Moved by Councillor

That Rule 9.3 of the Procedure By-law be suspended in order that the following item, which was received too late to be placed on the regular agenda, may also be considered by Committee at this time.

Carried

ADDENDUM REPORTS

192. From the Director of Planning, Property and Development
Report 2002/04/12

CentreVenture Heritage Tax Credit Program and the CentreVenture Downtown Heritage Program

File EP-1.2.3 (Vol. 3)

Recommending:

1. That Council approve the 2002 CentreVenture Heritage Tax Credit Program including:
   a) The attached Program Criteria and Procedures (Attachment 1); and,
   b) Funding in the amount of $1 million for the Program to be sourced from the Heritage Investment Reserve; and,

2. That Council approve the 2002 CentreVenture Downtown Heritage Program including:
   a) Two components of the Program identified as the Heritage Economic Development Initiatives and the Capital Grants Initiatives; and,
   b) The attached Program Criteria and Procedures (Attachments 2 and 3); and,
   Funding in the amount of $162,183 for the Program to be sourced from the Heritage Investment Reserve; and,

3. That Council authorize the Chief Administrative Officer to approve the final terms and conditions for these CentreVenture Heritage Programs as required to reflect the intent of Council; and,

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

Moved by Councillor Thomas,

I. That Council approve the 2002 CentreVenture Heritage Tax Credit Program including:

   a) The Program Criteria and Procedures, as outlined on Appendix"A".
   b) Funding in the amount of $1 million for the Program to be sourced from the Heritage Investment Reserve.

II. That Council approve the 2002 CentreVenture Downtown Heritage Program including:

   a) Two components of the Program identified as the Heritage Economic Development Initiatives and the Capital Grants Initiatives.
   b) The Program Criteria and Procedures, as outlined on Appendices "B" and "C".

c) Funding in the amount of $162,183.00 for the Program to be sourced from the Heritage Investment Reserve.

III. That Council authorize the Chief Administrative Officer to approve the final terms and conditions for these CentreVenture Heritage Programs as required to reflect the intent of Council.

IV. That the Proper Officers of the City be authorized do all things necessary to effect the intent of the foregoing;

and forwarded to Council

Carried

Re: 2002 CENTREVENTURE HERITAGE TAX CREDIT PROGRAM AND THE CENTREVENTURE DOWNTOWN HERITAGE PROGRAM

For submission to: Executive Policy Committee

Original report signed by: Director of Planning, Property and Development

Report date: April 12, 2002

In camera item: no

Recommendation(s):

1. That Council approve the 2002 CentreVenture Heritage Tax Credit Program including:
   a) The attached Program Criteria and Procedures (Attachment 1); and,
   b) Funding in the amount of $1 million for the Program to be sourced from the Heritage Investment Reserve; and,
2. That Council approve the 2002 CentreVenture Downtown Heritage Program including:
   a) Two components of the Program identified as the Heritage Economic Development Initiatives and the Capital Grants Initiatives; and,
   b) The attached Program Criteria and Procedures (Attachments 2 and 3); and,
   c) Funding in the amount of $162,183 for the Program to be sourced from the Heritage Investment Reserve; and,
3. That Council authorize the Chief Administrative Officer to approve the final terms and conditions for these CentreVenture Heritage Programs as required to reflect the intent of Council; and,
4. That the Proper Officers of the City be authorized do all things necessary to effect the intent of the foregoing.

REPORT SUMMARY

KEY ISSUES:

- This Report recommends the re-establishment of both the CentreVenture Heritage Tax Credit Program and the CentreVenture Downtown Heritage Program.
- The administration recommends that the $1 million in previously Council approved funding be used to seed the 2002 CentreVenture Heritage Tax Credit Program.
- The administration recommends the amount of $162,183 be directed to the 2002 CentreVenture Downtown Heritage Program.
- Within their Report to the City dated March 2002, CentreVenture has advised that their CentreVenture Heritage Tax Credit Program is nearing the point at which it has achieved its purpose of priming development, but that the Program should continue for one more cycle and that a sunset clause should be introduced.

IMPLICATIONS

General implications

☐ None
☐ For the organization overall and/or for other departments

X	For the community and/or organizations external to the City of Winnipeg
X	Involves a multi-year contract

Comment:

- CentreVenture has identified the use of heritage conservation tax credits as an important tool in downtown revitalization.
- Tax credits may be utilized by the applicant over a maximum ten year period.

Policy implications

X	No (*There are no policy implications if the report is asking for a one-time decision.)*
	Yes *(There are policy implications if the recommendation(s) is/are asking for a decision that will be used to guide decisions over time.)*

Comment:

-

Financial implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required
	No financial implications

Comment:

- On December 12, 2001 Council approved contributions in the amount of $1 million for the Heritage Investment Reserve.
- Council has previously directed that 5% of the previous year's land sales held in the Land Operating Reserve, be utilized as funding for the CentreVenture Downtown Heritage Program (previously Gail Parvin Hammerquist Program funding).

REPORT

RECOMMENDATIONS:

1. That Council approve the 2002 CentreVenture Heritage Tax Credit Program including:
   a) The attached Program Criteria and Procedures (Attachment 1); and,
   b) Funding in the amount of $1 million for the Program to be sourced from the Heritage Investment Reserve; and,
2. That Council approve the 2002 CentreVenture Downtown Heritage Program including:
   a) Two components of the Program identified as the Heritage Economic Development Initiatives and the Capital Grants Initiatives; and,
   b) The attached Program Criteria and Procedures (Attachments 2 and 3); and,
   c) Funding in the amount of $162,183 for the Program to be sourced from the Heritage Investment Reserve; and,
3. That Council authorize the Chief Administrative Officer to approve the final terms and conditions for these CentreVenture Heritage Programs as required to reflect the intent of Council; and,
4. That the Proper Officers of the City be authorized do all things necessary to effect the intent of the foregoing.

REASON FOR THE REPORT:

On March 6, 2002, the CentreVenture Development Corporation (CentreVenture) requested the City's Heritage Investment Reserve Fund Manager to provide $1 million towards the CentreVenture Heritage Tax Credit Program and $162,183 for the CentreVenture Downtown Heritage Program (letter attached).

In keeping with CentreVenture's established reporting relationship with the City, the Executive Policy Committee is identified as the Designated Committee for the purposes of administrating this by-law.

HISTORY:

On May 13, 1999, Council amended and adopted the CentreVenture- *Downtown Revitalization Report and its companion, CentreVenture: A New Approach to Downtown Revitalization Report*, dated May 5, 1999. City Council endorsed the creation of CentreVenture Development Corporation to provide leadership in creating and sustaining business opportunities and economic growth in downtown Winnipeg.

On July 9, 1999, CentreVenture Development Corporation was duly incorporated under the laws of the Province of Manitoba.

On September 24, 1999, the CentreVenture Board adopted its Start-Up Business Plan. On Pages 35 and 37 of the Start-Up Business Plan, CentreVenture identified the Downtown Heritage Tax Credit Program and the Gail Parvin Hammerquist Fund as programs that should be administered by CentreVenture under the Development Bank function.

On September 29, 1999 Council, "endorsed the spirit and intent of CentreVenture's Start-Up Business Plan."

On March 15, 2000, Council established the Heritage Investment Reserve in accordance with Section 338(1) of *The City of Winnipeg Act.*

On April 26, 2000, Council amended and adopted the creation of the CentreVenture Heritage Tax Credit Program as well as the CentreVenture Downtown Heritage Program.

On May 24, 2000, Council passed the CentreVenture Heritage Tax Credit By-law 7632/2000.

Also on May 24, 2000, Council passed the CentreVenture Heritage Program By-law No. 7633/2000.

On December 12, 2001 Council approved contributions in the amount of $1 million each to the Economic Development Investment Reserve, the Heritage Investment Reserve, and the Housing Rehabilitation Investment Reserve, to be funded from any further actual 2001 year-end surplus that may arise.

On April 3, 2002, CentreVenture tabled their Report to the City at the Executive Policy Committee.

DISCUSSION:

Heritage Investment Reserve

On December 12, 2001, Council approved $1 million for the Heritage Investment Reserve. The Heritage Investment Reserve was established in order to fund all City and City-sponsored heritage programs and act as a revolving fund so that future funding of heritage programs could be sustained and thereby reduce the need to obtain additional funding.

Currently, the Reserve is sourced through four revenue streams as follows:

a) Original Seed Funding- $2 million from the Commitment Reserve (the source was unexpended 1999 heritage tax credits and 1999 Land Operating Reserve net revenues), unused 2000 tax credits of approximately $650,000, and uncommitted funds from the Gail Parvin Hammerquist Fund.

b) Land Operating Reserve- 5% of City land sales in a given year flow to provide funding for the Gail Parvin Hammerquist Fund.

c) Planning, Property, and Development Department Current Budget- $1.3 million has been provided as a line item within their budget on an annual basis.

d) Incremental Taxes – the incremental tax (increase) in projects that the Reserve funds flow back into the Reserve until the investment (tax credit) is repaid.

CentreVenture Development Corporation

On March 6, 2002, the President and CEO of CentreVenture wrote the Director of the Planning, Property, and Development (also serving as the Heritage Investment Reserve Fund Manager), requesting additional funding for their Heritage Programs. The City had recently approved $1 million in funding for the Heritage Investment Reserve while an additional $162,183 was

contributed through the Gail Parvin Hammerquist Fund from 5% of the proceeds of City-owned real estate sales within 2001.

Council created CentreVenture to facilitate private and public sector investment and development by, aggressively seeking new business, leveraging investment, and partnering with other levels of government.

CentreVenture Heritage Tax Credit Program

Many designated structures within the downtown are currently underutilized or lie vacant thereby providing little in the way of municipal or business tax revenues to the City. The Tax Credit enables the renovation of these structures putting them back onto the tax roles in productive use. Ultimately, the City receives financial and social benefits far in excess of the tax credits utilized as incentives to motivate such development.

CentreVenture has requested that the $1 million recently directed into the Heritage Investment Reserve be made available for the CentreVenture Heritage Tax Credit Program. In their letter dated March, 6, 2002, CentreVenture states that;

"With adaptive re-use of heritage buildings as a priority, we recommend the program assist heritage buildings in the downtown or support investment and development within the historic Exchange District. We suggest that a sunset clause be introduced with this allocation of funding and the program be geared to wrap up upon completion of projects. We further propose this program has an added emphasis on residential and mixed use projects".

The administration concurs with CentreVenture on the stated use of these funds and as such, has worked with CentreVenture to establish the 2002 CentreVenture Heritage Tax Credit Program Criteria and Procedures as attached, and as recommended for approval.

CentreVenture Downtown Heritage Program

The City created the Gail Parvin Hammerquist Fund (By-law No. 7040/97) to encourage greater investment in the retention, improvement, and use of designated buildings. Financing is provided from a share (5%) of revenues from sales of City-owned real estate.

Two components of the CentreVenture Downtown Heritage Program include the Heritage Economic Development Initiatives, which may include grants to fund innovative measures to attract new investment, occupants, and uses for heritage buildings, and the Capital Grants Initiatives made available to assist owners in conserving the heritage character, architectural elements, and detailing of their buildings. Grants may amount to no more than 50% of approved costs for eligible work up to a maximum of $25,000. Attachments 2 and 3 identify the program criteria and procedures for each of these Initiatives.

CentreVenture has requested that the available $162,183 be committed to replenish the CentreVenture Downtown Heritage Program to be administered jointly with the City's Designated Officer.

"*The fund will be aimed at spurring investment in designated heritage buildings in the downtown or be used to support development in the historic Exchange District. The use could, but need not be limited to direct investment in projects or in studies and services to support projects that will*

result in the implementation of specific, time-limited objectives and tangible end products and development."

The administration concurs with CentreVenture on the stated use of these limited funds and as such, has worked with CentreVenture to establish the 2002 CentreVenture Downtown Heritage Program Criteria and Procedures as attached, and as recommended for approval.

Financial Impact

The funding necessary to effect these Programs is currently in place within the Heritage Investment Reserve.

Within their Report to the City dated March 2002, CentreVenture has advised that their CentreVenture Heritage Tax Credit Program is nearing the point at which it has achieved its purpose of priming development, but that the Program should continue for one more cycle and that a sunset clause should be introduced.

Financial Impact Statement

Date: April 15, 2002

Project Name:

2002 CenteVenture Tax Credit and Heritage Programs

First Year of Program 2002

	2002	2003	2004	2005	2006
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
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	$ 81,000	$ 81,183	$ 100,000	$ 100,000	$ 100,000
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 81,000	$ 81,183	$ 100,000	$ 100,000	$ 100,000
Less: Existing Budget Amounts	81,000	81,183	100,000	100,000	100,000
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The above costs represent potential cash flow implications to the Heritage Reserve based on past experience with certain assumptions. The assumptions are that the $162,183 in Heritage grants will be expended over a two year period commencing in 2002, and that the tax credit program approvals will result in annual credits commencing in 2004 equal to one tenth of the approved CentreVenture Downtown Tax Credit Program allocation.

Gord Courage, Manager
Support Services Division

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department
Division: Office of the Director/Planning and Land Use
Prepared by: Jim Paterson/Giles Bugailiskis
PPD File #:

Document name: O:\Reports Directive\Planning and Land Use\Heritage\2002 CentreVenture Heritage Programs.doc

ATTACHMENT 1

CENTREVENTURE
DEVELOPMENT CORPORATION

CENTREVENTURE 2002 DOWNTOWN HERITAGE TAX CREDIT PROGRAM

CRITERIA AND PROCEDURES

April, 2002

CENTREVENTURE
2002 DOWNTOWN HERITAGE TAX CREDIT PROGRAM

The CentreVenture Downtown Heritage Tax Credit Program is intended to stimulate capital investment in the conservation and reuse of historical buildings in the heart of Winnipeg. The program is open to owners and long-term tenants of buildings designated as historic by the City of Winnipeg and located within the boundaries of CentreVenture Development Corporation, as defined by the attached map.

This tax credit program is intended to support work that:

- Repairs and stabilizes City-designated heritage buildings in downtown Winnipeg, especially buildings that are vacant or underutilized;
- Extends the life of such structures;
- Conserves significant architectural or other heritage elements; and/or
- Rehabilitates space to meet contemporary requirements, but in the process makes minimal changes to a building's historical integrity, including its defining design characteristics, site and environment.

Credits may be used at the recipient's discretion for up to 10 years to reduce the property, business and, in qualifying circumstances, the amusement taxes levied by the City on the building and its site. The City's Designated Officer and CentreVenture Development Corporation will jointly assess applications.

MINIMUM REQUIREMENTS

Only proposals that entail a minimum of $50,000 in eligible work will be considered. The maximum assistance available is $250,000 per building.

TIMING

Applications must be submitted to CentreVenture on or before **4:00 pm, Thursday, June 27, 2002**.

Successful applicants will be notified by August 15, 2002. Legal agreements will be drawn up and interior construction must begin by January 15, 2003, exterior work must start by June 1, 2003. Proposed work must be completed by October 1, 2003. The City and CentreVenture shall have the right to conduct inspections of the project and reserve the right to cancel or withdraw funding approval if the above dates for starting or finishing the project are not met or if the construction falls significantly behind schedule to the point where it is clear that the project would not be completed within the specified time frame.

TAX CREDIT VALUES / ELIGIBLE WORK

Tax credits are calculated on the basis of 50% of the net private investment made in eligible work for:

- Repairs deemed essential to the stabilization and preservation of the physical integrity of a designated building, including repairs to the roof, drainage system, foundation, and exterior cladding;
- Measures that protect significant original heritage elements, restore significant original elements, or reconstruct those that are missing;
- Repair or replacement of electrical, mechanical/heating and plumbing systems (including fire sprinkling, air conditioning and repair of heritage elevators) to ensure compliance with the Manitoba Building Code

Tax credits are calculated on the basis of 15% of the net private investment made in eligible work for:

- New interior construction where the work is sympathetic to the original fabric of the building;
- Measures to restore, upgrade or convert a designated building to a functional state for contemporary occupancy such as sympathetically designed, improved accessibility for the disabled;
- Asbestos removal;
- Energy efficient upgrading provided the exterior appearance of the building is not affected;

Tax credits calculated on the basis of 10% of the net private investment made in eligible work for approved architectural, engineering and interior design fees.

NOT ELIGIBLE FOR TAX CREDITS

- Replacement of windows in materials not original to the building
- Non-heritage awnings and signage
- Exterior paint colours not based on historical analysis
- Application of water-repellent coatings
- Sandblasting or other cleaning methods that may damage building materials or finishes
- Demolition and haulage costs
- Additions, new outbuildings, new fences
- Landscaping or other work not done to the designated building unless the work is essential to the provision of physical access for persons with disabilities
- Moving of buildings
- Work on a designated replica or reconstructed building
- Removing, preserving, storing, or reusing portions of a demolished designated building
- Routine maintenance of a designated building and its site
- Soft costs including: plumbing fixtures, wall coverings, floor coverings, lighting fixtures, etc.

- Feasibility studies
- Permit costs, management fees, borrowing costs
- Equipment rental

APPLICATION CRITERIA

1. CentreVenture Downtown Heritage Tax Credit Program is limited to designated historical buildings (under the terms of the City's Historical Buildings By-law 1474/77) within the boundaries of the CentreVenture Mandated Area.

2. Applications may be submitted by registered building owners or long-term tenants who are responsible for the City property, business and/or amusement taxes applicable to the land and building. Tenant-applicants must have the owner's written authorization for the proposed project and a signed lease effective for 10 years following completion of the work.

3. Owners or long-term tenants whose City tax, utility or other payments are in arrears may submit applications. However, any approval of assistance will be conditional upon outstanding amounts being paid by a mutually determined deadline. If that condition is not met, a formal agreement to proceed with the tax credit will not be executed. Previously executed agreements may be deemed null and void if taxes are in arrears prior to first application of credits.

4. All applications must be in the form of a written Scope of Work that includes:
   - The building's legal address, registered ownership, legal property description, certificate of title number, property assessment roll number, and grade of heritage designation;
   - A brief description of the condition of the building and its site;
   - A brief description of the building's recent occupancy history and vacancy rate;
   - An outline of the proposed project and schedule for undertaking the work;
   - The estimated costs of all labour and materials, supported by two independent quotations;
   - A list of all proposed sources of project financing;
   - Detailed drawings and/or specifications for the proposed work;
   - Photographs of the affected areas of the building; and
   - A brief description of the steps that will be taken to ensure future upkeep and repair of the structure and its heritage elements.

5. Proposed projects must entail new repairs and capital improvements. Tax credits will not be granted retroactively for work done before an application has been made or appropriate approvals have been given.

6. Projects must involve a minimum $50,000 in eligible work. The maximum value of net private investment in eligible work for which a tax credit may be allocated is $500,000. The maximum tax credit available through this program is $250,000 per building.

7. Tax credits will be extended for net private investment made in approved costs, exclusive of any other government grants or rebates, including any provincial sales tax or federal goods and services tax refunds or credits recipients may be eligible for, regardless of whether they have applied for or received those entitlements.

8. One application will be sufficient to cover all phases of a multiple-stage conservation project, subject to the $500,000 cap on the amount of investment eligible for assistance. Upon mutual agreement, approved tax credits will be proportioned accordingly and released only as the work is completed and is satisfactorily documented and inspected.

9. A heritage agreement must be signed and put into effect before work on an approved project can begin. No work undertaken prior to an executed agreement will be considered.

10. All eligible design work and structural assessments shall be conducted by registered Manitoba architects, interior designers and/or engineers, as applicable.

11. All eligible work must be performed by individuals or companies that are Workers Compensation Board compliant and have registered GST numbers.

12. Proposed use(s) and conservation work must conform with all relevant provisions of the City's Zoning and Building By-laws, and with the City's Standards for Conservation.

13. The proposed work must be reviewed and pre-authorized through the issuance of heritage approvals from the City of Winnipeg, Planning and Land Use Division and a Heritage Permit, if applicable (required for buildings designated under the terms of the Heritage Resources Act).

14. Expenditures must be incurred in order to receive a full tax credit. If net private investment is lower than originally estimated, or if not all the eligible work is done or completed as first committed by a recipient, then the dollar amount of the credit will be reduced accordingly.

15. Credits may be applied at a recipient's discretion over a 10-year period against the City property and business taxes levied on the designated building (structure and land). Credits also may be used to reduce amusement taxes accruing to the City provided the subject building was not in use for amusement tax purposes prior to February 28, 1998.

16. The tax credits are non-refundable. Any unexpended credits will expire at the end of the 10-year term. Credits cannot be sold or transferred except in the following circumstances: where an owner-recipient wishes to sell or transfer title to their designated building, or a tenant-recipient wishes to transfer their long-term lease, the tax credit, or outstanding portion thereof, may continue to be available provided:
    a) the new owner or tenant formally agrees to assume all obligations associated with participation in the program; and
    b) the Executive Policy Committee approves the arrangement.

    Otherwise, any outstanding credit will be cancelled.

17. To enable this program to be administered in a cost-effective manner, the onus will be on applicants and tax credit recipients to provide all required information (reports, photographs, paid invoices, etc.) in a complete and timely fashion. The onus also will be on applicants and recipients to inform the City in a timely fashion of delays or changes in project plans.

18. Only projects that are consistent with the scope of eligible work and the City's Standards for Conservation will be considered.

EVALUATION CRITERIA

Applications will be evaluated based on the following criteria:

- Building conservation projects that includes significant exterior repair.
- Eligible work in buildings that are more than 50% vacant
- Buildings that bring new residential units onto the market
- Projects that contain mixed use of buildings. Mixed use is defined as a building that includes a combination of residential uses with commercial or institutional uses, preferably on separate floors.

ADMINISTRATIVE PROCEDURES

1. Applications are deemed to be submitted only upon receipt of a satisfactorily completed written Scope of Work.

2. Applicants must enter into a commitment agreement that details start date and completion date of eligible work. Completion shall be deemed to have the same meaning as substantial performance as provided for in Section II of the Builders' Lien Act, (Manitoba).

3. Where proposed projects involve buildings that are not on the City's Buildings Conservation list, applications for historical designation may be submitted to the City's Planning, Property and Development Department.

4. All appropriate permits, certificates or other authorizations must be obtained before work can proceed. Eligible costs for work done without the appropriate permit, may not be covered under the agreement.

5. Prior to the release of any tax credit or portion thereof, the completed project must pass all relevant inspections.

6. In all cases, no approved credits may be used before the 2003 tax year.

7. When a proposed project has been approved, the applicant shall be required to:
   (a) Enter into a commitment agreement
   (b) Enter into a written heritage agreement with the City;
   (c) Submit all costs and work plans;

(d) Pay all outstanding taxes, utility charges or rates of any nature whatsoever which have become due to the City;
(e) Complete the project as set out in the application;
(f) Provide copies of all paid invoices which clearly designate the address of the project and reference the contractor involved or the principal as appears on the application;
(g) Proved a statutory declaration that all trades and suppliers have been paid and there are no liens on subject property;
(h) Provide any other information as may be required by the designated officer, prior to the tax credit or any portion thereof being released to the applicant.

ATTACHMENT 2

CENTREVENTURE
DEVELOPMENT CORPORATION

CENTREVENTURE 2002 DOWNTOWN HERITAGE PROGRAM

HERITAGE ECONOMIC DEVELOPMENT INITIATIVES

CRITERIA AND PROCEDURES

April 2002

INTRODUCTION

Heritage Economic Development grants are intended to stimulate innovative initiatives that will attract new investment, occupants and/or uses for designated heritage structures in Winnipeg's downtown.

Priority is given to proposals that focus on initiatives that will facilitate conservation and adaptive reuse of heritage buildings.

All submissions are assessed by the CentreVenture Development Corporation. Grants of up to 100% of approved costs may be awarded to eligible projects.

CentreVenture Development Corporation and the City's designated officer are authorized to allocate up to $25,000 in assistance. Applications for grants in excess of that amount are referred to City Council's Executive Policy Committee for a decision.

SCOPE OF THE PROGRAM

Eligible Activities

Heritage Economic Development grants are for projects that will result in the implementation of specific, time-limited objectives and tangible end products.

The program is open to owners of individual City-designated buildings who are proposing to attract new investment, occupants and/or uses to their particular properties.

One objective of the program is to foster innovation. For that reason, the following list of potentially eligible project types is presented for illustrative purposes only:

- Architectural and/or engineering studies into the feasibility of converting designated buildings to alternative uses.

- Building Condition Assessment of the exterior and/or interior architectural, structural, mechanical, electrical elements.

- Studies to develop regulatory reforms and/or economic incentives that will facilitate heritage building occupancy and/or conversion.

- Development on a pilot basis of registries or other types of matchmaking programs or services to link owners/managers of heritage structures with potential investors and occupants.

- Projects to test and/or demonstrate heritage conservation and conversion techniques.

Not Eligible for Assistance

- The ongoing operating expenses of heritage, economic development, marketing, public relations, and advertising organizations.

- Assistance to acquire heritage properties.

- Tenant relocation incentives or other direct forms of ownership transfer or occupancy subsidies.

APPLICATION AND GRANT CRITERIA

1. CentreVenture Heritage Economic Development grants are open to the owners of individual heritage structures designated by the City of Winnipeg (i.e., structures on the City's Buildings Conservation List).

   An owner may apply to the program only after the subject property has been designated.

   The application may be made on the owner's behalf by an authorized representative — e.g., a property manager, architect or engineer.

2. Heritage Economic Development grants also are open to partnerships, incorporated organizations and other groups which can demonstrate expertise in heritage conservation and/or economic development.

   Applicants in this category must provide:

   - a brief description of their organizational objectives, history and experience in heritage conservation and/or economic development;
   - a description of how the proposed project will fit into their organizational work plan for the fiscal year(s) in which the project will occur; and
   - the qualifications (academic background and experience) of the persons who will be responsible for the project (also refer to Attachment 1).

3. All applications must include to the extent applicable:
   - a detailed statement of the rationale, objectives and scope of the proposed project;
   - a description of the methods and activities to be undertaken in implementation;
   - a description of the end product(s);
   - the work plan, including target dates for progress reports and completion of draft and final products;
   - detailed estimates of fees, wages and other costs; and
   - projected revenues, including identification of any other grants applied for or awarded.

In cases where a proposed project involves a specific heritage structure, applicants also must provide:

- the structure's legal address, registered ownership, property description, certificate of title number, property assessment roll number, and grade of heritage designation;
- a brief description of the condition of the structure and its site; and
- a brief history of its use(s), occupancy and maintenance/upgrading record.

4. All applications are assessed on the basis of:
   - innovativeness in terms of concept, purpose and/or methods;
   - clarity and thoroughness in terms of stated objectives, demonstrated grasp of the issues to be addressed, and demonstrated knowledge of the strengths and weaknesses of the proposed methods of implementation;
   - the feasibility of the proposed methods, work plan and budget; and
   - the qualifications of the parties responsible for implementation.

5. Applicants should note that not all of their estimated project costs necessarily will be approved by the City, nor will the full amount of requested grants necessarily be awarded.

6. Work may not begin until grant approval is obtained and a formal project agreement is signed. Assistance will not be given for work previously done.

7. Grant recipients generally will have one year from the date of signing the project agreement to complete the work.

8. The amount of each grant will be fixed prior to the start of work and will be distributed according to a schedule inserted in the project agreement. Any overruns or unanticipated expenses will be the responsibility of the grantee.

9. Expenditures must be incurred and supported by paid invoices or receipts before the full amount of a grant is distributed. If actual project costs are lower than estimated, or if not all the eligible work is completed as first committed by a recipient, then the dollar amount of the grant will be reduced accordingly.

10. Progress on each project will be monitored by program staff. If at any time it is determined that a project is failing to adhere to the written agreement, the grant in whole or part may be rescinded at the discretion of the City of Winnipeg.

11. To enable this program to be administered in a cost-effective manner, the onus is on applicants and grant recipients to provide required information in a complete and timely fashion. The onus also is on applicants and grant recipients to keep the City updated on any delays or changes in project plans.

ADMINISTRATIVE PROCEDURES

1. Prior to submitting written submissions, all applicants are required to discuss their projects with CentreVenture Development Corporation to ensure potential eligibility for the program and to identify all the documentation and other information that may be needed as part of the application.

2. All submissions are reviewed and assessed by CentreVenture Development Corporation and the City's designated officer.

3. Subject to annual budget limitations, the City's designated officer, with the concurrence of CentreVenture Development Corporation, is authorized to approve grants of up to $25,000 for approved projects.

Attachment 1

Certification of Qualifications

(To be completed and included with all applications)

I/We hereby certify that all statements made with regard to the academic background and experience of the parties that will conduct this project are accurate and complete.

I/We acknowledge that the City of Winnipeg reserves the right to verify the information provided and to disqualify this application in the event that statements made are found to be inaccurate or materially incomplete.

Date: _____ Signature(s): _____

_____

For the Sponsoring Group or Organization (if applicable):

Date: _____ Signature: _____

Title: _____

Agency: _____

ATTACHMENT 3

CENTREVENTURE
DEVELOPMENT CORPORATION

CENTREVENTURE 2002 DOWNTOWN HERITAGE PROGRAM CAPITAL GRANT INITIATIVES

CRITERIA AND PROCEDURES

April 2002

INTRODUCTION

Centre*Venture* Capital Grant Initiatives are intended to assist projects to conserve the heritage character, architectural elements and detailing of designated structures, and to meet basic building and fire code standards in the City of Winnipeg's downtown.

The program's geographical boundaries coincide with those defined in CentreVenture's Mandated Area.

The program is open to owners of heritage structures that have been placed on the City's Buildings Conservation List. Applications are administered on a first-come, first-served basis during the fiscal year (January to December).

Grants may amount to no more than 50% of approved costs for eligible work up to a maximum of $25,000.

CentreVenture and the City's designated officer are authorized to approve applications that conform with the program's criteria. Projects that entail exceptional circumstances or requests, are forwarded to City Council's Executive Policy Committee for a decision.

SCOPE OF THE PROGRAM

Eligible Work

Capital assistance from the CentreVenture Downtown Heritage Program may be allocated to the following:

3 Measures to repair, preserve and/or restore a designated structure's heritage character, architectural elements and detailing. These measures include:

- Work to conserve **original exterior character-defining elements** such as cornices, parapets, domes, towers, windows, doors and frames, metal canopies, light fixtures, designated flagpoles and water tanks, and decorative features such as panels, moulds, carvings, and architectural metal grille-work. Subject to demonstrated need, cladding stabilization also may be eligible. This includes the repair and restoration of terracotta and the repointing of stone and brick masonry.

- Work on **designated original interior elements and finishes** such as stained glass windows, skylights, heritage elevators, staircases, doors, pressed tin and decorative plaster ceilings, terrazzo flooring, and other listed features of wood, stone, plaster, glass, and architectural metal.

- Assistance may be extended to roof repairs or replacement if the design of the roof is deemed to be a character-defining element of the building and/or the work entails exceptional costs because unconventional materials consistent with the original roofing are required.

3 Measures to meet contemporary Manitoba Building and Fire Code standards or their equivalents. This includes work on mechanical, plumbing, electrical, sprinkler, and fire/smoke alarm systems, and on required life safety modifications such as the installation of additional means of egress and fire-resistant doors, walls, and finishes.

3 Measures to reconstruct missing character-defining architectural elements. This work must be based on drawings, photographs, surviving physical remnants, or other acceptable evidence of the original design.

3 Measures to make heritage structures physically accessible to persons with disabilities, subject to design approval from the appropriate agency (i.e., the City of Winnipeg Historical Buildings Committee or Historic Winnipeg Advisory Committee). Priority will be given to work on building entrances and exits. Consideration also will be given to interior changes (i.e., physical modifications and/or new equipment) based on demonstrated need for the work and the degree to which the space is intended for use by the general public.

3 Essential measures required to secure and weatherproof vacant heritage buildings, or to stabilize and sanitize mothballed structures that are to be reopened, repaired and reused. This

form of assistance is intended for exceptional cases only based on the significance of the building, the circumstances underlying its vacancy or abandonment, and the potential to access alternative sources of financing.

3 Twenty-five per cent (25%) of professional architectural, engineering or interior design fees required to plan and execute the work identified above.

Not Eligible for Assistance

- Feasibility studies.
- Non-original awnings, canopies, signage and other similar improvements.
- Installation of modern materials and elements including stucco, vinyl and aluminum siding, galvanized metal, modern doors and windows, and modern storm or screen doors and windows.
- Eaves-troughing unless it is significant to the heritage character of the structure.
- Ordinary maintenance including rust removal, caulking, painting, repairs to stucco or other non-original siding, and routine repairs to doors, windows, roofs, and wooden verandahs, balconies and exterior staircases. Note: Application may be made for assistance to repaint original heritage elements that are being conserved under the program's auspices. Colours must be based on historical analysis.
- Routine roof replacement.
- Exterior cleaning of a building unless the work is integral to stabilization of the cladding.
- Application of water-repellent coatings.
- Sandblasting.
- Work on modern additions.
- New construction.
- Work on reconstructed or replica heritage buildings.
- The removal, storage, restoration, and/or reuse of façades or other portions of demolished heritage structures.
- Fences and outbuildings.

- Landscaping unless the work is essential to the provision of physical access for persons with disabilities.

- Building relocation.

- Taxes on project materials, labour and professional services.

APPLICATION AND GRANT CRITERIA

1. Only the owners of heritage structures designated by the City of Winnipeg may apply.

2. The subject structure must be on the City's Buildings Conservation List before a grant application is submitted.

3. No municipal taxes may be owing on the property.

4. The program is open to all building types and uses.

5. Priority is given in the first instance to designated structures in the Exchange District and adjacent historic and character areas.

6. Preference is given to non-government buildings.

7. Only projects costing $25,000 or more are considered.

8. Eligible structures are limited to a maximum $50,000 in capital grants from the CentreVenture Capital Grants every five years. Permission to waive this provision may be sought in exceptional circumstances.

9. Applicants must submit a simplified conservation report that includes (also refer to Attachment 1):
   - the structure's legal address, registered ownership, property description, certificate of title number, property assessment roll number, and grade of heritage designation;
   - a brief description of the condition of the structure and its site;
   - an outline of the proposed project and schedule for undertaking the work;
   - the estimated costs of all labour and materials, supported by two independent quotations;
   - a list of all proposed sources of project financing;
   - detailed drawings and/or specifications for the proposed work;
   - photographs of the affected areas of the structure; and
   - a brief description of the steps that will be taken to ensure future upkeep and repair of the structure and its heritage elements.

10. Applications are assessed on the basis of:
    - level of vacancy in the building;
    - **for the year 2002, only applicants whose buildings are more than 75% vacant may apply;**
    - ability to start the work immediately;
    - level of leverage;
    - the urgency, appropriateness, and economic and technical feasibility of the proposed project;
    - the degree to which the proposed work adheres to the City's Standards for Conservation (Attachment 1); and
    - where applicable, the degree to which the proposed project will make a designated structure more accessible to persons with disabilities.

11. Work may not begin until grant approval is obtained and a written heritage agreement is signed. Assistance will not be awarded retroactively for work previously done.

12. Grants are limited to no more than 50% of total approved project costs to a maximum of $25,000 per project.

13. The amount of each grant will be fixed prior to the start of work. Any overruns or unanticipated expenses will be the responsibility of the grantee.

14. Owners may seek project funding from other government programs without prejudice to their eligibility for a CentreVenture Capital Grant.

15. Sweat equity is not accepted as a source of project investment.

16. Expenditures must be incurred in order to receive the full amount of a grant. If actual project costs are lower than estimated, or if not all the eligible work is completed as first committed by a recipient, then the dollar amount of the grant will be reduced accordingly.

17. All eligible design work and structural assessments shall be conducted by registered Manitoba architects, interior designers and/or engineers, as applicable.

18. Proposed use(s) and conservation work must conform with all relevant provisions of the City of Winnipeg's Zoning and Building By-laws.

19. The proposed work must be reviewed and pre-authorized through the issuance of heritage approvals from the City of Winnipeg, Planning and Land Use Division and a Heritage Permit, if applicable (required for buildings designated under the terms of the Heritage Resources Act).

20. Grant recipients have one year from the date of signing their heritage agreement to complete their projects.

21. Progress on each project is monitored by program staff. If at any time it is determined that a project is failing to adhere to the list of approved work, the grant in whole or part may be rescinded at the discretion of the City of Winnipeg.

22. Grant monies are released only after the work has been completed, appropriately documented by the grant recipient, and inspected and approved by the City. Recipients must submit photographs of the completed work, plus a detailed list of all expenses incurred supported by paid invoices or other receipts. All work and documentation must be deemed satisfactory by the City before payment is made.

23. To enable this program to be administered in a cost-effective manner, the onus is on applicants and grant recipients to provide required information in a complete and timely fashion. The onus also is on applicants and grant recipients to keep the City updated on any delays or changes in project plans.

ADMINISTRATIVE PROCEDURES

1. Applications are processed on a first-come, first-served basis during the fiscal year until the budget is committed.

2. An application is deemed to be submitted only on the receipt of a written conservation report which is approved by CentreVenture Development Corporation. Inquiries or notices of intent do not guarantee a place in the queue.

3. Applications must be submitted to CentreVenture Development Corporation.

4. The City's designated officer, with the concurrence of CentreVenture Development Corporation, has the authority to approve projects that conform to program criteria.

5. A heritage agreement must be signed for all approved projects.

6. All appropriate permits, certificates or other authorizations must be obtained before work can proceed.

Attachment 1

SCOPE OF WORK

☐ **Basic Information** about the property
- legal address
- registered owner (name, address, telephone and fax numbers)
- legal property description
- certificate of title number
- property assessment roll number
  - heritage designation by the City of Winnipeg - Grade I, II or III, plus listed interior elements, if applicable

☐ Brief description of the **condition of the structure** and its site, and the **need for the proposed conservation work.** (If applicable, describe any outstanding regulatory orders attached to the property.)

☐ A list and brief **description of all proposed work.**

☐ **Project schedule.**

☐ **Financial plan** (minimum project cost = $25,000):
  - estimated costs (net of GST and PST) for all materials and labour by item or component of work, plus professional fees, if applicable
- two independent quotations for all material and labour costs
- proposed means of financing the work
  - list of all grants, tax credits and other forms of public assistance applied for or awarded
- other forms of investment (e.g., loan capital; cash equity).

☐ Detailed **drawings and/or specifications** for the proposed work.

☐ **Photographs** of the structure and the areas affected by the proposed work.

☐ **For projects that involve reconstruction,** a brief description of the **evidence to be used to determine the original design** of missing architectural elements.

☐ A brief description of the steps to be taken to ensure **future upkeep and repair** of the structure.

Attachment 2

STANDARDS FOR CONSERVATION

On August 9, 1995, City Council approved a Consolidated Policy for Funding the Conservation of Heritage Buildings. This policy includes a series of standards which are to be applied to specific heritage projects in a reasonable manner, taking into consideration economic and technical feasibility.

(1) A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.

(2) The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.

(3) Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.

(4) Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.

(5) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.

(6) Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old design, colour, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.

(7) Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.

(8) Significant archaeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.

(9) New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.

(10) New additions and adjacent new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

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DEVELOPMENT CORPORATION

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March 6, 2002

RECEIVED
CITY OF WINNIPEG
MAR 13 2002
Planning, Property & Development Department

Mr. Harry Finnigan
Director Property & Development Services
City of Winnipeg
3rd flr 65 Garry Street
Winnipeg, MB

Dear Mr. Finnigan: Harry,

CENTREVENTURE DOWNTOWN HERITAGE TAX CREDIT PROGRAM

We have been informed that $1 million has been added to the Heritage Investment Reserve and is available for the CentreVenture Downtown Heritage Tax Credit Program. The Program is intended to stimulate capital investment in the conservation and reuse of historical buildings in the heart of Winnipeg. We request that the identified funds be committed to the CentreVenture program for use in our mandate of downtown development and to be administered jointly with City administration.

With adaptive re-use of heritage buildings as a priority, we recommend the program assist heritage buildings in the downtown or support investment and development in the historic Exchange District.. We suggest that a sunset clause be introduced with this allocation of funding and the program is geared to wrap up upon completion of projects. We further propose this program has an added emphasis on residential and mixed use projects.

CENTREVENTURE CAPITAL GRANTS PROGRAM (formerly Gail Parvin Hammerquist)

The agreement between the City of Winnipeg and CentreVenture directs 5% of the Land Operating Reserve for investment in downtown development through the CentreVenture Downtown Capital Grants Program. We understand this year's amount to be $162,183. We request the identified funds be committed to

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replenish the Capital Grant Program and administered jointly with City staff. The Fund will be aimed at spurring investment in designated heritage buildings in the downtown or be used to support development in the historic Exchange District. The use could, but need not be limited to direct investment in projects or in studies and services to support projects that will result in the implementation of specific, time-limited objectives and tangible end products and development.

I thank you for your assistance in this matter, Harry.

Yours truly,

Annitta Stenning
President & CEO

Cc: Jim Paterson, Downtown Manager
Giles Bugailiskis, Senior Heritage Planner
Gordon Courage, Manager Support Services