Agenda – Executive Policy Committee – December 3, 2014

REPORTS

Item No. 13 Former Winnipeg Stadium Tax Increment Financing (TIF) By-law

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That Council enact the "Former Winnipeg Stadium Site TIF By-law" (draft attached as Attachment 1) so that taxes to which the Tax Increment Financing agreement applies can be applied to the loan owed by Triple B Stadium Inc. before the end of 2014.

2. That Council dispense with condition that said By-law must comply with an Area Master Plan.

3. That the Planning, Property and Development be directed to report back, in conjunction with their annual Local Area Planning Initiatives report, recommending additional planning processes that may be required to ensure the orderly development of the Polo Park Area Regional Mixed Use Centre consistent with OurWinnipeg and Complete Communities Direction Strategy.

ADMINISTRATIVE REPORT

Title: **Former Winnipeg Stadium Site Tax Increment Financing (TIF) By-law**

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

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Holmes	B. Thorgrimson	Betty Holsten-Boyer A/CFO	M. Jack A/COO

RECOMMENDATIONS

1. That Council enact the "Former Winnipeg Stadium Site TIF By-law" (draft attached as Attachment 1) so that taxes to which the Tax Increment Financing agreement applies can be applied to the loan owed by Triple B Stadium Inc. before the end of 2014.

2. That Council dispense with condition that said By-law must comply with an Area Master Plan.

3. That the Planning, Property and Development be directed to report back, in conjunction with their annual Local Area Planning Initiatives report, recommending additional planning processes that may be required to ensure the orderly development of the Polo Park Area Regional Mixed Use Centre consistent with OurWinnipeg and Complete Communities Direction Strategy.

REASON FOR THE REPORT

Only Council can enact a by-law. By-law enactment before the end of 2014 is critical so that the taxes to which the Tax Increment Financing agreement applies can be applied to the loan owed by Triple B Stadium Inc. before the end of 2014.

IMPLICATIONS OF THE RECOMMENDATIONS

Enactment of the attached "Former Winnipeg Stadium Site TIF By-law" would give effect to a critical recommendation in the Report adopted by Council on December 15, 2010. That report addressed a variety of issues related to the development of the new stadium development at the University of Manitoba and the redevelopment of former Winnipeg Stadium site in the Polo Park area.

The recommendation adopted in December 2010 that would be operationalized by enactment of the attached draft By-law is Recommendation 1b which states:

> *"b. That a by-law be enacted to create a Tax Increment Financing (TIF) designated area for the ESS* [Existing Stadium Site] *pursuant to section 222 of The City of Winnipeg Charter for incremental municipal taxes that is consistent with the area of a Community Revitalization Property set out in a provincial regulation enacted pursuant to The Community Revitalization Tax Increment Financing Act, and is consistent with an Area Master Plan that will accommodate significant growth and change in a sustainable way."*

Recommendation 1c of the 2010 Council adopted report, proposed that the incremental real property and business taxes to which the TIF applied, as well as incremental school taxes generated from the Community Revitalization Property, be used to repay a $75 million loan used to construct Investors Group Field.

The Tax Increment Financing By-law endorsed by Recommendation 1b is subject to two conditions:

- The geographical area of the TIF must be consistent with a provincial regulation which identifies the former stadium site as a Community Revitalization Property; and
- The TIF must be consistent with an Area Master Plan that will accommodate significant growth and change in a sustainable way.

The first condition has been met; Manitoba Regulation 203/2013 has now been enacted. It identifies the area of the former stadium; that is, the area bounded by St. Matthews Avenue, St. James Street, Maroons Road and Empress Street.

The second condition, which required that the by-law enacted to create a TIF designated area for the ESS be consistent with an Area Master Plan, is not applicable as an area master plan was not created for the ESS.

The Polo Park Area is identified in Complete Communities as one of seven existing Regional Mixed Use Centres. One of the key directions for such areas is to: *Promote and guide the transformation of existing Regional Mixed Use Centres through a proactive and collaborative planning process*. The proactive and collaborative planning process undertaken can vary significantly and may include approaches such as: development application(s), Planned Development Overlays (PDO), guidelines, concept plans, Area Master Plans, etc. The most appropriate proactive and collaborative process undertaken is determined based on a range of factors including: site area, existing use(s), proposed use(s), adjacent land use(s), existing secondary plans and other regulations, other land use designations (i.e. New Communities, Major Redevelopment Sites, etc.) that also apply to the site, etc.

The Polo Park Regional Mixed Use Centre falls within the boundaries of the Airport Vicinity Protection Area Secondary Plan. The intent of this secondary plan is to protect the operations of the airport by limiting residential exposure to airport-related noise. It was passed by Council in 1994, taking specific direction from Sections 269 to 272 of the City of Winnipeg Charter.

There are two separate areas within this plan which place restrictions on residential development in relation to Noise Exposure Forecasts. Polo Park falls within Area I, the most restrictive of these two areas, where multifamily residential development is prohibited. Further,

all new residential development within the plan area must abide by robust construction standards designed to mitigate against the level of aircraft noise as prescribed by the Airport Vicinity Acoustic Insulation By-law.

The policy direction of this plan is implemented by a planned development overlay (PDO) in Winnipeg Zoning By-law No. 200/06.

Additional planning processes, including a Master Plan process, may be required in the future to ensure the orderly development of the Polo Park Area Regional Mixed Use Centre is consistent with OurWinnipeg and Complete Communities Direction Strategy. Likely this would result in an amendment to the existing Airport Vicinity Protection Area Secondary Plan.

While no new Area Master Plan was developed as part of the initial redevelopment of the Former Winnipeg Stadium site, the development met the existing secondary plan and accompanying PDO requirements. It is therefore proposed that Council enact the draft Former Winnipeg Stadium Site TIF By-law, dispensing the condition that the by-law must comply with an Area Master Plan.

HISTORY

On April 28, 2010, Council adopted an Economic Development Initiative for the redevelopment of the former Winnipeg Stadium site and the new Investors Group Field stadium development at the University of Manitoba.

At a special meeting on December 15, 2010, Council adopted a report which addressed a variety of issues related to the development of the new Investors Group Field stadium development at the University of Manitoba and the redevelopment of former Winnipeg Stadium site in the Polo Park area.

FINANCIAL IMPACT

Financial Impact Statement **Date:** November 26, 2014

Project Name:

Former Winnipeg Stadium Site Tax Increment Financing (TIF) By-law

COMMENTS:

Enactment of the by-law attached as Attachment 1 to this report will enable taxes to which the Tax Increment Financing agreement applies to be applied to the loan owed by Triple B Stadium Inc. before the end of 2014. The financial implications related to the establishment of a TIF zone at the ESS were included in the report to Council on December 15, 2010. As such, there are no financial implications associated with the recommendation in this report.

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

CONSULTATION

In preparing this report there was consultation with:

Legal Services
Corporate Finance
Assessment and Taxation

SUBMITTED BY

Department: Planning, Property and Development
Division: Economic Development
Prepared by: Gary Holmes, Manager of Economic Development
Date: November 28, 2014
File No. o:\reportsdirective\Office of the Director\Manager of Economic Development\2014 11 28 Stadium – Polo Park Redevelopment – RIS report (version 2)

THE CITY OF WINNIPEG

BY-LAW NO.

A By-law of THE CITY OF WINNIPEG to create a Tax Increment Financing Zone at the site of the former Winnipeg Stadium

WHEREAS the City of Winnipeg, together with the Province of Manitoba and the University of Manitoba are the sole shareholders of Triple B Stadium Inc.;

AND WHEREAS Triple B Stadium Inc. has constructed Investors Group Field at the Fort Garry campus of the University of Manitoba as a venue for professional and university football and community athletics;

AND WHEREAS the construction of Investors Group Field made the continued operation of Winnipeg Stadium unnecessary with the result that Winnipeg Stadium was demolished and the site was made available for redevelopment;

AND WHEREAS the construction of Investors Group Field was financed in part by a loan from the University of Manitoba to Triple B Stadium Inc. in the amount of $75,000,000 plus interest being added to the principal, it being contemplated that Triple B Stadium Inc. would receive funds from Winnipeg and other parties for application to this loan;

AND WHEREAS on December 15, 2010, the Council of the City of Winnipeg authorized the creation of a Tax Increment Financing (TIF) designated area for the former Winnipeg Stadium site pursuant to section 222 of *The City of Winnipeg Charter*, and further authorized the application of all incremental municipal real property taxes and incremental business taxes generated from the TIF designated area to repay the $75,000,000 loan plus interest on condition that the TIF designated area be designated a Community Revitalization Property by regulation pursuant to *The Community Revitalization Tax Increment Financing Act*;

AND WHEREAS the Province of Manitoba in December, 2013 designated the former Winnipeg Stadium site as a Community Revitalization Property by Regulation 203/2013 under *The Community Revitalization Tax Increment Financing Act;*

NOW THEREFORE THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

Short title

1 This By-law may be cited as the "Former Winnipeg Stadium Site TIF By-law".

Definitions

2 In this By-law,

"base year municipal taxes" means the amount established in section 4;

"business tax" has the same meaning as in *The City of Winnipeg Charter*;

"Former Winnipeg Stadium Site TIF Zone" means the tax increment financing area designated in section 3.

"**incremental municipal taxes**" in any year means the municipal taxes in respect of the Real and Personal Property Assessment Roll and the Business Assessment Roll for that year less the base year municipal taxes;

"municipal real property taxes" means taxes imposed by the City of Winnipeg for its own purposes on real property pursuant to clauses 334(1)(a) and 341(1) of *The City of Winnipeg Charter* but does not include:

(a) business taxes;

(b) fees for licences in lieu of business tax;

(c) fees for mobile home licences;

(d) personal property taxes;

(e) local improvement taxes;

(f) frontage taxes;

(g) arrears of taxes;

(h) any amounts added to taxes for the recovery of a debt pursuant to a statutory

(i) authority;

(j) business improvement taxes;

(k) electricity and gas taxes;

(l) penalties for unpaid taxes;

"municipal taxes" means the total of municipal real property taxes and business taxes imposed by the City of Winnipeg for its own purposes;

"real property" means real property as defined in The City of Winnipeg Charter;

Former Winnipeg Stadium Site TIF Zone designated

3 A tax increment financing zone is hereby designated which consists of the properties located within the area bounded by St. Matthews Avenue, Empress Street, Maroons Road and St. James Street as described by the shaded area in the map attached as Attachment "A" to this By-law.

Base year municipal taxes established

4 The amount of the base year municipal taxes is hereby established as $0.00, being the municipal taxes imposed on all properties and business premises within the Former Winnipeg Stadium Site TIF Zone in respect of the 2013 Real and Personal Property Assessment Roll and the 2013 Business Assessment Roll which are deemed under section 335 of *The City of Winnipeg Charter* to have been imposed on January 1, 2013.

Incremental municipal taxes to be applied to loan

5(1) Beginning in 2014, the Chief Financial Officer of the City of Winnipeg shall ensure that the entirety of all incremental municipal taxes are applied to the loan in the amount of $75,000,000 plus interest owed by Triple B Stadium Inc. to the University of Manitoba.

5(2) The obligation set out in subsection (1) ends on the earlier of

(a) the date when the loan referred to subsection (1) plus interest has been paid; or

(b) December 31, 2037.

Termination date

6 This By-law ceases to have any force or effect on earlier or the dates referred to in subsection 5(2).

DONE AND PASSED, this day of , 2014.

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Mayor

_____
City Clerk

Approved as to content:

_____
Director of Assessment and Taxation

Approved as to form:

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For Director of Legal Services/City Solicitor

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