Minutes – Executive Policy Committee – February 12, 2014

Minute No. 148
Report – Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – February 3, 2014

Item No. 4 Exchange Waterfront Neighbourhood Development Plan – Reallocation of Funds (Point Douglas Ward)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management and submitted the following to Council:

1. That Item 3 of the report of the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management approved by Council on July 27, 2013, entitled "Establishment of the Exchange Waterfront Neighbourhood Development Program", be amended as follows:

   A. That $2,430,000 in funding previously budgeted for the "Purchaser Incentive Program" and "Patio Enhancement" be reallocated to other project categories (Physical Improvements / CPTED Strategies, Downtown Living Marketing Campaign, Safety/Image Initiatives) within the Exchange Waterfront Neighbourhood Development Program.

   B. That the portion approving the Purchaser Incentive Program (PIP) and Patio Enhancements and any terms related thereto be rescinded.

   C. That Appendix B be replaced with Appendix A attached hereto.

2. That the Exchange Waterfront Neighbourhood Development Master Design Plan, prepared by Centre Venture Development Corporation, be provided to the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management for information.

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

Minutes – Executive Policy Committee – February 12, 2014

Report – Standing Policy Committee on Downtown Development, Heritage and Riverbank Management – February 3, 2014

DECISION MAKING HISTORY:

Moved by Councillor Pagtakhan,

That the recommendation of the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On February 3, 2014, the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management concurred in the recommendation of the Winnipeg Public Service, with the following amendment:

- Add the following new recommendation 2:

  "2. That the Exchange Waterfront Neighbourhood Development Master Design Plan, prepared by Centre Venture Development Corporation, be provided to the Standing Policy Committee on Downtown Development, Heritage and Riverbank Management for information."

- Renumber the remaining recommendation accordingly

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

ADMINISTRATIVE REPORT

Title: ***Exchange Waterfront Neighbourhood Development Plan – Reallocation of Funds***

Critical Path: **SPC Downtown Development, Heritage, and Riverbank Management – EPC - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
W. Yee	B. Thorgrimson	M. Ruta, CFO	D. Joshi, A-CAO

RECOMMENDATIONS

1. That Council reallocate $2,430,000 in funding previously budgeted for the "Purchaser Incentive Program" and "Patio Enhancement" to other project categories (Physical Improvements / CPTED Strategies, Downtown Living Marketing Campaign, Safety/Image Initiatives) within the Exchange Waterfront Neighbourhood Development Program by amending the report approved by Council on July 27, 2013 entitled "Establishment of the Exchange Waterfront Neighbourhood Development Program" (the "July 27 Report") as follows:

   (a) by rescinding that portion of the July 27, 2013 Council decision approving the Purchase Incentive Program (PIP) and Patio Enhancements and any terms related thereto; and
   (b) by replacing Appendix B of the July 27 Report with Appendix A hereto.

2. 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

At their July 17, 2013 meeting Council approved the establishment of the Exchange Waterfront Neighbourhood Development Program (the Program). The Program included a set budget with allocation to a Purchaser Incentive Program and Patio Enhancements. After further consideration on the Purchaser Incentive it was decided that funds would be better leveraged in other elements of the Program. Because Council approved the Program which set out specific funds for the Program, reallocation of funds requires Council approval.

EXECUTIVE SUMMARY

This report proposes that Council reallocate funds within the Program from the Purchaser Incentive and the Patio Enhancement to elements of the Program, which leverages investment for street-scaping as well as safety initiative and marketing Downtown living.

Subsequent to Council approval of the Exchange Waterfront Neighbourhood Development Program there was further consideration of the Purchaser Incentive program, it was decided that funds would be better leveraged in other elements of the Program.

Council adopted the Program on July 17, 2013; the Program's goal is to increase residential and retail density in the Exchange and Waterfront neighbourhood by implementing 5 strategic activities. With the elimination of the Purchaser Incentive, it is critical to reallocate funds to Program activities that will bring about residential and retail density, and leverage cost sharing funds from the Province of Manitoba.

The City's share of the Program is cost shared with the Province of Manitoba, with the City's share being up to 50% of Program cost.

IMPLICATIONS OF THE RECOMMENDATIONS

This report request approval from Council to reallocate funds within the Program from the Purchaser Incentive Program and Patio Enhancement to other elements of the Program, which will eliminate the Purchaser Incentive and Patio Enhancement from the Program, and increase funding for street-scaping, safety initiatives, and marketing Downtown living. Detailed elements of the program are outlined in Appendix "B".

Current Budget Allocations:

Item	Phase 1	Phase 2	Phase 3	Phase 4
Purchaser Incentive Program	$830k	$480k	$1M	$0
Patio Facilitation	$20k	$50k	$0	$50k
Physical Improvements / CPTED Strategies	$500k	$1M	$500k	$1M
Market Downtown Living Campaign	$150k	$50k	$125k	$100k
Safety / Image Initiatives	$50k	$50k	$0	$50k

Recommended Reallocated Budget:

Item	Phase 1	Phase 2	Phase 3	Phase 4
Physical Improvements / CPTED Strategies	$1.33M	$1.435M	$1.43M	$1.03M
Market Downtown Living Campaign	$150k	$125k	$125k	$100k
Safety / Image Initiatives	$70k	$70k	$70k	$70k

Reallocation of funds does not change the City's cost sharing of the Program with the Province of Manitoba, which is up to 50% of Program cost.

Centre Venture has been provided with the authority to administer this Program and report to a Governance Committee on at least a semi-annual basis.

An operating agreement between the City of Winnipeg and Centre Venture will be executed to ensure program elements and criteria are administered.

Funding for the Program is provided in phases to align with expected revenue derived from future incremental municipal taxes from projects under the Downtown Residential Development Grant Program.

Reallocation of funds is consistent with the original report methodology. Expenditures are provided in phases to align with expected revenue derived from future incremental municipal taxes from projects under the Downtown Residential Development Grant Program (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.

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).

On July 17, 2013 City Council approved the establishment of the Exchange Waterfront Neighbourhood Development Program, the objective of which is to increase residential and retail density in the Exchange and Waterfront neighbourhood downtown by implementing a program to serve as a catalyst for increasing demand for housing units in the area and development of amenities for those who live there.

FINANCIAL IMPACT

Financial Impact Statement

Date: January 22, 2014

Project Name: **First Year of Program** **2014**

Funding to support Implementation of the Exchange Waterfront Neighbourhood Development Plan

	2014	2015	2016	2017	2018 to 2032
Capital					
Strategic Investments - CentreVenture Development Corporation	$ 2,544,000	$ 1,316,000	$ 2,311,000	$ 1,614,000	$ -
Funding Sources:					
CentreVenture External Debt - City of Winnipeg Loan Guarantee	$ 2,544,000	$ 1,316,000	$ 2,311,000	$ 1,614,000	$ -
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ 2,544,000	$ 1,316,000	$ 2,311,000	$ 1,614,000	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 245,095	$ 371,881	$ 594,528	$ 10,038,866
Less: Incremental Revenue/Recovery	-	245,095	371,881	594,528	10,038,866
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Strategic investments to be made by CV from 2014 to 2017 are as indicated in Appendix A. Direct costs beginning in 2015 represent debt servicing costs as contained in Appendix C. Based on Appendix A, 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:

Legal Services
Centre Venture
Economic Development

SUBMITTED BY

Department: Planning, Property & Development
Division: Housing Development
Prepared by: W. Yee
Date: *January 24, 2014*
File No. O: Reports Directive / Housing Development / RIS EWNDP Reallocation of Funds V5

APPENDIX "A"

Funding/Expense Projections for Exchange Waterfront Neighbourhood Development Plan

No. of Projects	$,000's	Phase 1	Phase 2		Phase 3	Phase 4	
	PROJECTED REVENUE:	**2014**	**2014**	**2015**	**2016**	**2016**	**2017 & 2018**
5	Projects Complete (Includes 100 Princess and 500 Waterfront)	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**
	PROJECTED EXPENSES						
	Manitoba Funded						
	Parking/Transportation/Car Share	80	30				
	Manitoba & Winnipeg Funded						
	Physical Improvements/CPTED Strategies	1330	1,435		1,430	1,030	
	Heritage Initiatives				200	200	
	Downtown Living Marketing - Campaign Execution	150	125		125	100	
	Safety/Image Initiatives	70	70		70	70	
	Retail Amenity Recruitment	200	50				
	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 - February 2014 to December 2014; loan guarantee of up to $1.95 million - incremental taxes have been confirmed

Phase 2 - June 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

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

Phase 4 - Commencing 2016 & concluding 2018; loan guarnatee of up to $1.9 million, to be executed and delivered only if the Chief Administrative Officer is satisfied that additional incrementatl taxes as per recommendation #2 will exceed the cumulative amount of the loan guarantees

APPENDIX B

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 four distinct elements of the program that will support this objective.

   The City of Winnipeg's funding responsibility include all items noted with exception of III(i).

   The Province's funding responsibilities are with all items noted below:

   I. 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.

   II. 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.

   III. Initiatives to address Parking availability and alternative transportation options:
      i. Car Share Program Opportunites – 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.

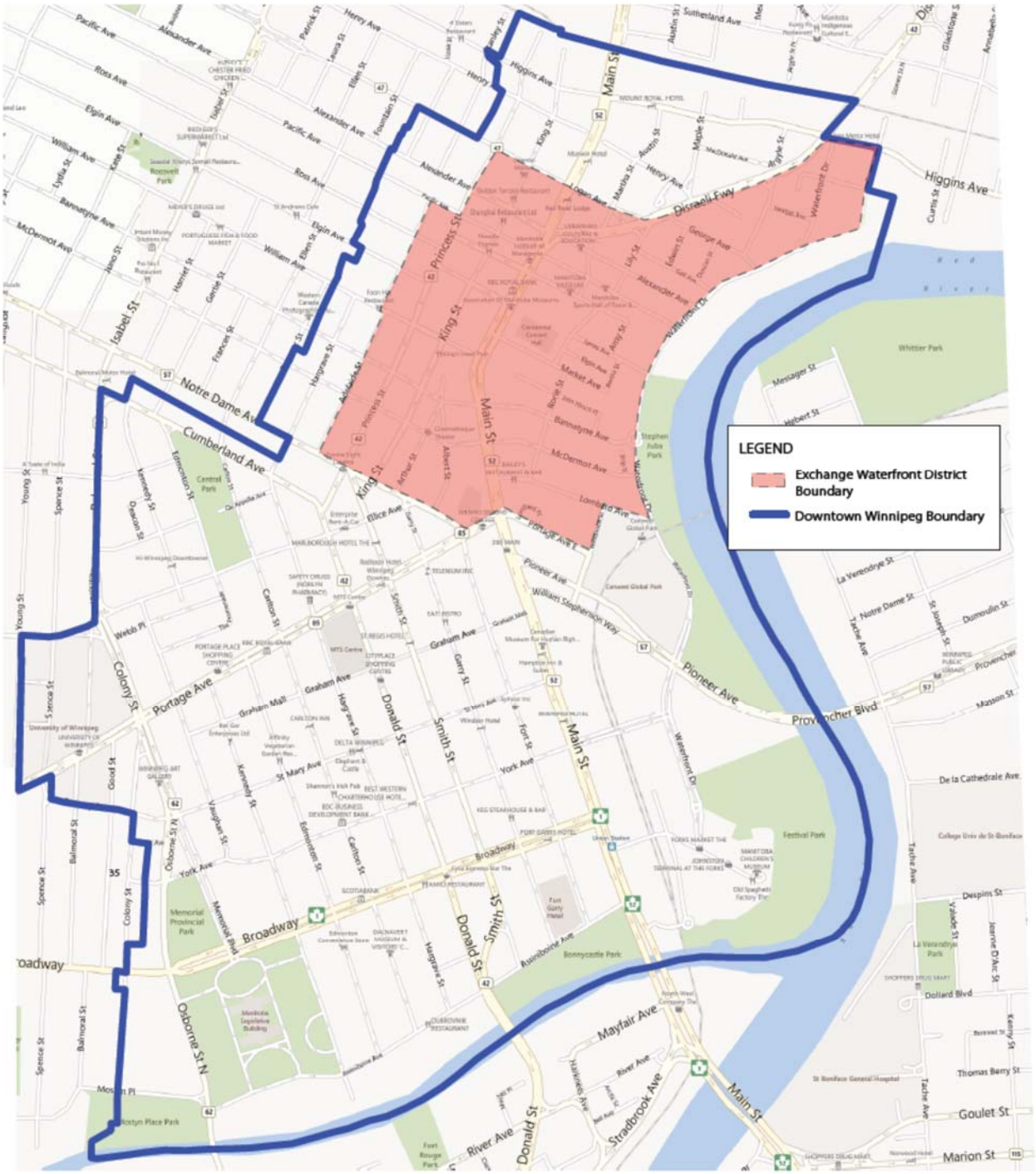
   IV. Safety Initiatives incorporating CPTED Principles:
      i. Initiatives include the use of light, colour, walkway improvements, planting, art and animation to create an interesting and attractive outdoor environment that will facilitate increased pedestrian activity. Increasing positive activity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

iii. Capitalize on the opening of the Human Rights Museum with capital investments in public realm enhancements that will connect the Exchange Waterfront neighbourhood to the Human Rights Museum. Examples include signage, pathways, way finding initiatives.

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. Map outlining Program area below:


LEGEND
Exchange Waterfront District Boundary
Downtown Winnipeg Boundary
Main St
Higgins Ave
Disraeli Fwy
Princess St
King St
Notre Dame Ave
Cumberland Ave
Portage Ave
Pioneer Ave
Provencher Blvd
Broadway
Donald St
Smith St
Colony St
Isabel St
Osborne St N
Mayfair Ave
Stradbrook Ave
River Ave
Goulet St
Marion St
Dollard Blvd
Despins St
Thomas Berry St
Whittier Park
Central Park
Memorial Park
Festival Park
Bonnycastle Park
Roosevelt Park
Stephen Juba Park
Mostyn Place Park
Fort Rouge Park
Manitoba Legislative Building
Red River

APPENDIX C

Year	Phase 1 Repayment beginning in 2015	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	Total per Year	Per FIS Amount	Per FIS Year(s)
2014	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	2014
2015	$ 187,867	$ 57,227	$ -	$ -	$ -	$ -	$ 245,095	$ 245,095	2015
2016	$ 187,867	$ 57,227	$ 126,786	$ -	$ -	$ -	$ 371,881	$ 371,881	2016
2017	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ -	$ 594,528	$ 594,528	2017
2018	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025	$ 10,038,866	2018 to 2032
2019	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025		
2020	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025		
2021	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025		
2022	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025		
2023	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025		
2024	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025		
2025	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025		
2026	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025		
2027	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025		
2028	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025		
2029	$ 187,867	$ 57,227	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 750,025		
2030	$ -	$ -	$ 126,786	$ 195,093	$ 27,554	$ 155,496	$ 504,930		
2031	$ -	$ -	$ -	$ 195,093	$ 27,554	$ 155,496	$ 378,143		
2032	$ -	$ -	$ -	$ -	$ -	$ 155,496	$ 155,496		
	$ 2,818,012	$ 858,410	$ 1,901,797	$ 2,926,397	$ 413,308	$ 2,332,447	$ 11,250,371	$ 11,250,371	