manitoba. The Public Service requires approval to move forward with negotiations, which will lead to establishment of a program for the implementation of the Exchange Waterfront Neighbourhood Development Plan and assignment of incremental municipal property taxes to fund the City's share of such program. Any by-laws required to establish specific grant programs (ie. Purchaser Incentive Program, Patio Enhancements Program) will be brought back to Council for consideration.

## IMPLICATIONS OF THE RECOMMENDATIONS

This report proposes the creation of a program to support the implementation of a plan to develop the Exchange Waterfront Neighbourhood consistent with the goals of the Downtown Residential Development Strategy and Action Plan.

All the goals of the Downtown Residential Development Strategy are advanced by this Program. Those goals are:

1. To increase the population of the Downtown.
2. To create dense residential clusters.
3. To promote residential buildings and neighbourhoods in order to develop a downtown that reflects the income diversity of the whole of the city of Winnipeg.
4. To continue to support existing downtown neighbourhoods.

Market demand for condominium residential units in the Downtown is less than the demand for ownership options in suburban areas of the City, in part due to the lack of "neighbourhood feel" in newly developed areas of the downtown. The DRDGP has successfully stimulated residential development in downtown Winnipeg. The first units under the DRDGP came onto the market in late 2011 and have been marketed through 2012. Unit sales since inception have been lower than expected with many completed units remaining vacant and the development community is skeptical about further investment. A result is that additional projects approved under the DRDGP may not proceed. A review of the DRDGP suggests that an encompassing and balanced housing strategy is required that focuses as much on *"developing demand as on subsidizing supply"* (Altus Clayton, 2008).

To achieve the objectives for density and complete communities in the downtown and to support continued development of approved condominium projects in the DRDGP, a targeted program / approach to developing this neighbourhood is needed.

Borrowing authority and a dedicated funding source will be established for the delivery of this Program. Elements of the Program revolve around five priority areas:

1. A Purchaser Incentive Program;
2. Incentives to attract the establishment of retail to support area residents;
3. Improve the image and awareness of the Neighbourhood;
4. Initiatives to address parking availability and alternative transportation options; and
5. Safety initiatives including improvements to the physical environment consistent with Crime Prevention Through Environmental Design (CPTED) principles.

Borrowing and investments for this purpose is proposed to be phased according to Appendix B, with the intent that the investments strategically coincide with and /or leverage private and public developments consistent with the advancement of the DRDS.

Implementing this Program will enable the development of a complete community in a timelier manner. The Program will support the advancement of "neighbourhood building" which will reinforce the continued commitment to the redevelopment and continued development of the Exchange Waterfront area.

Recommended budget expenditures are provided in phases to align with expected revenue derived from future incremental municipal taxes from projects under the DRDGP. The formation of a Governance Committee to oversee expenditures under this Program will provide greater transparency, oversight, and risk mitigation. The Committee will review budget allocations and recommend appropriate borrowing as future projects under the DRDGP proceed. Centre Venture will report to this Committee no less than semi-annually.

**Government risk associated with this Program and its mitigation**

Government financing (or loan guarantees) of up-front expenditures based on future estimated taxes creates increased municipal financial risk and administrative complexity. However, this risk is likely minimal, and the proposal is for the City to engage in a number of steps to mitigate any associated risk (see Appendix C).

## HISTORY

On September 21, 2006 the Executive Policy Committee referred the recommendation of the Winnipeg Housing Steering Committee to the Public Service to prepare a report outlining scope, strategy, and process for housing in the downtown. On July 20, 2011, Council adopted the Downtown Residential Development Strategy and Action Plan.

Bylaw 67/2010 OurWinnipeg Plan was adopted by Council on July 20, 2011. OurWinnipeg is the long-term development plan for the City of Winnipeg.

In June 2010, City Council enacted the Downtown Residential Development Grant Program By-law No. 77/2010, the objective of which is to promote the development of multiple family housing in the downtown of the City of Winnipeg. Approved applicants are eligible for grants up to fifteen times the sum of the incremental municipal taxes and the community revitalization levy (Provincial Education related taxes) for rental units. Approved condominium projects are eligible for grants up to ten times the sum of the incremental municipal taxes and the community revitalization levy (Provincial Education related taxes).

**Debt Strategy Impact**

On June 22, 2011, Council adopted the Debt Strategy report for tax supported, utilities and total City borrowing. This project requires an additional $7.785 million in long-term debt financing. The impact on the City of Winnipeg's debt position is an incremental $7.785 million of debt as CentreVenture Development Corporation is consolidated within the City's financial statements. The Debt Strategy ratios are based on the 2012 Adopted Capital Budget and the 2013 Water and Sewer Rates Report.

The impact of this debt financing falls within the City debt limits established in the Council report as outlined in the table below.

Total City net debt as a percentage of revenue maximum of 85%
Forecasted peak rate including proposed debt from this report 64.4%

Total City debt servicing as a percent of revenue maximum of 11%
Forecasted peak rate including proposed debt from this report 6.6%

Total City debt per capita not to exceed maximum of $2,050
Forecasted peak rate including proposed debt from this report $1,694

## FINANCIAL IMPACT

### Financial Impact Statement

**Date:** June 19, 2013

**Project Name:**

**First Year of Program** **2013**

Funding to support Implementation of the Exchange Waterfront Neighbourhood Development Plan

| | 2013 | 2014 | 2015 | 2016 | 2017 to 2033 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Strategic Investments - CentreVenture Development Corporation | $ 1,950,000 | $ 955,000 | $ 955,000 | $ 2,311,000 | $ 1,614,000 |
| **Funding Sources:** | | | | | |
| CentreVenture External Debt - City of Winnipeg Loan Guarantee | $ 1,950,000 | $ 955,000 | $ 955,000 | $ 2,311,000 | $ 1,614,000 |
| Grants (Enter Description Here) | - | - | - | - | - |
| Reserves, Equity, Surplus | - | - | - | - | - |
| Other - Enter Description Here | - | - | - | - | - |
| Total Funding | $ 1,950,000 | $ 955,000 | $ 955,000 | $ 2,311,000 | $ 1,614,000 |
| Total Additional Capital Budget Required | $ - | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | $ - | $ 187,867 | $ 279,874 | $ 371,881 | $ 10,410,748 |
| Less: Incremental Revenue/Recovery | - | 187,867 | 279,874 | 371,881 | 10,410,748 |
| Net Cost/(Benefit) | $ - | $ - | $ - | $ - | $ - |
| Less: Existing Budget Amounts | - | - | - | - | - |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:** Strategic investments to be made by CV from 2013 to 2018 are as indicated in Appendix B. Direct costs beginning in 2014 represent debt servicing costs as contained in Appendix D. Based on Appendix B, the present value of incremental muncipal and provincial property taxes related to condo projects under the DRDGP from the year in which Program grants cease to Year 15 will exceed debt servicing costs. However, for the purposes of this analysis, the two are assumed to be equal.

*"Original signed by"*

Mike McGinn, CA
Manager of Finance

## CONSULTATION

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

Centre Venture
Province of Manitoba:
- Local Government Department
- Housing and Community Development Department

City of Winnipeg:
- Economic Development Division – PPD
- Assessment and Taxation
- Legal Services
- Corporate Finance

Centre Venture consulted the following groups:
- Two focus group sessions and two public meetings with residents of the Exchange Area
- Exchange Biz
- Downtown Biz
- Developers
- McKim Cringan George – Marketing Firm
- Probe Research (poll and two focus group sessions)
- Winnipeg Police Service

## SUBMITTED BY

Department: Planning, Property & Development
Division: Housing Development
Prepared by: W. Yee
Date: *June 24, 2013*
File No.

Attachments:
Appendix A: Summary of Program and Agreement Parameters
Appendix B: Program Funding and Budget Projections
Appendix C: Risk and Risk Mitigation
Appendix D: Additional Detail to Financial Impact Statement
Appendix E: Loan Guarantee Policy

## APPENDIX A

### Summary of Program and Agreement Parameters

1. The Program's objective is to support the development of a complete community in the Exchange Waterfront Neighbourhood. There are five distinct elements of the program that will support this objective.

   The City of Winnipeg's funding responsibility include 100% for item I, and cost share of items II - V, such that the overall funding of the Program is cost shared through the use of incremental municipal property and education related taxes deriving from projects under the DRDGP.

   The Province's funding responsibilities includes majority funding of items II – V such that the overall funding of the Program is cost shared through the use of incremental municipal property and education related taxes deriving from projects under the DRDGP.

   I. Purchase Incentive Program (PIP):
      i. Implement a PIP that will incent home buyers through a $10,000 forgivable loan which is expected to assist with a down payment on their home. The loan is forgiven over a 5 year period. Eligibility requirements will be outlined in a By-law passed by Council.

   II. Initiatives to attract the establishment of Retail to support area residents:
      i. Coordination with economic development partners to advance recruitment and retention strategically through proactive planning and centralized information on availability and details of leasable space. Provide financial or non-financial incentives if required, the nature of which will require approval of the Governance Committee.

   III. Improve the image and awareness of the neighbourhood:
      i. Marketing Downtown Living.
      ii. Cost share provision of additional safety initiatives with private sector and Exchange BIZ. Funding will cover initiatives such as additional dedicated foot patrols for the neighbourhood, which is partially offset by area businesses who benefit from these patrols. The funding will be for a determined length of time.

   IV. Initiatives to address Parking availability and alternative transportation options:
      i. Car Share Program – initial startup funds to enable a car cooperative in the neighbourhood. Centre Venture will negotiate and use the funding to subsidize the start up cost for Peg City Car Coop (a non-profit organization) to service the Exchange Waterfront neighbourhood. Expenditures may include capital purchase of vehicles, ongoing operational cost is the responsibility of the cooperative.
      ii. Development of Co-op parking program. Funding is for the start-up cost to setup the program including online booking system development. Details of the program include the lease of dedicated permanent parking stalls, the setup of an online booking system and sale of membership in the cooperative to area residents.

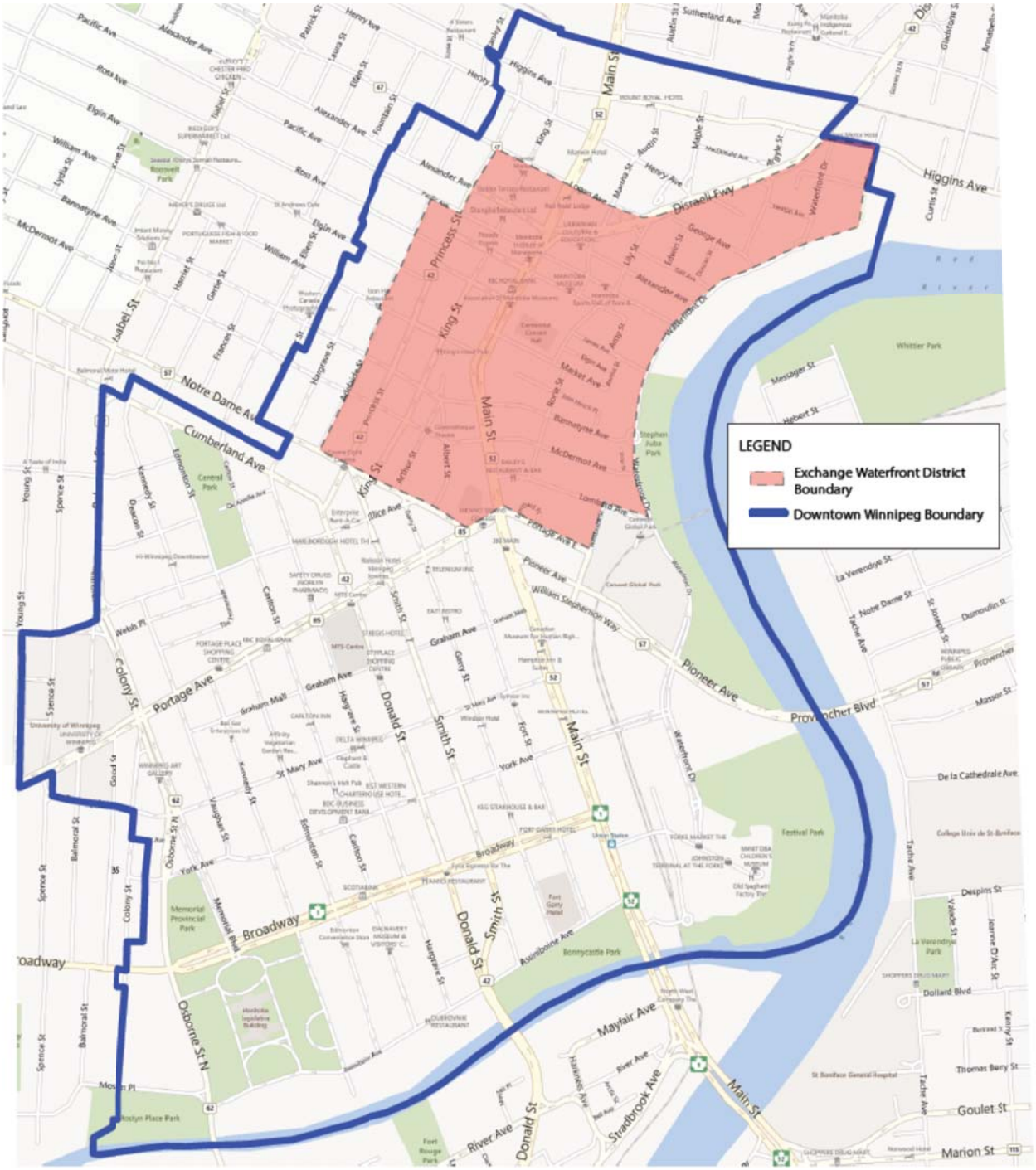
   V. Safety Initiatives incorporating CPTED Principles:
      i. Initiatives include the use of light, colour, walkway improvements, planting, art and animation to create an interesting and attractive outdoor environment that will facilitate increased pedestrian activity. Increasing positive activity and street life by integrating Crime Prevention Through Environmental Design (CPTED) elements into public realm enhancements and public / private investment protection.

ii. Patio Enhancements – Cost share of business patio area improvements to create atmosphere consistent with Exchange Waterfront Neighbourhood. Improvements will invite increased outdoor gathering areas and activity. Eligibility requirements will be outlined in a By-law passed by Council.
iii. Capital investments in public realm enhancements to leverage existing heritage assets and enhance historical and cultural elements of the neighbourhood. These investments will attract visitors from throughout the City resulting in more pedestrian activity throughout the neighbourhood.

2. The Program would be established by the City and administered by Centre Venture. The Province's partnership commitments and obligations would be established in a separate funding agreement with the City. Administratively, funding sources would have already been approved by the Province under the authority of The Community Revitalization Tax Increment Financing Act. Under this Act, regulations may be made designating properties as community revitalization properties. While a property is so designated, increases in its assessed value are subject to a community revitalization levy that is imposed at the same rate as, but in lieu of, taxation for school purposes.

3. Program investments would be limited to the geographic area of the Exchange Waterfront Neighbourhood and for the PIP to condominium projects under the DRDGP in that same neighbourhood. Map outlining Program area below:

MAP OF PROGRAM AREA FOR EXCHANGE WATERFRONT NEIGHBOURHOOD



# APPENDIX "B"

**Funding/Expense Projections for Exchange Waterfront Neighbourhood Development Plan**

| No. of Projects | $,000's | Phase 1 | Phase 2 | | Phase 3 | Phase 4 | |
|---|---|---|---|---|---|---|---|
| | **PROJECTED REVENUE:** | **2013** | **2014** | **2015** | **2016** | **2016** | **2017 & 2018** |
| 5 | Projects Complete | 1,988 | | | | | |
| 6 | Projects Underway | | 596 | 616 | | | |
| 2 | Projects to Proceed in 2013 | | | 704 | 2,055 | | |
| 5 | Projects in Due Diligence | | | | | 2,927 | 16,567 |
| 18 | **GRAND TOTAL REVENUE** | 1,988 | 1,916 | | 2,055 | | **25,453** |
| **Priority Area** | **PROJECTED EXPENSES** | | | | | | |
| | **City of Winnipeg Funded** | | | | | | |
| 1 | Purchaser Incentive Program | 830 | 480 | | 1,000 | | |
| | | | | | | | |
| | **Province & City Funded *** | | | | | | |
| 2 | Physical Improvements/CPTED Strategies | 500 | 1,000 | | 500 | 1,000 | |
| 2 | Patio Facilitation | 20 | 50 | | | 50 | |
| 2 | Heritage Initiatives | | | | 200 | 200 | |
| 3 | Downtown Living Marketing - Campaign Execution | 150 | 50 | | 125 | 100 | |
| 3 | Safety/Image Initiatives | 50 | 50 | | | 50 | |
| 4 | Retail Amenity Recruitment | 200 | 50 | | | | |
| 5 | Parking/Transportation/Car Share | 80 | 30 | | | | |
| | Misc/Contingency/Legal/CV fee | 100 | 100 | | 100 | 200 | |
| | Interest on Bridge Financing | 20 | 100 | | 100 | 300 | |
| | **TOTAL EXPENSES - By Phase** | 1,950 | 1,910 | | 2,025 | 1,900 | |
| | **GRAND TOTAL EXPENSES** | **Phase 1** | **Phase 2** | | **Phase 3** | **Phase 4** | **7,785** |

**Note: Expenditures in Phase 1 and 2 will overlap and anticipated to be expended as follows:**

**Phase 1** - August 2013 to June 2014; loan guarantee of up to $1.95 million

**Phase 2** - January 2014 to December 2015; loan guarantee of up to $1.91 million, to be executed and delivered only if the Chief Administrative Officer is satisfied that additional incremental taxes as per recommendation #2 will exceed the cumulative amount of the loan guarantees

## **APPENDIX "B"** (continued)

**Phase 3** - January 2016 to December 2016; loan guarantee of up to $2.025 million, to be executed and delivered only if the Chief Administrative Officer is satisfied that additional incremental taxes as per recommendation #2 will exceed the cumulative amount of the loan guarantees

**Phase 4** - Commencing 2016 & concluding 2018; loan guarantee of up to $1.9 million, to be executed and delivered only if the Chief Administrative Officer is satisfied that additional incremental taxes as per recommendation #2 will exceed the cumulative amount of the loan guarantees
* City will fund a lower proportion so that the overall program is cost shared

**Priority Areas:**
1. Provide a Purchaser Incentive Program - $10,000 incentive for new owner occupants in eligible DRDG condo projects
2. Provide amenities to support a residential population – attract smaller scale grocery store and additional amenities
3. Improve the image and awareness of the District - execute a marketing campaign for downtown living /cost share provisions of additional safety initiatives with Private Sector and Exchange Biz
4. Resolve Parking and transportation issues - provide seed funding to bring Peg City Co-op Program to the district and development of co-op parking program to accommodate visitor parking
5. Safety initiatives consistent with CPTED principles - initiatives aimed at creating a safe, sustainable and vibrant neighbourhood

** Revenue projections based on estimated assessments and assuming all projects currently in the DRDGP proceed to completion

## APPENDIX C

## Risk and Risk Mitigation

There exist a number of risks within this Program and plans to mitigate this risk.

Risk 1: Interest rates could rise during the borrowing period.

Risk Mitigation:

An Agreement between the City and Centre Venture would require interest on borrowing to be fixed for the full borrowing period at rates that are reflective of those available to the City of Winnipeg as guarantor of the loan.

Risk 2: The borrowing agent engages in activities that would be covered by the loan guarantee but that would be outside the parameters of the Program bylaw.

Risk Mitigation:

The Agreement between the City of Winnipeg and Centre Venture would clearly establish the parameters regarding borrowing and loan repayments. The loan guarantee would be specific to the Program by-law and subject to its terms and conditions. Additionally, a Provincial funding Agreement would include external audit requirements that would extend to the borrowing agent. A condition of the loan guarantor is to include an expenditure oversight requirement in its Agreement via a Governance Committee.

Risk 3: Incremental property taxes associated with properties in the DRDGP may not be enough to meet annual borrowing obligations.

Risk Mitigation:

The primary role of the "Governance Committee" is to provide oversight of program delivery. Expenditures and loan guarantees will require the approval of this committee, whose decisions are based on the reasonable assurance of additional incremental taxes to cover the proposed expenditures.

Borrowing for the project has been broken into four phases of approximately $1.95 million, $1.91 million, $2.025 million, and $1.9 million respectively. Phases 2, 3 and 4 will not proceed until there are sufficient indicators of development required to attain the necessary incremental taxes to service the proposed Phase 2, Phase 3, and Phase 4 borrowing.

Risk 4: The Provincial funding share flows at different rates and on different terms and conditions than the City of Winnipeg's funding share.

Risk Mitigation:

The agreement between the City of Winnipeg and the Province of Manitoba would include provisions to ensure that both parties fund an equal share of the borrowing cost obligations for agreed upon expenditures, and that the City of Winnipeg would be fully compensated for payment obligations that are short or late.

## APPENDIX D

## Additional Detail to Financial Impact Statement

| Year | Phase 1 Repayment beginning in 2014 | Phase 2 Repayment beginning in 2015 | Phase 2 Repayment beginning in 2016 | Phase 3 Repayment beginning in 2017 | Phase 4 Repayment beginning in 2017 | Phase 4 Repayment beginning in 2018 | Phase 4 Repayment beginning in 2019 | Total per Year | Per FIS Amount | Per FIS Year(s) |
|---|---|---|---|---|---|---|---|---|---|---|
| 2013 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | 2013 |
| 2014 | $ 187,867 | $ - | $ - | $ - | $ - | $ - | $ - | $ 187,867 | $ 187,867 | 2014 |
| 2015 | $ 187,867 | $ 92,007 | $ - | $ - | $ - | $ - | $ - | $ 279,874 | $ 279,874 | 2015 |
| 2016 | $ 187,867 | $ 92,007 | $ 92,007 | $ - | $ - | $ - | $ - | $ 371,881 | $ 371,881 | 2016 |
| 2017 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ - | $ - | $ 594,528 | $10,410,748 | 2017 to 2033 |
| 2018 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ - | $ 672,373 | | |
| 2019 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 750,025 | | |
| 2020 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 750,025 | | |
| 2021 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 750,025 | | |
| 2022 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 750,025 | | |
| 2023 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 750,025 | | |
| 2024 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 750,025 | | |
| 2025 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 750,025 | | |
| 2026 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 750,025 | | |
| 2027 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 750,025 | | |
| 2028 | $ 187,867 | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 750,025 | | |
| 2029 | $ - | $ 92,007 | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 562,157 | | |
| 2030 | $ - | $ - | $ 92,007 | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 470,150 | | |
| 2031 | $ - | $ - | $ - | $ 195,093 | $ 27,554 | $ 77,845 | $ 77,652 | $ 378,143 | | |
| 2032 | $ - | $ - | $ - | | | $ 77,845 | $ 77,652 | $ 155,496 | | |
| 2033 | $ - | $ - | $ - | | | | $ 77,652 | $ 77,652 | | |
| | $ 2,818,012 | $ 1,380,103 | $ 1,380,103 | $ 2,926,397 | $ 413,308 | $ 1,167,669 | $ 1,164,778 | $ 11,250,371 | $11,250,371 | |

## APPENDIX E

## Loan Guarantee Policy

- When the City guarantees a loan, it must disclose this potential liability in the financial statements. If the organization were in default of the loan agreement, the City would be obligated to make payments on the loan. In this specific situation, CentreVenture represents a consolidated entity in the City's financial statements so any outstanding debt reflects on consolidation in the City's financial statements. The following is the policy criteria related to requests for loan guarantees as adopted by Council on June 17th, 1992:

    A. Requests for loan guarantees shall be submitted to the City Treasurer for review to determine if the request meets the requirements of the policy.

    B. The organization requesting the loan guarantee must provide a service, which, in whole or in part, falls within the mandate of the City of Winnipeg.

    C. The project for which the loan guarantee is being requested must not be in conflict with City policy.

    D. The organization's services must be available to the community at large without restrictions based upon ethnicity, religion or race and without unreasonably restrictive membership or user fees.

    E. The organization must be non-profit.

    F. The organization must produce financial records and a business plan that demonstrates the organization's long-term viability and capacity to meet the obligations of the loan that they are asking the City to guarantee.

    G. The organization structure and the principals of the organization must be judged by the City of Winnipeg as competent to independently implement the business plan of the organization.

    H. Unless there are very special circumstances, the maximum amount of outstanding loan guarantees for any one organization will be $1,000,000.00.

    I. The loan that the City is being asked to guarantee should not represent more than 50% of the total funding of the project. The organization requesting the loan guarantee must have raised at least 20% of the total project costs from non-City of Winnipeg sources as a down payment, i.e. if the organization is receiving a City grant for their project, the grant cannot be counted as part of the 20% down payment.

J. The loan that the City is guaranteeing must be related to a capital asset.

K. The capital asset must be insured to the satisfaction of the City Treasurer both during and after construction.