Agenda – Executive Policy Committee – November 13, 2024

REPORTS

Item No. 10 Annual Report under the Tax Increment Financing Policy (2022-2024)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That this report be received as information.

ADMINISTRATIVE REPORT

Title: Annual Report under the Tax Increment Financing Policy (2022-2024)

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Dryburgh	S. Armbruster	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

In 2022, Council approved a Tax Increment Financing (TIF) (The Policy) to provide grants of incremental municipal property taxes that are generated by new development to property owners, to support certain developments.

Section 4.9 requires the Designated Employee responsible for administering The Policy to complete an annual report on its key metrics and outcomes. Annual reports for 2022 and 2023 have not been completed. To correct for this oversight, this administrative report serves as the annual reports for 2022-2024 for the key metrics and outcomes for all TIF grants that have been approved under The Policy from 2022 to present.

Eighteen TIF grants totaling $49.3 million have been approved under The Policy from 2022 to present. These TIF grants will be provided to property owners over terms from 10 to 25 years after the developments are constructed. These TIF grants are expected to help leverage a total capital investment of over $1 billion as well as support construction of over 1,500 new housing units (including an estimated 600 affordable units).

The projects supported by TIF grants to date include twelve affordable housing developments, redevelopment of a downtown surface parking lot into a mixed-use building, redevelopment of two heritage buildings, a new downtown hotel, as well as redevelopment of the former Hudson's Bay Building and Portage Place Mall.

More details on the TIF grants approved under The Policy to date are in Attachment 1 to this report.

RECOMMENDATIONS

1. That this report be received as information.

REASON FOR THE REPORT

The Designated Employee responsible for administrating The TIF Policy is required to produce an annual report on its metrics and outcomes.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications to receiving this report as information.

HISTORY / DISCUSSION

In 2022, Council approved a Tax Increment Financing (TIF) (The Policy) to provide grants of incremental municipal property taxes that are generated by new development to property owners in order to support certain developments.

The Policy enables the City to provide grants equal to 80 percent of the incremental municipal property taxes generated by development for up to ten years to owners of properties that are undertaking Economic Development initiatives that include redevelopment of downtown surface parking lots, new or expanded businesses and redevelopment of brownfield sites. The Policy also allows for TIF grants of up to 80 percent of incremental municipal property taxes for up to 10 years to support the redevelopment of vacant or underutilized heritage buildings.

The Policy enables the City to provide grants of up to 80 percent of incremental municipal property taxes for up to 25 years for affordable housing projects as defined in the Policy as well as Transformative Developments which are defined as developments involving at least $100 million of investment that are located downtown and other targeted areas of the City.

Council has approved the Heritage and Economic Development Incentive Program to enable the Public Service to provide TIF grants to Economic Development and Heritage Building redevelopment projects and the Affordable Housing Now Program to provide TIF grants to affordable housing projects.

Section 4.9 requires the Designated Employee (the Senior Manager of Economic Development and Policy) responsible for administering The Policy to complete an annual report on key metrics and outcomes supported by this Policy, which may include but not be limited to:

- Details on the dollar value and duration of individual grants that have been approved
- The number of new affordable housing units supported
- The number of new and expanded businesses supported
- The number and type of new full-time jobs supported
- The level of federal and provincial financial support leveraged
- The level of private sector investment leveraged
- The dollar value and description of public infrastructure improvements supported.

Section 4.9 requires the Designated Employee responsible for administering The Policy to complete an annual report on its key metrics and outcomes. Annual reports for 2022 and 2023 have not been completed. To correct for this oversight, this administrative report serves as the

annual reports for 2022 -2024 for the key metrics and outcomes for all TIF grants that have been approved under The Policy from 2022 to present.

In summary, 18 TIF grants totaling $49.3 million have been approved under The Policy from 2022 to present. These TIF grants will be provided to property owners over terms ranging from 10 to 25 years. These TIF grants are expected to leverage a total capital investment of over $1 billion as well as support construction of over 1,500 new housing units (including 600 affordable units) once all projects are complete.

The projects supported by TIF to date include twelve affordable housing developments, redevelopment of a downtown surface parking lot into a mixed-use building, redevelopment of two heritage buildings, a new downtown hotel, as well as redevelopment of the former Hudson's Bay Building and Portage Place Mall.

More details on the TIF grants approved under The Policy to date are in Attachment 1 to this report.

FINANCIAL IMPACT

Financial Impact Statement **Date:** October 4, 2024

Project Name:
Annual Report under the Tax Increment Financing Policy (2022-2024)

COMMENTS:
There are no financial implications in receiving this report as information.

Randy Bernard
Randy Bernard, CPA, CMA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with the departments listed below, and they concur with its content.

- Property, Planning and Development

OURWINNIPEG POLICY ALIGNMENT

Leadership and Good Governance – 1.5 Evidence-Informed Decisions. Invest in data and technology in order to support objective, evidence-informed decision making; support open government and open data principles for collection and sharing; help coordinate records and information management.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan and its Goals and Objectives, and it was determined that this Plan is not applicable to this report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy and its Goals and Objectives, and it was determined that this Plan is not applicable to this report.

SUBMITTED BY

Department: Office of the Chief Administrative Officer
Prepared by: Matt Dryburgh Senior Manager, Economic Development and Policy
Date: October 8, 2024

Attachment 1 - Municipal TIF Grants Approved Under the TIF Policy (2022 to Present)