Agenda - Executive Policy Committee - December 7, 2016

Report - Standing Policy Committee on Finance - December 1, 2016

Item No. 2 Closing of General Revenue Enterprises Fund

STANDING COMMITTEE RECOMMENDATION:

On December 1, 2016, due to a tie vote, the Standing Policy Committee on Finance submitted the matter to Executive Policy Committee and Council without recommendation.

Agenda - Executive Policy Committee - December 7, 2016

Report - Standing Policy Committee on Finance - December 1, 2016

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On December 1, 2016, due to a tie vote, the Standing Policy Committee on Finance submitted the matter to Executive Policy Committee and Council without recommendation.

ADMINISTRATIVE REPORT

Title: ***Closing of General Revenue Enterprises Fund***

Critical Path: **SPC on Finance – Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
P. Olafson	Mike Ruta	Mike Ruta	D. McNeil

EXECUTIVE SUMMARY

The General Revenue Enterprises Fund ("GREF") was originally created to account for commercial activities in which The City of Winnipeg was in competition with the private sector. Over time, the accounting for these activities was undertaken in various other funds. Meanwhile, the use of this Fund was expanded to include programs funded by grants from the senior levels of government or by their own revenue sources. Transparency and accountability over the activities currently accounted for in the GREF will be enhanced by doing so in the General Revenue and Heritage Investment Reserve Funds.

RECOMMENDATIONS

1. Effective January 1, 2016, Council approve:
    a. the terms and conditions of the Heritage Investment Reserve Fund be amended to include:
        i. Ongoing funding to include 5% of gross land sales transferred from the Land Operating Reserve Fund to the Heritage Investment Reserve Fund for the purposes of the Gail Parvin Hammerquist Fund
        ii. Except for funds received for purposes of the Gail Parvin Hammerquist Fund, which can be used to fund projects directly, the Heritage Investment Reserve Fund will continue to fund heritage tax credit programs with annual and multi-year horizons
    b. the remaining balances in the General Revenue Enterprises Fund will be transferred, and all budgets amended and accounted for as follows:
        i. Gail Parvin Hammerquist Fund accumulated surplus – transfer total of $2,313,805 to the Heritage Investment Reserve Fund
        ii. Waterways accumulated surplus – transfer to the General Capital Fund with a corresponding increase of $680,458 to the 2016 Riverbank Stabilization – Physical Asset Protection capital program budget (Project ID# 6351300216)

iii. Streets cuts accumulated surplus - transfer to the General Revenue Fund as revenue totaling $1,124,525
iv. Streets cuts deferred revenue – transfer to the General Revenue Fund as deferred revenue totaling $3,493,453

2. That the proper officers of the City do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On March 22, 2016, City Council approved the 2016 Budget (Operating and Capital) which included the recommendation "*That the General Revenue Enterprises Fund be closed effective January 1, 2016 on a budget neutral basis, and that a report come forward to the Standing Policy Committee on Finance outlining implications of this initiative, including any ongoing operations."*

The City Organization By-law (7100/97) provides that the Standing Policy Committee on Finance shall provide input and advice to Executive Policy Committee on fiscal and variance reporting (s. 9(f)). The transfer of activity accounting to the General Revenue and Heritage Investment Reserve Funds is a change to the current fiscal reporting structure.

S. 289(1) of *The City of Winnipeg Charter Act* provides authority that Council approves the establishment or maintenance of a reserve fund for any purpose for which the city has authority to make expenditures. Proposed amendments to the Heritage Investment Reserve Fund represent changes to this Reserve under which it has been previously established. As well, as a result of the closure of the General Revenue Enterprises Fund, Council approval is sought to transfer funds (accumulated surplus in the Gail Parvin Hammerquist Fund) to the Heritage Investment Reserve Fund.

Finally, Council's approval is required to increase a previously approved Capital Budget.

IMPLICATIONS OF THE RECOMMENDATIONS

- Activities accounted for in the GREF will be accounted for in the General Revenue and Heritage Investment Reserve Funds in the future.
- Budget increase will be made (to be funded by accumulated surplus transferred from the GREF-Waterways) to the 2016 capital budget for the Riverbank Stabilization – Physical Asset Protection capital program.
- The Heritage Investment Reserve Fund can accept 5% of land sale proceeds from the Land Operating Reserve Fund for Gail Parvin Hammerquist Fund purposes. Further, the Heritage Investment Reserve Fund can be utilized to fund projects out of the Gail Parvin Hammerquist Fund.
- Street Cuts deferred revenue will be transferred to a deferred revenue account in the General Revenue Fund in order to fund related future works.
- A remaining $1.1 million in Streets Cuts accumulated surplus will be transferred to the General Revenue Fund (Public Works department) as revenue in 2016.

The advantage of accounting for these transactions in the GREF is any annual surpluses are available to be carried forward to the subsequent year for the designated purpose. Further, these surpluses could offset any annual deficits realized.

However, transparency and accountability over the activities currently accounted for in the General Revenue Enterprises Fund will be enhanced by doing so in the General Revenue and Heritage Investment Reserve Funds.

The ongoing activities currently within the GREF can be adequately budgeted and accounted for in the General Revenue Fund. Other than Street Cuts, the operations currently within the General Revenue Enterprises Fund can be scaled, if necessary, to fit the revenues received. For Street Cuts, generally annual surpluses have been realized in recent years but to the extent surpluses aren't realized, in the future, the Public Works Department will either reallocate departmental budgets to resolve the shortfall or request approval to over-expend its budget. Operations otherwise should not be impacted.

Closing the GREF will result in one less Accounting Fund to maintain.

HISTORY

Included in the 2016 Budget (Operating and Capital) approved by City Council, the GREF will be closed effective January 1, 2016.

The GREF was originally created to account for commercial activities in which The City of Winnipeg was in competition with the private sector. Such activities included golf courses, cemeteries, property rentals, parking lots and printing and duplicating services. Over time, the accounting for these activities was undertaken in various other funds. Meanwhile, the use of the GREF was expanded to include programs funded by grants from the senior levels of government or by their own revenue sources. The annual net operating surplus/deficit remained within the fund, designated for its specified purpose.

Most recently, the activities accounted for in the GREF are captured under the following components:

- Surplus Library Materials
- Gail Parvin Hammerquist Fund
- Waterways
- Street Cuts

Additional details on each of these activities are included in Appendix A. Five year financial information is summarized in Appendix B.

<u>Other</u>

Waterways

At its meeting of January 29, 2013, Council approved *that $330,000 of the equity balance of the Riverbank Management Committee fund be transferred to the Riverbank Stabilization – Physical Asset Protection capital project and that the equity balance of the fund be capped at $500,000 and any amounts over this cap be utilized to finance future Riverbank Stabilization capital projects as approved by Council.*

The Waterways component of the GREF was previously known as the Riverbank Management Committee.

For 2016 onwards, the Planning, Property and Development Department will consider requesting annually of the Standing Policy Committee on Water and Waste, Riverbank Management and Environment that any Waterways operations surplus be transferred to the most current capital budget for the Riverbank Stabilization – Physical Asset Protection capital program.

Gail Parvin Hammerquist Fund

On January 29, 1997, Council adopted a motion that 5% of gross land sales be allocated to the Enhanced Land Marketing Program to facilitate the Planning, Property & Development Department's land sales program. Further, on April 30, 1997, Council established the Gail Parvin Hammerquist Fund (By-law No. 7040/97 – subsequently repealed and amended by by-law 7633/2000) to encourage greater investment in the retention, improvement and use of designated buildings with financing provided by an annual allocation based upon 5% of gross city land sales.

The Heritage Investment Reserve Fund was created by City Council on June 21, 2000. It funds all City and City-sponsored heritage programs and acts as a revolving fund so that future funding of heritage programs can be sustained and thereby reduces the need to obtain additional funding. An important source of ongoing funding for the Reserve will be incremental tax revenues from projects financed by the Fund.

Ongoing funding limited to:

- Unused annual budgeted tax credits
- Accumulated interest
- The equivalent of incremental tax revenues attributable to heritage investment projects until the City's investment has been paid back
- Other funding sources as approved by Council

Current operating parameters include this Reserve not funding projects directly, but funding programs with annual and multi-year horizons.

Appendix C discloses the changed terms and conditions of the Reserve resulting from this report.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 7, 2016

Project Name:

Closing of General Revenue Enterprises Fund

First Year of Program **2016**

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ 680,458	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 680,458	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - General Revenue Enterprises Fund	680,458	-	-	-	-
Total Funding	$ 680,458	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 680,458				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	1,124,525	-	-	-	-
Net Cost/(Benefit)	$ (1,124,525)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (1,124,525)	$ -	$ -	$ -	$ -

Additional Comments: The financial impact disclosed represents the increased capital budget for the Riverbank Management Program, to be funded by remaining Waterways surplus in the General Revenue Enterprises Fund. As well, remaining accumulated surplus for Street Cuts is transferred as revenue to the General Revenue Fund. The other recommendations with financial implications do not have a budget impact - Gail Parvin Hammerquist Fund accumulated surplus is transferred wholly to the Heritage Investment Reserve Fund to continue with its intended purpose. The Street Cuts deferred revenue is transferred to the General Revenue Fund, also to continue with its intended purpose.

(Original signed by R.Hodges)

Ramona Hodges
Manager of Finance - (Campus)
Corporate Finance Department

CONSULTATION

Legal Services Department (as to legal issues)

Community Services Department

Planning, Property and Development Department

Public Works Department

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity Direction 1 Provide Efficient and Focused Civic Administration and Governance. The recommendations of this report support improving accountability and transparency by the City's public service through reporting.

SUBMITTED BY

Department: Corporate Finance
Division: Corporate Controller's
Prepared by: Paul Olafson
Date: November 7, 2016

Surplus Library Materials

The General Revenue Enterprises Fund includes a program for Library Book Replacement and Literacy Centre Collection. Proceeds from used book sales are invested back into Winnipeg Public Libraries for the sole purpose of supporting the Literacy Centre Collection. Proceeds from the sale of used books deposited to the General Revenue Enterprises Fund are used for this specific purpose.

On closure of the General Revenue Enterprises Fund, the accumulated surplus is zero. The Community Services Department expended all remaining accumulated surplus in 2015.

In the future, the Community Services Department will consider budgeting and making in-year budget adjustments in the General Revenue Fund for book sale revenues and book purchases.

Gail Parvin Hammerquist Fund

On January 29, 1997, Council adopted a motion that 5% of gross land sales be allocated to the Enhanced Land Marketing Program to facilitate the Planning, Property & Development Department's land sales program. Further, on April 30, 1997, Council established the Gail Parvin Hammerquist Fund (By-law No. 7040/97 – subsequently repealed and amended by by-law 7633/2000) to encourage greater investment in the retention, improvement and use of designated buildings with financing provided by an annual allocation based upon 5% of gross city land sales. These funds are distributed as follows:

- 4% of the 5% goes to CentreVenture Development Corporation to be used for their Downtown Heritage Program;
- 1% of the 5% is used for the City-Wide Heritage Program, disbursements for which are approved by SPC on Property and Development, Heritage and Downtown Development based on the recommendations of the Heritage Buildings Officer, in consultation with the Historic Buildings and Resources Committee.

On closure of the GREF, the recommendations of this report propose the remaining accumulated surplus of $2,313,805 be transferred to the Heritage Investment Reserve Fund.

With Council's approval of Recommendation 1 of this report, in the future, 5% of gross land sales will continue to be transferred from the Land Operating Reserve to the Heritage Investment Reserve for the purposes of the Gail Parvin Hammerquist Fund.

Council approval will be necessary to permit the Heritage Investment Reserve Fund to receive the 5% of gross land sales as a funding source. As well, an amendment is required to permit use of the Heritage Investment Reserve Fund be as a funding source for projects approved out of the Gail Parvin Hammerquist Fund. Presently, funds received by the Heritage Investment Reserve Fund will not fund projects directly, but fund programs with annual and multi-year horizons

Waterways

Revenue is derived from waterway permit fees and expenses are mainly in support of Riverbank Stabilization capital and grants to Festival du Voyageur in support of their river trail. While the revenue and expenses in 2014 and 2015 have been relatively minimal, the accumulated surplus is currently $1.302 million.

On January 29, 2013, Council adopted the following:

> *That $330,000 of the equity balance of the Riverbank Management Committee fund be transferred to the Riverbank Stabilization – Physical Asset Protection capital project and that the equity balance of the fund be capped at $500,000 and any amounts over this cap be utilized to finance future Riverbank Stabilization capital projects as approved by Council.*

At the time of preparation and submission of PPD's 2016 capital budget (i.e. as at June 30, 2015), the equity balance in the Waterways DeptID was $1.12 million. As such and given Council's direction above, $622,000 of this is to fund the 2016 Riverbank Stabilization – Physical Asset Protection capital program budget.

Considering the impact of the previous paragraph, 2015 operations resulted in $680,458 in accumulated surplus. On closure of the GREF, recommendation 2b) of this report proposes that the 2016 Riverbank Stabilization – Physical Asset Protection capital program budget (Project ID# 6351300216) be increased by this amount, with this remaining accumulated surplus being used to finance this budget increase.

In the future, waterway permit fee revenues will be budgeted in the tax-supported budget, as well as operating expenses previously paid for out of the General Revenue Enterprises Fund. Consideration will be given to in year reports requesting excess net waterway permit fee revenues be directed to the Riverbank Stabilization Program, supplementing the existing capital budget.

Street Cuts

Customers pay permit fees to cut into City right-of-ways. A portion of the fee is returned to the customer if they remedy the cut themselves, although not immediately as inspection is required. Only qualified customers are permitted to work on City of Winnipeg Streets. All customers have the option to self-restore a cut. In many instances, the street cut is restored by the Public Works department, either using city forces or external contractors. These transactions are recorded in the General Revenue Enterprises Fund.

The Water & Waste Department is a significant customer, requiring street cuts in order to access a water main, for example. Other large utilities including Manitoba Hydro and MTS are also customers.

Of the $3,524,525 in accumulated surplus for this operation, $2.4 million is being transferred to the General Revenue Fund as revenue for 2016 Operating Budget purposes. The remaining $1.1 million will also be transferred to the General Revenue Fund (Public Works department) as revenue in 2016. The Public Works department has investigated this balance and determined that the amount represents the accumulated surplus of permit fee revenue over restoration costs over many years recorded in the GREF. The department also has $3.493 million recorded as deferred revenue in the GREF which will be transferred to the General Revenue Fund.

In the future, these transactions will be accounted for in the General Revenue Fund. The street cuts revenue and the costs of the restoration work may not equal and, as such, there may be years where these operations produce a deficit and will need additional tax-support. Conversely, there may be years where surpluses are realized that will be available for other purposes. Appendix B demonstrates the fluctuations that can occur as there was a surplus of $1.7 million in 2014 and a deficit of $19 thousand in 2015. As noted in that appendix, the experience for the past few years has been annual surpluses for these operations.

Five Year History		2015	2014	2013	2012	2011
Surplus Library Materials						
Accumulated Surplus, beginning of period		**$54,672**	**$49,967**	**$40,439**	**$28,797**	**$98,089**
Revenue		**45,730**	**46,517**	**54,361**	**50,061**	**53,724**
Expenditures		**100,402**	**41,812**	**44,833**	**38,419**	**123,016**
Accumulated Surplus, end of period		**$ -**	**$54,672**	**$49,967**	**$40,439**	**$28,797**
Gail Parvin Hammerquist Fund						
Accumulated Surplus, beginning of period		**$2,258,467**	**$1,338,128**	**$1,907,026**	**$1,492,352**	**$1,651,480**
Revenue		**446,901**	**1,359,387**	**130,688**	**759,442**	**346,083**
Expenditures		**391,563**	**439,048**	**699,586**	**344,768**	**505,211**
Accumulated Surplus, end of period		**$2,313,805**	**$2,258,467**	**$1,338,128**	**$1,907,026**	**$1,492,352**
Waterways						
Accumulated Surplus, beginning of period		**$1,122,610**	**$1,039,043**	**$872,383**	**$548,590**	**$504,614**
Revenue		**264,493**	**186,532**	**272,509**	**383,020**	**98,755**
Expenditures		**84,645**	**102,965**	**105,849**	**59,227**	**54,779**
Accumulated Surplus, end of period	*	**$1,302,458**	**$1,122,610**	**$1,039,043**	**$872,383**	**$548,590**
Street Cuts						
Accumulated Surplus, beginning of period		**$3,543,374**	**$1,805,089**	**$1,184,589**	**$726,939**	**$401,306**
Revenue		**4,685,388**	**5,971,639**	**4,551,590**	**5,218,942**	**3,930,431**
Expenditures		**4,704,237**	**4,233,354**	**3,931,090**	**4,761,292**	**3,604,798**
Accumulated Surplus, end of period	*	**$3,524,525**	**$3,543,374**	**$1,805,089**	**$1,184,589**	**$726,939**

* As a result of the Council approved 2016 Budget:

- $622,000 was transferred from Waterways to the General Capital Fund for the 2016 Riverbank Stabilization-Physical Asset Protection project; and
- $2,400,000 was transferred from Street Cuts to the General Revenue Fund.

2015 Financial Statements

THE CITY OF WINNIPEG
GENERAL REVENUE ENTERPRISES FUND

STATEMENT OF FINANCIAL POSITION

As at December 31
(in thousands of dollars)
(unaudited)

	2015	2014
ASSETS		
Current		
Due from General Revenue Fund (Note 3)	**$ 10,634**	$ 10,605
	$ 10,634	$ 10,605
LIABILITIES		
Current		
Accounts Payable	**$ -**	$ 6
Deferred revenue	**3,493**	3,620
	3,493	3,626
RETAINED EQUITY	**7,141**	6,979
	$ 10,634	$ 10,605

See accompanying notes to the financial statements

2015 Financial Statements

THE CITY OF WINNIPEG
GENERAL REVENUE ENTERPRISES FUND

STATEMENT OF OPERATIONS AND RETAINED EQUITY

For the years ended December 31
(in thousands of dollars)
(unaudited)

	2015	2014
REVENUES		
Permits and fees	**$ 4,949**	$ 6,157
Transfer from Land Operating Reserve	**447**	1,359
Sales of goods and services	**47**	47
Total Revenues	**5,443**	7,563
EXPENDITURES		
Street cuts operations	**4,704**	4,233
Transfer to Heritage Reserve	**307**	-
Libraries programs	**100**	42
Real estate enterprises	**85**	439
Riverbank management operations	**85**	103
Transfer to Land Operating Reserve	**-**	21,108
Total Expenditures (Note 4)	**5,281**	25,925
SURPLUS (DEFICIT) FROM OPERATIONS	**162**	(18,362)
RETAINED EQUITY, BEGINNING OF YEAR	**6,979**	25,341
RETAINED EQUITY, END OF YEAR	**$ 7,141**	$ 6,979

See accompanying notes to the financial statements

2015 Financial Statements

THE CITY OF WINNIPEG
GENERAL REVENUE ENTERPRISES FUND

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015
(all tabular amounts are in thousands of dollars, unless otherwise noted)
(unaudited)

1. Significant Accounting Policies

The preparation of periodic financial statements necessarily involves the use of estimates and approximations because the precise determination of financial data frequently depends upon future events. These financial statements have been prepared by management within reasonable limits of materiality and within the framework of the accounting policies summarized below.

a) Basis of presentation

General Revenue Enterprises Fund follows the fund basis of reporting. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

b) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenues as they are earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

c) Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year in which the related expenses are incurred or services performed.

2. Status of the General Revenue Enterprises Fund

The General Revenue Enterprises Fund was originally created to account for commercial activities in which The City of Winnipeg was in competition with the private sector. However, over time the majority of these activities are now recorded in various other funds. Meanwhile, the use of this Fund has been expanded to include programs funded by grants from the senior levels of government or by their own revenue sources.

2015 Financial Statements

THE CITY OF WINNIPEG
GENERAL REVENUE ENTERPRISES FUND

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015
(all tabular amounts are in thousands of dollars, unless otherwise noted)
(unaudited)

3. Due from General Revenue Fund

The City of Winnipeg operates a centralized treasury function with a single operating bank account in the General Revenue Fund. Consequently, this fund does not have a bank account. Bank transactions are credited or charged to the "Due from" account when they are processed through the bank.

4. Expenditures by Object

	2015	2014
Transfers to other Funds	**$ 307**	$ 21,108
Goods and services	**4,894**	4,447
Grants	**80**	370
	$ 5,281	$ 25,925

Appendix C – Comparison of Terms and Conditions
for the Heritage Investment Reserve Fund

Current	Proposed by this Report
Purpose of the Fund	Purpose of the Fund
• To fund City heritage programs that provide grants, tax credits and development incentives thus reducing the need to provide funding by way of capital programs or operating budget provisions.	• To fund City heritage programs that provide grants, tax credits and development incentives thus reducing the need to provide funding by way of capital programs or operating budget provisions.
Ongoing Funding	Ongoing Funding
• The equivalent of incremental tax revenues attributable to heritage investment projects are credited to the Fund until the City's investment has been repaid.	• The equivalent of incremental tax revenues attributable to heritage investment projects are credited to the Fund until the City's investment has been repaid.
	• 5% of the gross Land Operating Reserve sales revenue is allocated to Gail Parvin Hammerquist within the Reserve to fund the Historical Buildings Program.
• Other funding sources as approved by City Council.	• Other funding sources as approved by City Council.
Operating Parameters	Operating Parameters
• The Reserve does not fund projects directly; rather, it funds programs with annual and multi-year horizons.	• The Reserve does not fund projects directly; rather, it funds programs with annual and multi-year horizons.
• The Reserve, to the extent possible, operates as a revolving fund and receives incremental tax revenues from projects that it has funded.	• The Reserve, to the extent possible, operates as a revolving fund and receives incremental tax revenues from projects that it has funded.
	• The 5% of gross Land Operating Reserve sales that funds the Historical Buildings Program is disbursed as follows: 4% to CentreVenture and 1% to the City-wide Heritage Program.
	• CentreVenture to use the 4% allocation to lever private investment in heritage structures within the downtown and more specifically, within the Exchange District, and to partner with private developers and heritage building owners to undertake architectural, adaptive re-use feasibility and engineering studies. • Allocation also to be used to assist in the marketing and sale of City-owned heritage buildings that have been optioned to CentreVenture through the CentreVenture Asset Agreement.
	• Historic Buildings Committee to use the 1% allocation to the City-wide Heritage Program to encourage and assist in the renovation of buildings of architectural or historic significance and to provide for heritage research and heritage economic development initiatives in the City of Winnipeg.
• The Reserve Fund Manager, or delegate, negotiates contribution agreements with City and external program managers to define limits, terms and parameters of funding as well as program criteria, performance measures and program review provisions.	• The Reserve Fund Manager, or delegate, negotiates contribution agreements with the City and external program managers to define limits, terms and parameters of funding as well as program criteria, performance measures and program review provisions.
Fund Manager	Fund Manager
• Director of Planning, Property and Development.	• Director of Planning, Property and Development.