Agenda – Executive Policy Committee – October 19, 2016

REPORTS

Item No. 3 Amendment to SHED TIF Zone By-law No. 98/2012 to remove three properties from the Sports, Hospitality and Entertainment District (SHED)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That Council enact a by-law amending the SHED TIF Zone By-law No. 98/2012 (draft By-law attached as Appendix A) to

   (a) remove three properties, - 220 Carlton Street, 311 Hargrave Street (formerly 305 Hargrave Street) and 207 Edmonton Street - from the Sports, Hospitality and Entertainment District Tax Increment Financing Zone, and
   (b) adjust the base year tax calculation to take into account the removal of these properties from the TIF Zone.

   which amending By-law is to apply retroactively to the coming into force date of the SHED TIF Zone By-law.

2. That Council delete Recommendation 3 of its September 30, 2015 decision "Winnipeg Convention Centre – Loan Guarantee Update" and replace it with the following (new wording in bold):

   "3. That the approvals provided in recommendation 1 above with respect to the $17 million portion of the debt expire once a hotel development **on the property located at 220 Carlton Street** is complete as evidenced by an occupancy permit for such hotel development**, and that Council confirms that 220 Carlton Street is designated as the property for which the incremental municipal property taxes shall be utilized as the City's contribution towards repayment of the $16 million portion of the debt to be funded by incremental property tax grants from the City and the Province in accordance with Recommendation 1.V. of the Council decision of July 18, 2012 "Approval of Funding Participation - Winnipeg Convention Centre Expansion Project"..**

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

ADMINISTRATIVE REPORT

Title: Amendment to SHED TIF Zone By-law No. 98/2012 to remove three properties from the Sports, Hospitality and Entertainment District (SHED)

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

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

EXECUTIVE SUMMARY

This report recommends that the SHED TIF Zone By-law No. 98/2012 be amended to retroactively remove three properties, specifically 220 Carlton Street, 311 Hargrave Street and 207 Edmonton Street, from the SHED in order for the incremental taxes generated from the new construction of these projects to be used for other purposes than to support public investments. In order to accomplish this, the base tax calculation used to determine the amount of incremental taxes over time also needs to be adjusted retroactive to the date the SHED TIF Zone By-law came into force.

The projects at 311 Hargrave Street (GlassHouse) and 207 Edmonton Street (Marie Rose Place) are conditionally approved under the Downtown Residential Development Grant Program (DRDGP) and are eligible to receive DRDGP grants under this program.

The incremental taxes associated with the construction of Sutton Place Hotel & Residences and development by Northland Properties at 220 Carlton Street will be used towards the debt commitment of the renovation and addition to the RBC Convention Centre.

RECOMMENDATIONS

1. That Council enact a by-law amending the SHED TIF Zone By-law No. 98/2012 (draft By-law attached as Appendix A) to
   (a) remove three properties, - 220 Carlton Street, 311 Hargrave Street (formerly 305 Hargrave Street) and 207 Edmonton Street - from the Sports, Hospitality and Entertainment District Tax Increment Financing Zone, and
   (b) adjust the base year tax calculation to take into account the removal of these properties from the TIF Zone.

   which amending By-law is to apply retroactively to the coming into force date of the SHED TIF Zone By-law.

2. That Council delete Recommendation 3 of its September 30, 2015 decision "Winnipeg Convention Centre – Loan Guarantee Update" and replace it with the following (new wording in bold):

"3. That the approvals provided in recommendation 1 above with respect to the $17 million portion of the debt expire once a hotel development **on the property located at 220 Carlton Street** is complete as evidenced by an occupancy permit for such hotel development**, and that Council confirms that 220 Carlton Street is designated as the property for which the incremental municipal property taxes shall be utilized as the City's contribution towards repayment of the $16 million portion of the debt to be funded by incremental property tax grants from the City and the Province in accordance with Recommendation 1.V. of the Council decision of July 18, 2012 "Approval of Funding Participation - Winnipeg Convention Centre Expansion Project".**.

3. 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

Council approval is required to amend the SHED TIF Zone By-law No. 98/2012.

IMPLICATIONS OF THE RECOMMENDATIONS

This allows the incremental taxes generated to be used for the City's commitment of grants under the DRDGP for 311 Hargrave Street and 207 Edmonton Street, while incremental taxes generated from 220 Carlton Street will be used towards the City's debt commitment for the RBC Convention Centre.

HISTORY/DISCUSSION

The establishment of a TIF Zone to support strategic public investments consistent with the Portage Avenue Development Strategy and Sports Hospitality and Entertainment District was approved by Council on April 25, 2012 and the SHED TIF Zone By-law No. 98/2012 was passed on July 18, 2012.

The City has conditionally approved the projects at 311 Hargrave Street and 207 Edmonton Street under the DRDGP and is committed to providing the developers with a grant using incremental taxes generated from the completed projects; to avoid the incremental taxes from these properties from being used twice, these properties must be removed from the SHED. If these properties are not removed from the SHED, then grants cannot be issued to the developer under the DRDGP, as the SHED TIF Zone By-law requires that 80% of incremental municipal real property taxes for all properties in the SHED must be used to support public investments.

The project at 207 Edmonton Street is complete and is eligible for its grant this year under the DRDGP. This project has added 40 residential rental units, which provides medium and longer term transitional/supportive housing to single immigrant and refugee women who may have a child. The City of Winnipeg entered into the Downtown Residential Development Grant agreement with the developer on May 5, 2014 and is committed to providing the developer with a grant.

The project at 311 Hargrave Street is under construction and is expected to be complete by the end of 2016. Upon completion, this project will result in the introduction of 195 additional residential condominium units. The City of Winnipeg entered into the Downtown Residential Development Grant agreement with the developer on August 15, 2014 and is committed to providing the developer with a grant under that program.

The incremental taxes generated for the project at 220 Carlton Street will be used for debt commitment for the RBC Convention Centre.

FINANCIAL IMPACT

Financial Impact Statement Date: September 20, 2016

Project Name:

Amendment to SHED TIF Zone By-law No. 98/2012 to remove three properties from the Sports, Hospitality and Entertainment District (SHED)

COMMENTS:

Removal from the SHED TIF Zone of the 207 Edmonton Street and 311 Hargrave Street properties will enable incremental taxes to be utilized pursuant to the Downtown Residential Development Grant agreements entered into with the respective developers of those properties under that program.

Removal of the 220 Carlton Street property will enable the incremental taxes generated to be used for the debt commitment for the RBC Convention Centre as previously approved by Council.

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

CONSULTATION

Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

Our Winnipeg Section 01-4 – A City That Works - Housing

- Direction 6: Encourage residential development downtown
    - Enhance the quality of downtown residential life
    - Adapt and develop tools to support desired development
    - Promote downtown living with developers and potential residents

SUBMITTED BY

Department: Planning, Property and Development
Division: Economic Development
Prepared by: Lori DesAutels, Housing Development Program Officer
Date: September 20, 2016
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THE CITY OF WINNIPEG

BY-LAW No. _____

A By-law of THE CITY OF WINNIPEG to amend the SHED TIF Zone By-law

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

SHED TIF Zone By-law amended

1 The SHED TIF Zone By-law No. 98/2012 is amended

(a) By replacing "*Attachment "A""* in section 3 with "*Schedule "A""*;

(b) replacing "*$1,609,445. 00*" in section 4 with "*$1570,222.00*"; and

(c) By replacing Schedule "A" of the SHED TIF Zone By-law with Schedule "A" to this By-law.

Retroactive coming into force

2 This By-law is intended to take effect retroactively and to apply from the date the SHED TIF Zone By-law came into force. Accordingly, this By-law takes effect on July 18, 2012.

DONE AND PASSED this _____ day of _____, 2016.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of Planning, Property and Development

Approved as to form and content:

_____
For Director of Legal Services/City Solicitor

DRAFT



Shed map for by-law ammendment with 30