Minutes – Executive Policy Committee – December 2, 2015

REPORTS

Item No. 2 CentreVenture Development Corporation – Long-term Funding Solution

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That a one-time operating grant of $600,000 to CentreVenture Development Corporation (CV) for 2016 be referred to the 2016 operating budget process for consideration.

2. That Recommendation 2 of the Administrative Report entitled "Sustainable Funding Options and Asset Agreement Renewal – CentreVenture Development Corporation" adopted by Council on June 25, 2014, be rescinded.

3. That as a condition of future funding from the City:
   - A. An annual business plan in appropriate form as determined by the City's Chief Financial Officer be submitted by CentreVenture for consideration and approval of Council, which business plan shall include, without limitation
     - i. specific and measurable goals and objectives;
     - ii. timeframes for accomplishing such goals and objectives; and,
     - iii. costs of such goals and objectives.
   - B. annual reporting on CentreVenture's use of the prior year operating funds be required as a condition of annual operating funding approval; and
   - C. future operating funding be disbursed conditional upon the City and CentreVenture entering into a funding agreement with respect to such funds.

4. That until such time as a master funding agreement is entered into between the City and CentreVenture, CentreVenture shall not use any City funding or City guaranteed funding for the purposes of providing bridge financing to developers unless prior written approval is provided by the Chief Financial Officer.

5. That in the event Urban Development Bank funding is requested from City in the future:
   - A. The Public Service and CentreVenture develop and provide to the City for Council approval a set of criteria for Urban Development Bank funding; and,
   - B. annual reporting satisfactory to the Chief Financial Officer be required on all transactions funded from the Urban Development Bank.

6. That future funding from the Gail Parvin Hammerquist Fund be suspended until such time that:
   A. a master funding agreement is entered into between the City and CentreVenture prior to payment of the annual Gail Parvin Hammerquist allocation;
   B. the Public Service and CentreVenture develop for Council approval a set of criteria to be applied by CentreVenture when disbursing heritage funds; and,
   C. annual reporting on CentreVenture's use of the heritage funds be required as a condition of funding.

7. That commencing in 2016, CentreVenture submit annual reporting with respect to the Asset Agreement signed by CentreVenture and the City satisfactory to the Director of Planning, Property and Development including, without limitation:
   A. a list of all properties optioned to CentreVenture pursuant to the Asset Agreement; and,
   B. a status update on the development of all such properties.

8. That commencing in 2016, CentreVenture submit annual reporting with respect to all loan guarantees approved by the City satisfactory to the Chief Financial Officer in order to track the City's financial exposure for such borrowing. Such annual reporting should contain at minimum:
   A. the balance of all outstanding loans at the beginning of the calendar year; and
   B. the balance of all outstanding loans at the end of the calendar year.

9. That in the event the City provides future funding for specific initiatives, a funding agreement between the City and CentreVenture be required for all future specific initiative grants.

10. That with respect to funding provided from program administration fees, Council determine whether future downtown development and/or investment programs in which the City is a participant be administered by the City.

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

DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

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

Carried

COUNCIL DECISION:

On November 25, 2015, granted a further extension of time to the December 2, 2015 meeting of Executive Policy Committee in order for the Winnipeg Public Service to report back with a recommended long-term funding solution for the CentreVenture Development Corporation.

On September 30, 2016, Council granted a further extension of time of 60 days in order for the Winnipeg Public Service to report back with a recommended long-term funding solution for the CentreVenture Development Corporation.

On June 17, 2015, Council granted an extension of time to the September 9, 2015 meeting of Executive Policy Committee in order for the Winnipeg Public Service to report back with a recommended long-term funding solution for the CentreVenture Development Corporation.

On February 25, 2015, Council granted an extension of time of 120 days in order for the Winnipeg Public Service to report back with a recommended long-term funding solution for the CentreVenture Development Corporation.

On June 25, 2014, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the CentreVenture Development Corporation 2014 – 2016 Business Plan (Attachment 1) be received as information.

2. That a grant of $750,000 be approved from the Land Operating Reserve Fund in 2014 in response to CentreVenture's request for an annual increase of $750,000 to its Urban Development Bank balance to be utilized by CentreVenture to implement its 2014-2016 Business Plan, subject to CentreVenture entering into a grant agreement with the City.

3. That the Chief Administrative Officer be delegated the authority to negotiate and approve the terms and conditions of the grant agreement between the City and CentreVenture in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

4. That the Winnipeg Public Service further explore alternative long-term sustainable funding sources for CentreVenture in collaboration with CentreVenture and other stakeholder agencies as applicable with the following objectives:

    A. That the Winnipeg Public Service report back to Council within 6 months with a recommended long-term funding solution;

    B. That the recommended funding solution provide a viable long-term funding source for CentreVenture for the final two years of its 2014 to 2016 Business Plan timeframe and beyond;

    C. That the reimbursement of the Land Operating Reserve Fund be approved in principle for the $750,000 grant identified in recommendation 2 and that the recommended long-term funding solution addresses such reimbursement.

5. That the current Asset Agreement with CentreVenture be extended for three years effective March 1, 2014 in conjunction with their 2014 – 2016 Business Plan time frame and that the Chief Administrative Officer be delegated the authority to negotiate and approve the terms and conditions of all documentation required to evidence such extension.

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

ADMINISTRATIVE REPORT

Title: **CentreVenture Development Corporation Funding**

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

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Holmes	J. Kiernan	M. Ruta	D. McNeil

RECOMMENDATIONS

1. That a one-time operating grant of $600,000 to CentreVenture Development Corporation (CV) for 2016 be referred to the 2016 operating budget process for consideration.
2. That Council rescind Recommendation 2 of the Administrative Report entitled "Sustainable Funding Options and Asset Agreement Renewal – CentreVenture Development Corporation" adopted by Council on June 25, 2014
3. That as a condition of future funding from the City:
    a. An annual business plan in appropriate form as determined by the City's Chief Financial Officer be submitted by CV for consideration and approval of Council, which business plan shall include, without limitation
        i. specific and measurable goals and objectives;
        ii. timeframes for accomplishing such goals and objectives; and,
        iii. costs of such goals and objectives.
    b. annual reporting on CV's use of the prior year operating funds be required as a condition of annual operating funding approval; and
    c. future operating funding be disbursed conditional upon the City and CV entering into a funding agreement with respect to such funds.
4. That until such time as a master funding agreement is entered into between the City and CV, CV shall not use any City funding or City guaranteed funding for the purposes of providing bridge financing to developers unless prior written approval is provided by the Chief Financial Officer.
5. That in the event Urban Development Bank funding is requested from City in the future:
    a. The Public Service and CV develop and provide to the City for Council approval a set of criteria for Urban Development Bank funding; and,
    b. annual reporting satisfactory to the Chief Financial Officer be required on all transactions funded from the Urban Development Bank.
6. That future funding from the Gail Parvin Hammerquist Fund be suspended until such time that:
    a. a master funding agreement is entered into between the City and CV prior to payment of the annual Gail Parvin Hammerquist allocation;

b. the Public Service and CV develop for Council approval a set of criteria to be applied by CV when disbursing heritage funds; and,
c. annual reporting on CV's use of the heritage funds be required as a condition of funding.

7. That commencing in 2016, CV submit annual reporting with respect to the Asset Agreement signed by CV and the City satisfactory to the Director of the Planning, Property and Development Department including, without limitation:
    a. a list of all properties optioned to CV pursuant to the Asset Agreement; and,
    b. a status update on the development of all such properties.
8. That commencing in 2016, CV submit annual reporting with respect to all loan guarantees approved by the City satisfactory to the Chief Financial Officer in order to track the City's financial exposure for such borrowing. Such annual reporting should contain at minimum:
    a. the balance of all outstanding loans at the beginning of the calendar year; and
    b. the balance of all outstanding loans at the end of the calendar year.
9. That in the event the City provides future funding for specific initiatives, a funding agreement between the City and CV be required for all future specific initiative grants.
10. That with respect to funding provided from program administration fees, Council determine whether future downtown development and/or investment programs in which the City is a participant be administered by the City.
11. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council consideration and approval is required for grants to external agencies. Further, to recommendation 2 above, on June 25, 2014, Council approved the following:

That a grant of $750,000 be approved from the Land Operating Reserve Fund in 2014 in response to CentreVenture's request for an annual increase of $750,000 to its Urban Development Bank balance to be utilized by CentreVenture to implement its 2014-2016 Business Plan, subject to CentreVenture entering into a grant agreement with the City.

Council approval is required to rescind the grant.

EXECUTIVE SUMMARY

Created in 1999 to provide leadership in sustaining and creating business, residential and cultural opportunities in the downtown, CV has operated as the City of Winnipeg's arms-length development agency for more than 15 years, CV has been provided with a number of investment tools from the City of Winnipeg with which to pursue its mandated activities and to become financially self-sufficient. Downtown development accomplishments have been significant in recent years and CV has been responsible for leveraging a number of downtown properties into higher-better use development. The Downtown and CV as an agency is at an important crossroads. Momentum has been gained but must be sustained.

CV's continued role in plan and policy implementation requires an affirmed mandate and funding aligned with mandated objectives. This report seeks to provide a basis for financial support required by CV from the City of Winnipeg within a reporting structure that ensures full accountability for the use of public funds. In exchange, CV will demonstrate through their Board and to the City of Winnipeg the effective planning and resourcing of activities in direct pursuit of

the City's Downtown policy and plan objectives to ensure all activities conducted with public funds are conducted with the same transparency and accountability as City activities are conducted on behalf of Winnipeggers.

IMPLICATIONS OF THE RECOMMENDATIONS

- The Mandate Review Working Group recommendations with be the foundation on which CV will develop a Strategic Business and Action Plan, for endorsement by the Executive Policy Committee of Council. CV's Strategic Business Plan and budget will be the basis for establishing a funding level from the City that will sustain CV's mandated activities for the long-term, subject to Council's annual budget approval as applicable.
- Every effort will be made by the Public Service to ensure that:
    - as the City's Downtown Development agency, CV aligns its Strategic Business Planning efforts with policy and plan objectives reflected in Our**Winnipeg** and its companion documents, most notably the Complete Communities Direction Strategy – OurDowntown component;
    - accountability and reporting for the use of public funds is accomplished in an open and transparent manner; and to the extent possible, the actual level of funding from the City of Winnipeg is reflective of CV's mandated pursuit of the City's policy goals and proportionate to the resulting return on investment to the city and its citizens.

HISTORY

The following history is provided in three sections, an overview of funding sources and financial instruments that CV administers, a summary of the recent Financial Review of CV, and a final section on alternative funding sources for consideration by Council once a Business Plan has been presented by CV in 2016.

A. OVERVIEW OF CURRENT FUNDING SOURCES AND FINANCIAL INSTRUMENTS

CV has been funded by several funding sources to date. These have generally been a combination of operating grants and fees charged to administer grants. Listed below is a summary of the funding used by CV in the delivery of programs.

1. Start-Up Funding and Ongoing Operating Grants

- Since 1999, Council has approved operating funding to CV as follows:
    - $250,000 in start-up funds for the balance of 1999 fiscal year (approved May 13, 1999)
    - $250,000 operating grant for each of 2000 through 2002 inclusive (approved September 29, 1999)
    - $250,000 operating grant (approved March 19, 2003)
    - $250,000 operating grant (approved March 23, 2004)
    - $250,000 operating grant (approved March 22, 2005)
    - $250,000 operating grant (approved March 21, 2006)
    - $250,000 operating grant (approved January 24, 2007)
    - $300,000 operating grant for each of 2011 through 2013 inclusive (approved November 16, 2011 and funded from the Permits Reserve)
    - $300,000 for 2014 (approved in the 2014 operating budget process)
    - $100,000 for 2015 (approved in the 2015 operating budget process)

- $600,000 as recommended for referral to the City's 2016 operating budget process for consideration

- Grants have been disbursed to CV each year without a funding agreement in place, criteria for disbursing funds are no longer approved by Council, and no reporting on use of funds is provided.

Future Direction

The Public Service recommends that: (i) no future operating funding be disbursed without a funding agreement between the City and CV; (ii) funding be tied to specific business plan initiatives; and (iii) annual reporting on CV's use of the operating funds be required as a condition of funding.

2. Urban Development Bank Funding

- CV's initial business plan contained provision for the creation of a development bank to "primarily focus on maximizing the leverage of CV's funding with public / private sector investment. The Development Bank will initiate creative financing, in the form of direct loans, loan guarantees, performance and discretionary grants, fund feasibility and architectural studies, realty, amusement and business tax concessions."
- Since 1999, Council has approved Urban Development Bank funding to CV as follows:
  - $3,000,000 in endowment funding (approved September 29, 1999)
  - $7,000,000 in endowment funding (approved April 17, 2002)
  - $750,000 (approved June 25, 2014)

Future Direction

The Public Service recommends that in the event Urban Development Bank funding is provided by the City in the future: (i) CV be requested to develop and provide to the City criteria for Urban Development Bank funding; (ii) annual reporting satisfactory to the Chief Financial Officer be required on all transactions funded from the Urban Development Bank and, (iii) that Council rescind the grant of $750,000 approved on June 25, 2014 and no further funding be granted to the Urban Development Bank until the foregoing is submitted to Council for review and approval.

3. Heritage Funding

- Council policy dictates that 5% of the proceeds from City land sales are allocated to the Gail Parvin Hammerquist (Heritage) Fund.
- On April 26, 2000, Council approved the CentreVenture Downtown Heritage Program, which was established by City by-law with program criteria approved by Council. The program was administered by CV and funded from the Gail Parvin Hammerquist allocation. The program ended in 2004, at which point, CV instead received an annual grant from the Gail Parvin Hammerquist fund to be spent on heritage initiatives.
- In 2009, Council directed that in each calendar year, 80% of the Gail Parvin Hammerquist Fund allocation be provided to CV to fund innovative measures to attract new investment occupants and use for heritage buildings, as well as to conserve the heritage character architectural elements and detailing of designated buildings.

- This grant is disbursed to CV each year without a funding agreement in place. Criteria for disbursing funds are no longer approved by Council and no reporting on use of funds is provided.
- Also, on April 26, 2000, Council approved the CentreVenture Heritage Tax Credit Program, which was established by City by-law with program criteria approved by Council. The program was administered by CV and funded from the Heritage Investment Reserve. The program ended in 2004, at which point approximately $2,500,000 in heritage tax credits had been granted.

Future Direction

The Public Service recommends that in the event heritage funding is provided by the City in the future: (i) a master funding agreement be entered into between the City and CV prior to payment of the annual Gail Parvin Hammerquist allocation; (ii) the Public Service and CV develop for Council approval a set of criteria to be applied by CV when disbursing heritage funds; (iii) annual reporting on CV's use of the heritage funds be required as a condition of funding and (iv) further funding from Gail Parvin Hammerquist be suspended until the above conditions have been met.

4. Asset Agreement

- On November 17, 1999, Council approved an asset agreement between the City and CV, which contained the following key terms:
    - options were to be provided to CV on four categories of properties in the downtown:
        - Category A: City-Owned Properties Declared Surplus
        - Category B: City-Owned Properties in the Process of Being Declared Surplus
        - Category C: City-Owned Properties Currently in Negotiation and/or Subject to Outstanding Instruction
        - Category D: City-Owned Properties that may be Declared Surplus Following the Implementation of Capital Programs
    - the option price to be paid by CV for each property was $1.00, with "minimal terms and conditions" to be placed upon the conveyance, with the exception of:
        - tax sale properties, which were to be optioned for payment of the preceding three years of realty taxes, net of interest and penalties
        - Category D properties which, once declared surplus, were only to be optioned on the recommendation of the Executive Policy Committee ("EPC") and upon such terms as EPC recommended.

Future Direction

The Public Service recommends that annual reporting satisfactory to the Director of Planning, Property and Development be required that contains at minimum: (i) a list of all properties optioned to CentreVenture during the calendar year; (ii) a summary of development plans or policy objectives of optioned properties.

5. Specific Initiative Funding

- From time to time, Council has made one-time grants to CV to assist with funding specific downtown development initiatives. Examples include:
    - $551,600 incremental tax grant for WRHA project (approved June 18, 2008)
    - $1,400,000 grant for Central Park redevelopment ($1,000,000 approved July 16, 2008 and $400,000 approved December 15, 2009)
    - $241,597 per year over 15 years for Youth for Christ project (estimate of $225,000 per year over 15 years approved February 24, 2010)
- This funding has from time to time been disbursed without a funding agreement in place.

Future Direction

In the event the City provides future funding for specific initiatives, the Public Service recommends that a funding agreement be required for all future specific initiative grants.

6. Loan Guarantees

- On April 23, 2008, Council approved the provision of a loan guarantee in the amount of $4,500,000 to secure a CV line of credit.
- On June 23, 2010, Council approved a further loan guarantee in the amount of $8,500,000 to increase CV's line of credit to a total of $13,000,000.
- On December 12, 2012, Council approved a further loan guarantee in the amount of $6,600,000 to secure an increase to CV's line of credit to a total of $19,600,000 to facilitate purchase of the St. Regis Hotel and Carlton Inn properties. An extension to the timeline of repayment of this additional $6,600,000 was approved by Council on December 11, 2013.
- In addition, loan guarantees have been approved for borrowing pursuant to the Downtown Residential Development Grant Program, the SHED program, and the Exchange Waterfront Neighbourhood Development Program.
- The City has approved loan guarantees totaling $92,385,000 relating to CV programs and operations.

Future Direction

The Public Service recommends that in order to track the City's financial exposure for such borrowing, CV be required to provide annual reporting satisfactory to the Chief Financial Officer that contains at minimum: (i) balance of all outstanding loans at the beginning of the calendar year; (ii) balance of all outstanding loans at the end of the calendar year.

7. Program Administration

- CV currently administers three programs jointly funded by the City and the Province: (i) the Downtown Residential Development Grant Program ("DRDG"), a program established by City by-law to provide grant funding to third parties for the construction or redevelopment of multi-family rental or condo housing in the downtown (funded from incremental tax revenues generated by the renovated properties); (ii) the SHED Program, a program to construct capital improvements in the Sports Hospitality and Entertainment District surrounding the MTS Centre (funded from incremental tax revenues generated by all properties in the SHED District); and (iii) the Exchange Waterfront Neighbourhood Development Program, a

program to construct capital improvements in the East Exchange District (funded from incremental tax revenues generated from DRDG condo properties).

Future Direction

The Public Service recommends that the administrative responsibility for any new downtown development and/or investment programs be determined by Council.

B. FINANCIAL REVIEW

Over the past few months the Public Service, in cooperation with staff from CV, has conducted a review of CV's financial records to determine next steps. The following information was obtained.

- The 2014 financial statements for CV may be found on the City's website at the following link http://www.winnipeg.ca/finance/files/2014AnnualReport.pdf. – starting at page 317. Total assets were $42 million comprised in part by hotel properties of $11.6 million offset by liabilities totaling $34.3 million including $14.8 million of long-term debt and surplus of $7.6 million including the Urban Development Bank at $6.8 million. Included in the Urban Development Bank is an investment in Centre Village Housing Inc. for $2.9 million offset by Province of Manitoba loans totaling $1.1 million relating to an affordable housing complex.
- CV in its original review with the Public Service requested an annual grant of $2.1 million to be used towards operations and the Urban Development Bank.
- Although CV has $19.6 million of an approved line of credit, $9.4 million is outstanding at October 15, 2015 comprised primarily of $6.6 million of loans relating to the two hotels.
- Based on the Public Service's review of CV's financial projections the operating shortfall expected in 2016 is approximately $600,000 which includes the $100,000 grant anticipated from the City. Net of amortization, the shortfall would be $585,000. Salaries comprise a large proportion of total expenses representing 76% of projected total expenses in 2016 or $822,000. There are approximately 7 approved positions in CV's employee complement but 2 positions are currently vacant. It is recommended that these positions remain vacant until Council is able to review and approve CV's 2016 business plan.
- As stated above, the Urban Development Bank commenced operations with $10 million of equity, which has been depleted to $6.8 million at the end of 2014. The Public Service has not conducted a wind-up analysis of operations based on fair values. Any loss incurred with respect to the potential disposition of 220 Carlton Street will likely require further subsidy from the City in the form of debt servicing. This analysis should be conducted in more detail when CV submits its 2016 business plan.

Future Direction

That the following be pursued in conjunction with recommendations 1 and 3 of this report:

- That the City consider in its 2016 operating budget review a grant of $600,000, based on the Financial Review detail above;

- That the City request of CV that all actions necessary to minimize expenses be taken in the interim to ensure there is sufficient funding in place during the course of further reviews relating to operational business plans.
- That the Public Service and CV review the mandate of the Urban Development Bank with a view to rationalizing and restructuring CV's investments in the Fund to maximize returns and in conjunction with this review prepare criteria for future funding as stated in Recommendation 5 hereof.
- That until such time as a master funding agreement is entered into between the City and CV, CV shall not use any City funding or City guaranteed funding for the purposes of providing bridge financing to developers unless prior written approval is provided by the Chief Financial Officer.
- That in conjunction with the City's 2016 operating budget review process consideration be given to sustainable funding options as set out below potential sources for funding for the operating grant in the short term and for longer-term funding sources relating to operational business plans in response to an affirmed mandate

C. FUNDING OPTIONS FOR CONSIDERATION

Tax-Supported Operating Grant (CV Operating Budget)

Subject to the final report of the Mandate Working Group, CV's current mandate directly or indirectly facilitates higher-better use development in Winnipeg's downtown. This option would see an annual operating grant flow to CV from the municipal incremental property taxes resulting from ongoing downtown development.

Reallocation of Downtown Permit Fee Discount

The City by policy currently discounts all permit-related fees by 10% on development within the Downtown Zoning By-law area. Under this option the City would no longer apply the 10% discount policy, collect 100% of the permit fee revenue from downtown development, and then grant 10% of this amount to CV as a supplementary operating budget offset.

Re-allocation / Supplementary Downtown Levy

Both the Downtown and Exchange District BIZ organizations derive their primary funding from a levy calculated from the Average Rental Value and resulting Business Taxes of member businesses. A levy is currently used to fund a budget vetted through the BIZ Boards and approved annually by BIZ members. This option could apply a similar methodology to fund CV either as a supplementary levy or through a portioning of the existing levy moving forward.

Business License Fees on Non-Accessory Downtown Surface Parking Lots

The Public Service is currently engaged in an initiative studying the logistics and merits of invoking a Business Licensing Framework for the operation of Non-Accessory parking lots. A Non-Accessory parking lot for these purposes is defined as a property operating exclusively as a revenue-generating parking business. Under this licensing regime, operators would be required to apply for a business license and comply with minimum design and safety standards in order to operate a surface parking business. In the event

such a business licensing framework is further considered by Council for implementation, a portion of the supplementary fee revenue could flow to CV to facilitate the higher-better use development of downtown surface parking lots in support of Our**Winnipeg** Complete Communities policy.

Conveyance of City-owned Property

Under the terms of a long-standing Asset Agreement with CV, a number of City-owned properties have been conveyed to CV over time to facilitate higher-better use downtown development. Pending final recommendations from the Mandate Working Group review and subsequent Council approvals, consideration could be given to the assignment of additional City-owned properties under a renewed Asset Agreement, based on a policy-driven strategic plan for the (re)development /disposition of these properties.

Downtown Residential Development Grant (DRDG) Program Extension – CV proposal

Under the DRDG, developers of qualifying projects have the option of securing an 'up-front' grant representing the net present value (NPV) of the future stream of incremental municipal realty taxes and provincial education taxes/levies for 10 years on condominium projects and 15 years on rental projects. CV is the borrowing authority for the resulting grant loans. Both the incremental municipal and provincial education taxes/levies are granted under this program. There are a number of approved DRDG projects in various stages of completion that have not yet been added to the municipal tax roll. CV has proposed an extension of the Tax Increment Financing (TIF) time frame for these projects such that loans under this program are amortized over 25 years instead of 10/15 years with the resulting difference in loan payment flowing to CV in support of their current funding shortfall.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 10, 2015

Project Name:

CentreVenture Development Corporation (CV) Funding

First Year of Program **2016**

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 600,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 600,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	100,000	-	-	-	-
Net Budget Adjustment Required	$ 500,000	$ -	$ -	$ -	$ -

Additional Comments: Direct costs in 2016 represents the operating grant to be referred to the 2016 operating budget process while the $100,000 existing budget amount represents the operating grant included in the 2016 financial plan. In addition to the recommended 2016 grant, the rescinding of the grant from the Land Operating Reserve Fund in 2014 in response to CentreVenture's request for an annual increase of $750,000 to its Urban Development Bank balance results in a budget "savings" (i.e. increases the unallocated equity balance in the LOR by $750,000).

"Original signed by"
Mike McGinn, CA
Manager of Finance

CONSULTATION

Legal Services

Corporate Finance

CentreVenture Development Corporation

OURWINNIPEG POLICY ALIGNMENT

Our**Winnipeg**

01-3-4: Support a thriving and vibrant Downtown as a citywide destination and Winnipeg's window to the world
01-3-4: Ensure that the important and distinct roles of partnering agencies are united with a clear mission
01-3-7: When appropriate, assist with land assembly to create viable sites for commercial and employment land development in locations that support complete communities
01-3-7: Prioritize long-term development projects in the existing public realm based on their ability to catalyze private sector investment and area revitalization
01-4-6: Adapt and develop tools to support desired development
01-4-6: Promote downtown living with developers and potential residents
02-3-4: Work with downtown community stakeholders to identify and support key projects and heritage conservation initiatives that encourage and support downtown living, and facilitate strategic economic and cultural initiatives.

Complete Communities Direction Strategy – Downtown

- Pursue a focused district, destination and cluster approach to development downtown that will seek to:
    - provide more predictability and opportunity for investment
    - increase the variety of complementary experiences and opportunities
    - help achieve a critical mass of people-oriented activity that is vital to ongoing economic success
- Promote and enable a mix of residential development options as part of a mixed-use strategy downtown, seeking to:
    - accommodate the residential needs of a large cross-section of the population.
    - establish a number of thriving ‘complete’ communities downtown.
    - attract additional commerce to the area, leading to active–and safer–downtown streets.

SUBMITTED BY

Gary Holmes
Manager of Economic Development
Planning, Property and Development Department