Agenda – Council – December 18, 2025

Report – Standing Policy Committee on Property and Development – December 4, 2025

Item No. 4 Exemption of Fees during Redevelopment of Vacant Buildings

STANDING COMMITTEE RECOMMENDATION:

On December 9, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That the Vacant Buildings By-Law No. 79/2010 be amended to create the Vacant Building Exemption Program and the Renovation Waiver Program per the draft amending by-law attached as Appendix A within this report.

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

Agenda – Council – December 18, 2025

Report – Standing Policy Committee on Property and Development – December 4, 2025

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 9, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On December 4, 2025, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

COUNCIL DECISION:

On October 30, 2025, Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. That an extension of time of 60 days be granted for the Winnipeg Public Service to review relevant By-laws and Council Policies report back on the following:

    A. Recommendations on amendments to the By-law to properly exclude buildings or projects which are currently in a bona fide process of redevelopment and/or receive municipal grant funding, and

    B. An estimated breakdown of fines in the last two calendar years levied under the By-law against buildings which are currently in a bona fide process of redevelopment and/or receive municipal grant funding.

    C. A by-law amendment for approval, which would allow for the suspension of invoicing fines against buildings or projects that are currently in a demonstrable process of redevelopment and/or receive municipal grant funding.

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

Report – Standing Policy Committee on Property and Development – December 4, 2025

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 21, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

On October 9, 2025, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the following to the Executive Policy Committee and Council:

1. That an extension of time of 60 days be granted for the Winnipeg Public Service to report back on the matter.

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

COUNCIL DECISION:

On June 26, 2025, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. The Public Service be directed to review the relevant By-laws and Council Policies and report back in 90 days with:

    A. Recommendations on amendments to the By-law to properly exclude buildings or projects which are currently in a bona fide process of redevelopment and/or receive municipal grant funding, and

    B. An estimated breakdown of fines in the last two calendar years levied under the By-law against buildings which are currently in a bona fide process of redevelopment and/or receive municipal grant funding.

2. That the Public Service be directed to bring a by-law amendment to Council for approval, which would allow for the suspension of invoicing fines against buildings or projects that are currently in a demonstrable process of redevelopment and/or receive municipal grant funding.

Report – Standing Policy Committee on Property and Development – December 4, 2025

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

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: Exemption of Fees during Redevelopment of Vacant Buildings

Critical Path: Standing Policy Committee on Property and Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Lorbis	C. Fernandes	T. Graham	J. Dunford

EXECUTIVE SUMMARY

This report proposes two programs that can be implemented on a move forward basis. The purpose of these programs is to encourage redevelopment of vacant building properties. The first program offers a full building exemption. The second program will provide vacant building fee relief.

1. **Vacant Building Exemption Program:** Owners may submit an application that will include a good faith ("bona fide") redevelopment plan. The plan must result in occupancy or demolition of the vacant building. If approved, the building will be exempt from the Vacant Buildings By-Law ("VBB"). Failure to meet the terms of the program will trigger new VBB fees to the owner.

2. **Renovation Waiver Program:** This program will issue vacant building fee waivers without a hearing. Waivers will match the value of applicable municipal grants and construction permits. The owner must request the waiver within specified timelines to be eligible. Waivers apply to current invoices while the building is still vacant. Only after occupancy or demolition of a building can a waiver apply to outstanding debt.

To deliver these programs for July 1, 2026, the Public Service will need to:

- amend the VBB;
- create and roll out a public education campaign;
- update existing multi-departmental processes and systems, and
- monitor staffing levels in the Licensing and Bylaw Enforcement Division ("LBE') of Community Services required to process fee waiver requests and apply approved waivers to vacant building fees.

As the definition of a "bona fide process of redevelopment" was not a previously defined term, current records are not properly flagged in a way to generate an estimated breakdown of fines in the last two calendar years.

RECOMMENDATIONS

1. That the Vacant Buildings By-Law No. 79/2010 be amended to create the Vacant Building Exemption Program and the Renovation Waiver Program per the draft amending by-law attached as Appendix A within this report.

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

On June 26, 2025, Council directed the Public Service to:

1. Review the relevant By-laws and Council Policies and report back in 90 days with:

    A. Recommendations on amendments to the By-law to properly exclude buildings or projects which are currently in a bona fide process of redevelopment and/or receive municipal grant funding, and;

    B. An estimated breakdown of fines in the last two calendar years levied under the By-law against buildings which are currently in a bona fide process of redevelopment and/or receive municipal grant funding.

2. Bring a by-law amendment to Council for approval, which would allow for the suspension of invoicing fines against buildings or projects that are currently in a demonstrable process of redevelopment and/or receive municipal grant funding.

On October 30, 2025, Council granted an extension of 60 days for the Public Service to report back.

Council Approval is required to amend City By-laws.

IMPLICATIONS OF THE RECOMMENDATIONS

These programs cannot be delivered until the VBB is amended and, therefore, eligibility into these programs would only be considered on a future date basis. An effective date of July 1, 2026, is proposed.

Adopting the proposed by-law changes and vacant building programs will encourage current and future owners to fix or redevelop vacant properties. It may reduce City revenue, because some fees will be exempted or waived. The amount is unknown, since fees depend on each property's details, including its assessed value, which is used to calculate Empty Building Fees.

These programs, especially the Renovation Waiver Program, will increase the Public Services' workload and introduce a risk to current LBE service levels. LBE will monitor operations in 2026 and may request additional resources through the 2027 budget update process based on actual

experience.

HISTORY/DISCUSSION

On July 21, 2010, Council approved several reports on vacant and run-down buildings, including a Nine-Point Vacant and Derelict Buildings Strategy. The goal was to improve firefighter safety, reduce blight, lower the risk of fire, and deter illegal activity. As part of this work, Council passed the Vacant Buildings By-law No. 79/2010 (the "VBB") to set rules for vacant building conditions and discourage boarding. The VBB also introduced new fees to support these goals.

On September 26, 2019, Council approved a report and related by-law changes under "Strategies and Tools to Enhance Neighbourhood Livability." Changes included:

- Adding fees to push owners to deal with outstanding orders.
- Replacing fee waivers with a refund process to encourage on time payment of Vacant Building Fees.
- Creating the Empty Building Fee ("EBF") to motivate owners of long-term vacant buildings to occupy or demolish their properties. The EBF was set at one percent of the most current assessed property value at the time of invoicing.

On July 18, 2024, Council approved more changes to the VBB as follows:

- Made enhanced boarding specifications the single standard for securing all vacant buildings.
- Revised the Schedule A (Maintenance Standards for Vacant Buildings) inspection fee structure.
- Increased the EBF to two percent of the most recent assessed property value.

These updates respond to the rising number of vacant buildings and ongoing neglect. They aim to reduce major fire risks and prevent half-finished demolition sites that harm neighbourhoods long after an incident.

The VBB sets rules for the condition of vacant buildings and their properties. The Community Services Department's Licensing and By-law Enforcement ("LBE") Division, through its By-law Enforcement Officers/Special Constables ("BEOs"), administers and enforces the by-law. The VBB does not require owners to occupy the building (directly or through tenancy), demolish it, or transfer it to another party.

From January 1, 2023, to June 30, 2025, LBE enforced the VBB on 743 vacant buildings; 572 were residential. BEOs make sure owners meet the minimum standards in Schedule A and follow the requirements in Schedule B (Security Requirements for Vacant Buildings).

Redevelopment Projects versus Renovation Projects

All property owners must keep their buildings and properties in compliance with City by-laws. This includes the Neighbourhood Liveability By-law ("NLB"), the Winnipeg Building By-law ("WBB"), and VBB. Owners may also choose to do other maintenance, upgrades, or repairs beyond what the by-laws require to make a property ready for rent or sale, whether the property is occupied or vacant.

From an enforcement point of view, what counts as acceptable work is limited to compliance with the VBB. Currently, enforcement officers apply the VBB the same way to owners doing major redevelopment as to those making routine improvements to a vacant building. This approach would change under the new programs proposed in this report.

Bona fide Redevelopment Projects

While "bona fide" means "in good faith," it is currently not a defined term in either the VBB or the WBB. This report and later by-law amendments will define "Bona Fide Redevelopment Projects" as:

1. occurring on a property that has a vacant building on it;

2. having an active Development Permit for a project that includes the demolition or occupancy of the vacant building;

3. having all required WBB building permits for the vacant building paid for and issued; and

4. the owner has submitted a completed Vacant Building Exemption Application that the Designated Employee approves.

Owners must make major up-front investments to get a development permit and commit to obtaining the required building permits at the same time. Along with the expected activity on site, these steps clearly set these projects apart from routine maintenance or repair. As a result, they would be eligible for an exemption from the VBB.

Vacant Building Exemption Program

The Vacant Building Exemption Program gives the Public Service a clear way to confirm that a vacant building is part of a bona fide redevelopment project that will lead to either occupancy or demolition. Once approved, the building is excluded from the VBB for the set exemption period.

Exemptions are not automatic. Projects and development permits vary. Owners are responsible for deciding if their project meets the eligibility rules and for applying in a timely manner. The exemption takes effect only from the date the application is accepted by the Manager of Licensing and Bylaw Enforcement Services.

An application is "accepted" when all the following are received:

1. a complete application form to the satisfaction of the designated employee; and

2. all required supporting documents.

An exemption is finalized only when the Manager of Licensing and By-law Enforcement is satisfied that the requirements are met and authorizes the exemption.

By signing and submitting the application, the owner agrees that if they fail to meet the exemption obligations of the application—including achieving occupancy or demolition under the Development Permit—they must pay all Vacant Building Fees that would have applied during the exemption period.

The framework for the Vacant Building Exemption Program has been included within this report as Appendix B: Supplemental Report Information and Appendix C: New Programs Guide.

Renovation Waiver Program

The Renovation Waiver Program will allow the Public Service to issue VBB fee waivers to vacant building owners directly from LBE, without the need for a hearing.

This program will recognize a municipal grant awarded within 12 months before the waiver request, or a WBB construction permit that passed final inspection and was closed within 12 months before the request. The waiver amount equals the value of the grant and/or cost of the permit and is only applicable to the vacant building the grant or permit was issued for.

Waivers may be used to credit:

1. current Vacant Building By-law invoices while the building is vacant, or,

2. if the vacant building is deemed demolished or occupied, for any outstanding balances related to that building.

This program recognizes each step an owner takes to renovate a vacant building and promotes compliance with the WBB, as permits must be closed by inspection to qualify.

LBE currently employs clerical staff to process licenses and permit applications under the Community Safety Business Licensing By-law while also supporting daily by-law enforcement operations. If this fee waiver program is implemented, an initial transition period will be necessary to establish the program and educate the public, so significant increases in service requests are not anticipated until 2027. The actual volume of requests is unknown but can be impacted by external conditions such as the introduction of a new renovation grant eligible to renovate vacant buildings.

Implementing the new programs without additional resources will introduce a risk to current LBE service levels. This will be monitored throughout 2026. If deemed necessary, an additional resource will be requested by Community Services through the 2027 budget update process.

Fees Administered Through the Vacant Building By-law

The following fees are administered through the VBB and are eligible to be credited by a waiver under this program:

- Schedule A Inspection Fees
- Schedule B Boarding Permit Fees
- Occupancy Certificate Fee
- Empty Building Fee

For a more detailed explanation of these fees, refer to Appendix B: Supplemental Report Information.

The impact of waiving vacant building fees is limited to new invoices issued after the VBB is amended, while a building is vacant. Granting exemptions for vacant building fees has the same effect as routine occupancy or demolition of a vacant building. Waiving outstanding fees can reduce ongoing collection costs, including the costs of filing small claims, only after achieving the main goal of getting the building occupied or demolished.

Fines and penalties are not issued or invoiced under the VBB. Therefore, waivers under this program cannot be applied to pay for any fines or penalties, including:

- Administrative Penalties (Municipal By-Law Enforcement Act)
- Provincial Offence Fines (Provincial Offences Act)
- Monetary Penalties (The City of Winnipeg Charter)

These types of penalties are excluded from the waiver program.

Municipal Grants

All grants used to repair or renovate a vacant building can be used to request a waiver of vacant building fees.

If an owner can show that a grant was received within 12 months before the waiver request, and the grant paid for repairs or other work on that specific vacant building, the City will issue a waiver equal to the grant amount.

A major municipal grant source is the Housing Accelerator Fund (HAF). The Housing Accelerator Fund Grant Program By-law No. 62/2024 says HAF money can only be used to create new housing. So, HAF cannot be used to renovate a vacant building unless the project has a development permit that changes the use from commercial to residential or creates new units. As of October 23, 2025, HAF Capital Grant funds are fully subscribed, and no new funding rounds have been identified.

The City also supports housing through Tax Increment Financing (TIF) programs, including the Heritage and Economic Development Incentive (HEDI) and the Affordable Housing Now Program.

Further, the City provides small grants to affordable housing projects through the Housing Rehabilitation Investment Reserve (HRIR). HRIR mainly focuses on Housing Improvement Zones, which include many vacant buildings.

A review of internal systems found that four vacant building sites received City Affordable Housing funds while they were vacant since January 1, 2023. As of June 30, 2025:

- The four sites were invoiced for a total of $121,401 in various vacant building fees.
- One vacant building was demolished with no outstanding debt.
- Three buildings remain vacant.

Framework for the Vacant Building Exemption Program has been included within this report as Appendix B: Supplemental Report Information and Appendix C: New Programs Guide.

Program Delivery Plan

Should this report and amending by-law be approved, the Public Service will:

1. Begin the process for staff working with Community Services, Planning, Property and Development ("PPD"), Information and Technology of both departments, and other internal stakeholders, to adjust service processes to begin the process of advising PPD customers who own Vacant Buildings about these two new Programs.

2. LBE will create and implement a public awareness campaign, both printed and digital materials, through the winnipeg.ca website.

3. Set up an application process for PPD customers to apply to LBE for consideration in an exemption for their vacant building and/or a waiver for their grants and building/construction permits.

4. Adjust internal systems for LBE to accept and process applications, systematically update enforcement records to reflect any vacant building exemption, and to issue and process vacant building fee waivers.

FINANCIAL IMPACT

Financial Impact Statement Date: November 13,2025

Project Name:
Exemption of Fees during Redevelopment of Vacant Buildings

COMMENTS:

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

Adopting the proposed by-law changes and vacant building programs may result in reduce revenues. The amount cannot be readily quantified since fees are dependent on each property's details, including its assessed value, which is used as the basis to calculate the Empty Building Fees.

Implementing the new programs without additional staffing resources may pose risks to current LBE service levels. Required resources will be monitored throughout 2026 and may be requested through the 2027 budget process, if necessary, based on 2026 experience.

Ozzy Garrett, CPA - Nov 13/25
Ozzy Garrett, CPA
Manager of Finance
Community Services Department

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services Department
- Planning, Property, and Development Department

OURWINNIPEG POLICY ALIGNMENT

4.4 Affordable and Supportive Housing Options Enable collaborative partnerships that provide a continuum of existing or new affordable housing, making use of municipal supports such as fiscal, regulatory and measurement tools to ensure those most in need have increased access throughout the resident and building life cycle.

4.8 Building Safety Enforce compliance with building codes and property maintenance standards, to ensure housing quality, safe building occupancy, and extended building lifecycles.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

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

Goal 2: The City Actively Plans for and Partners in Affordable Housing

- Municipal tools, resources and partnerships are developed and used to encourage and facilitate affordable housing development.

Goal 6: All City Services are Equitable, Inclusive and Accessible

- Community development models and collaborative approaches are enhanced or initiated for service planning and delivery in areas of higher poverty.
- Use of City's tools and resources are maximized to reduce systemic inequities.

SUBMITTED BY

Department: Community Services
Division: Licensing and Bylaw Enforcement
Prepared by: John Lorbis
Date: November 13, 2025
File No: CmS 2025-17

Attachments:

Appendix A - Draft Amending By-law

Appendix B - Supplemental Report Information

Appendix C - New Programs Guide