**Agenda – Executive Policy Committee – July 7, 2026**

## REPORTS

**Item No. 11 Contribution to a Public Skywalk for a New Hotel at 220 Carlton Street**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That a Tax Increment Financing grant equal to 80 percent of the annual incremental municipal property taxes, to a maximum of $1 million, plus borrowing costs as approved by the Chief Financial Officer, be provided to Northland Properties Inc. in respect of 220 Carlton Street, to construct a public skywalk connection to a new hotel.

2. That the City enter, execute and deliver one or more new agreements and amend any existing agreements with Northland Properties Inc., its legal designate and any other parties or property owners relevant to this development to implement Recommendation 1 above and the other grants identified in this report, and that the Chief Financial Officer be authorized to approve such agreements in accordance with this report, and such other terms deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

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:** Contribution to a Public Skywalk for a New Hotel at 220 Carlton Street

**Critical Path:** Executive Policy Committee – Council

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| M. Dryburgh | J. Dunford | T. Graham | J. Dunford |

## EXECUTIVE SUMMARY

Northland Properties Inc. (NP) is building a new hotel at 220 Carlton Street. It will be a $140 million, 352-room, Sutton Place Hotel. A public skywalk will connect it to the downtown skywalk system.

NP is requesting $6 million from the City and Province to pay for the skywalk. The City will provide up to $3 million for the skywalk including:

- $2 million remaining from a 2018 Council-approved grant for public infrastructure related to this new hotel and True North Square, and;
- $1 million from the new municipal property taxes generated by this hotel over approximately five years. This will be through a Tax Increment Financing (TIF) grant.

This will fund construction of the public skywalk only, not the hotel. It is conditional on matching support from the Province of Manitoba. It is also consistent with past practice of the City and Province funding public skywalk connections between downtown buildings.

## RECOMMENDATIONS

1. That a Tax Increment Financing grant equal to 80 percent of the annual incremental municipal property taxes, to a maximum of $1 million, plus borrowing costs as approved by the Chief Financial Officer, be provided to Northland Properties Inc. in respect of 220 Carlton Street, to construct a public skywalk connection to a new hotel.

2. That the City enter, execute and deliver one or more new agreements and amend any existing agreements with Northland Properties Inc., its legal designate and any other parties or property owners relevant to this development to implement Recommendation 1 above and the other grants identified in this report, and that the Chief Financial Officer be authorized to approve such agreements in accordance with this report, and such other terms deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

3. 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

Council approval is required to provide new grants to external organizations.

## IMPLICATIONS OF THE RECOMMENDATIONS

Subject to approval of the recommendations, the Public Service will enter into the necessary grant agreements with NP for construction of the new public skywalk.

## HISTORY / DISCUSSION

In 2012, Council approved a financing plan for the Convention Centre expansion. This included $16 million of this project to be funded by incremental property and business taxes associated with a new hotel at 220 Carlton Street. This amount was equally split between the Province and City.

In 2016, Northland Properties Inc. (NP) acquired this property, started construction on the new hotel in 2018, but paused construction during the pandemic.

The pause in building this hotel has required the City to pay back its $8 million share of the debt on the Convention Centre from unallocated proceeds of the Accommodation Tax. On January 31, 2019, Council approved this decision. This $8 million debt will be paid off before the new hotel is completed in 2028. Therefore, the incremental municipal property tax revenue from the new hotel will be available to fund the skywalk connection if approved by Council.

NP is now moving forward with the new $140 million 352-room hotel located at 220 Carlton Street north of the Convention Centre, which will be the largest new luxury hotel built in Winnipeg in decades. They expect it to be finished by late 2028.

NP also plans to build a publicly accessible skywalk that will connect to the current skywalk and then run southward on the west side of Carlton Street, connecting to the new hotel and the Convention Centre.

NP currently owns two hotels under its Sandman brand and eight restaurants in Winnipeg, employing about 800 people. NP intends to brand its new downtown hotel as a Sutton Place Hotel, which carries a 4.5-out of 5-star hotel rating.

Having a larger inventory of 4.5-star hotel rooms directly connected to the Convention Centre is important to allow Winnipeg to secure large international conventions and events and a Sutton Place-branded hotel will be a key part of this.

The Sutton Place Hotel is projected to generate over $3 million of annual incremental provincial tax revenue from operations, $17 million of provincial tax revenue during construction and will support 220 full-time jobs. It is also projected to generate annual incremental property taxes for the City of at least $340,000 and accommodation tax revenue of $500,000.

NP is requesting the City and Province fund the $6 million cost to construct the public skywalk connection to the hotel.

It is recommended that the City provide $3 million to be sourced from:

- $2 million remaining from a $9.3 million City grant approved by Council in 2018 for skywalks and other public infrastructure related to this new hotel and True North Square, and
- $1 million Tax Increment Financing (TIF) grant.

This will fund the skywalk only, not the hotel, and is conditional on matching support from the Province of Manitoba. This is consistent with the past practice of the City and Province of funding the capital cost of public skywalk connections between downtown buildings.

The new City TIF grant of $1 million for the skywalk would be funded by the incremental municipal property taxes generated by the new hotel. This would involve NP financing $1 million of the skywalk's cost upfront and then receiving a grant of 80 percent of the incremental municipal property taxes from the hotel to pay this amount back, with interest which is estimated to take five years at an annual interest rate of 5.5 percent.

The City will also require NP to ensure public access, maintain and operate the new skywalk connection. This is similar to other building owners in the downtown with public skywalk connections.

The TIF for this project would be approved under the category of a Transformative Project within the City's existing TIF policy. A Transformative Project is defined as a significant publicly accessible project located downtown that involves a minimum investment of $100 million from private and public sources.

**FINANCIAL IMPACT**

## Financial Impact Statement

**Date:** June 9, 2026

**Project Name:**

**First Year of Program** **2026**

Contribution to a Public Skywalk for a New Hotel at 220 Carlton Street

| | 2026 | 2027 | 2028 | 2029 | 2030-2033 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ 2,040,000 | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | 2,040,000 | - | - | - | - |
| Additional Capital Budget Required | $ - | $ - | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal | $ - | $ - | $ - | $ - | $ - |
| Debt - External | - | - | - | - | - |
| Grants (Enter Description Here) | - | - | - | - | - |
| Reserves, Equity, Surplus | - | - | - | - | - |
| Other - Enter Description Here | - | - | - | - | - |
| Total Funding | $ - | $ - | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ - | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | $ - | $ - | $ - | $ 278,256 | $ 932,711 |
| Less: Incremental Revenue/Recovery | 40,000 | - | - | 347,820 | 1,165,889 |
| Net Cost/(Benefit) | $ (40,000) | $ - | $ - | $ (69,564) | $ (233,178) |
| Less: Existing Budget Amounts | (40,000) | - | - | - | - |
| Net Budget Adjustment Required | - | - | - | $ (69,564) | $ (233,178) |

**Additional Comments:** Capital expenditures include the $2 million grant payable to Northland Properties Inc. + short-term financing charges of $40,000. The latter amount is offset by an equal recovery in the current budget of the Corporate Finance Department. Direct costs from 2029 to 2033 represent 80% of incremental municipal property taxes payable to Northland Properties to reimburse $1 million + interest of $210,967 while incremental revenue from 2029 to 2033 represents 100% of incremental municipal property taxes. The net budget adjustment required totals $302,742 from 2029 to 2033, representing the 20% of incremental property taxes accruing to the General Revenue Fund during the period the TIF is payable.

Mike McGinn June 9, 2026

Mike McGinn, CPA, CA
Manager of Finance

## CONSULTATION

This Report has been prepared in consultation with:

- Legal Services
- Planning, Property and Development

## OURWINNIPEG POLICY ALIGNMENT

**Economic Prosperity - 3.6 Downtown Economic Investment**. Prioritize the Downtown by leveraging private and public investments, including housing entrepreneurship, arts entertainment and tourism that advances its status as an economic driver.

## 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.

## SUBMITTED BY

Department: Office of the Chief Administrative Officer
Prepared by: Matt Dryburgh Interim Deputy Chief Administrative Officer
Date: June 18, 2026