Minutes – Executive Policy Committee – December 5, 2018

REPORTS

Item No. 6 Tax Increment Financing (TIF)

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Finance:

1. That the Winnipeg Public Service report back to the Standing Policy Committee on Finance within 180 days on the current inventory of properties to which TIF has been approved under Council approved programs including program name, maximum values of TIF, if known, amortization, timelines, locations, and the year full incremental property taxes will begin to be realized into general revenue.

2. That the City look to collaborate with the Province of Manitoba to determine the best strategic use of TIF as one of the municipality's economic development supports.

3. That in conjunction with the OurWinnipeg Review and through consultation with relevant stakeholders and analysis of TIF policy from other jurisdictions, the Winnipeg Public Service recommend to Council a TIF policy that ensures the strategic, judicious application of TIF in the future, including but not limited to locations and maximum amounts while identifying additional economic development and support opportunities including recommendations to Council based on an integrated Economic Development Strategy with the City's key partners.

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DECISION MAKING HISTORY:

Moved by Councillor Gillingham,

That the recommendation of the Standing Policy Committee on Finance be concurred in.

Carried

STANDING COMMITTEE RECOMMENDATION:

On November 27, 2018, the Standing Policy Committee on Finance passed the following motion:

WHEREAS the City of Winnipeg (the City) has used Tax Increment Financing (TIF) as a tool to stimulate economic and residential development;

AND WHEREAS TIF incentivizes private development by committing future incremental property tax revenues to build public amenities or to incentivize property developers;

AND WHEREAS TIF leverages future revenues to help pay for new or redeveloped public and private projects;

AND WHEREAS TIF can be defined as a financial tool that allocates future increases in property taxes from a designated area to pay for improvements only within that area;

AND WHEREAS TIFs commit future property-tax revenues to specific projects rather than allow the new tax money to flow into general revenue for the City;

AND WHEREAS the City has historically approved TIF through various Council approved programs;

AND WHEREAS the City currently has no formalized TIF policy to guide the strategic use of future TIF opportunities/requests;

AND Whereas Council will be developing 4 year balanced budgets and needs revenue information;

AND WHEREAS the Province of Manitoba has signaled its intent to revise the regulatory framework to promote the strategic use of tax increment financing to maximize economic development;

DECISION MAKING HISTORY (continued):

STANDING COMMITTEE RECOMMENDATION (continued):

AND WHEREAS TIF must be used strategically with an understanding of the City's capacity and how TIF allocations will impact future City revenues;

AND WHEREAS a TIF policy should flow from OurWinnipeg, the City's visionary policy, and support key and strategic economic development for the municipality in collaboration with the Province of Manitoba;

THEREFORE BE IT RESOLVED THAT the Winnipeg Public Service report back to the Standing Policy Committee on Finance within 180 days on the current inventory of properties to which TIF has been approved under Council approved programs including program name, maximum values of TIF, if known, amortization, timelines, locations, and the year full incremental property taxes will begin to be realized into general revenue;

BE IT FURTHER RESOLVED THAT the City look to collaborate with the Province of Manitoba to determine the best strategic use of TIF as one of the municipality's economic development supports;

AND BE IT FURTHER RESOLVED THAT in conjunction with the Our Winnipeg Review and through consultation with relevant stakeholders and analysis of TIF policy from other jurisdictions, the Winnipeg Public Service recommend to Council a TIF policy that ensures the strategic, judicious application of TIF in the future, including but not limited to locations and maximum amounts while identifying additional economic development and support opportunities including recommendations to Council based on an integrated Economic Development Strategy with the City's key partners,

and forwarded to the Executive Policy Committee.