Agenda – Executive Policy Committee – July 14, 2021

REPORTS

Item No. 15 Request from Starlight Investments for extension of time to satisfy approved condition of financial contribution to Portage Place Revitalization Project (Daniel McIntyre Ward)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That Clause 1.D. of the July 23, 2020 Council Decision in this matter be amended as follows:

   D. "be conditional on construction financing being secured by October 31, 2021, and both a building permit being secured and work commencing by July 23, 2023";

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

ADMINISTRATIVE REPORT

Title: Request from Starlight Investments for extension of time to satisfy approved condition of financial contribution to Portage Place Revitalization Project

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Jack	M. Ruta	N/A	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

Starlight Group Property Holdings Inc. O/A Starlight Investments Ltd. aka. Starlight Acquisitions Ltd. ("Starlight") has formally requested support for its acquisition of the Portage Place Mall and its planned revitalization ("the Revitalization Project").

On July 9, 2019, Council approved "That Council, representing the municipal corporation of The City of Winnipeg as one of three shareholders of the North Portage Development Corporation ('NPDC'), approve the sale of the NPDC assets (as hereinafter defined) to Starlight Acquisitions Ltd., subject to confirmation of the approval of this sale by the Province of Manitoba and the Government of Canada."

On July 23, 2020, Council approved a package of economic development incentives to Starlight to support the Revitalization Project, including a grant of incremental municipal property taxes, with a number of conditions including that the grant "be conditional on construction financing being secured within 12 months with permits being secured and work commencing within 24 months of Council approval" ("the Financing Condition"). Given the date of the Council approval, the Financing Condition required Starlight to secure construction financing by July 23, 2021.

Starlight has now formally requested an extension of the date by which it must satisfy the Financing Condition from July 23, 2021 to October 31, 2021 (Attached as Schedule "A"). The Public Service is supportive of this request.

RECOMMENDATIONS

1. That Clause 1.D. of the July 23, 2020 Council Decision in this matter be amended as follows:

   D. "be conditional on construction financing being secured by October 31, 2021, and both a building permit being secured and work commencing by July 23, 2023";

2. 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

Only Council can amend or modify a previous Council Decision.

IMPLICATIONS OF THE RECOMMENDATIONS

Approval of the Recommendations herein will extend the time within which Starlight may qualify for the package of economic development incentives approved by Council on July 23, 2020.

Starlight has communicated an inability to satisfy the Financing Condition within the prescribed time, so a rejection of the Recommendations will result in the City's approved economic development package being formally withdrawn. In previous correspondence, it has been communicated by Starlight that withdrawal of the City support would jeopardize the Revitalization Project.

HISTORY/DISCUSSION

Since Council's approval of the economic development incentive package on July 23, 2020, Starlight has been engaged in lengthy discussions with the federal government to secure formal support from that level. This is summarized in Schedule "A".

As communicated by Starlight in Schedule "A" and during related discussions, it remains optimistic that the necessary elements will come together at the federal level to allow Starlight to continue with the Revitalization Project.

As also noted in Schedule "A", Starlight has engaged the Planning, Property & Development Department in detailed discussions for several months now on the significant volume of pre-application work required; therefore, despite delays in finalizing the purchase of the Portage Place Mall, Starlight has continued to make progress with the required development work in parallel.

While a request for a further extension of a condition is not ideal, the Public Service believes Starlight has articulated a sufficient reason for its request, and there is no discernible prejudice to the City's interests in allowing Starlight more time to finalize the terms of its federal support. Therefore, the Public Service is supportive of Starlight's request to extend the date for satisfaction of the Financing Condition.

FINANCIAL IMPACT

Financial Impact Statement

Date: July 5, 2021

Project Name:
Request from Starlight Investments for extension of time to satisfy approved condition of financial contribution to Portage Place

COMMENTS:
There are no financial implications associated with the recommendations in this report.

Electronically signed by F. Dela Cruz
Fernando Dela Cruz, CPA, CGA
Acting Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

Planning, Property & Development
Legal Services (as to legal issues)
Starlight Investments

OURWINNIPEG POLICY ALIGNMENT

01-1a: OURWINNIPEG'S APPROACH TO CITY BUILDING
Direction 3: Promote compact urban form and manage the extension of municipal services for new growth.

01-1c: KEY DIRECTIONS FOR SPECIFIC CITY AREAS
Promote and enable a mix of residential development options as part of a mixed-use strategy 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.
- Facilitate the expansion of employment and educational opportunities in the Downtown seeking to:
    - reinforce Downtown's role as a hub for business, for learning, for government and for commercial activity.

01-2a COLLABORATE TO MAKE SAFE COMMUNITIES
Direction 8: Help people and communities make safe places in safe neighbourhoods.

01-3 PROSPERITY
Direction 2: Provide a predictable and cost-effective business environment that promotes investment and growth.
Direction 3: Maintain strong intergovernmental cooperation.
Direction 4: Collaborate with all public, private and community economic development agencies to advance economic advantages.
Direction 7: Create favourable conditions for development that is consistent with the principles and goals of Complete Communities.
Direction 8: Encourage Activities Beneficial to the Winnipeg Economy.

01-4 HOUSING
Direction 1: Support diverse housing options in each neighbourhood or neighbourhood cluster throughout the city.
Direction 3: Establish partnerships with the private, not-for-profit and government sectors to provide affordable housing throughout the city, with a particular focus on locations near a variety of transportation options.
Direction 6: Encourage residential development downtown.

01-5 RECREATION
Direction 2: Work with community partners to provide services that are responsive to the community's recreation and leisure needs.
Direction 3: directly provide, or facilitate through partnerships, equitable access to a base level of recreation, culture and leisure services for all Winnipeggers.
Direction 4: With community partners, participate as a leader in planning and delivering recreation and leisure services in Winnipeg.
Direction 5: Provide or facilitate community development and recreation opportunities for vulnerable youth.

03-1 OPPORTUNITY
Direction 3: Work with community partners to foster an inclusive and equitable community.

03-2 VITALITY
Direction 6: Promote cleanliness and beautification.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #3 - Advancing Sustainable Transportation – Increasing Mobility Options and Shift to Zero Emission Vehicles
Key Direction 3.2 - Increase the Density of Urban Development Along Key Transit Corridors

Strategic Opportunity #4 - Facilitate Compact, Complete Development and Increase Density
Key Direction 4.1 - Increase Strategic Infill Development that Provides Access to and Capitalizes on Existing and Planned Corridors with Frequent Transit Service
Key Direction 4.3 - Pursue Transit-Oriented Development
Key Direction 4.4 - Support Redevelopment of Former Commercial and Industrial Lands into Active Use

SUBMITTED BY

Department: Office of the Chief Administrative Officer
Prepared by: Michael A. Jack
Date: July 5, 2021

Attachments:

Schedule A – June 30, 2021 Letter from Starlight Investments