

City of Winnipeg Financing Growth Study Stakeholder Meeting #1



Tuesday, July 19th, 2016

HEMSON
Consulting Ltd.

Agenda

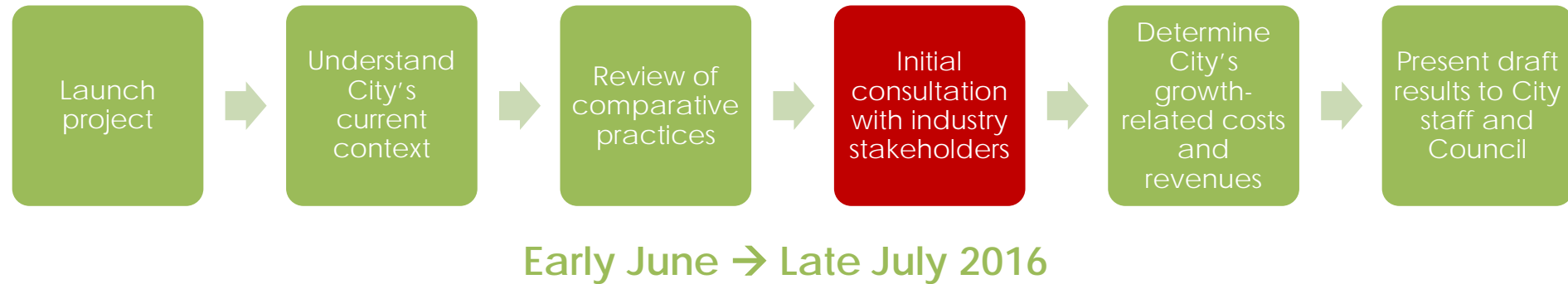
- Overview of study and timelines
- Winnipeg's current context
- Current approach to funding development-related capital projects
- Comparative practices
- Considerations for Winnipeg
- Types of development-related capital projects that could be considered
- Next Steps

The Financing Growth Study Focuses on Four Key Issues

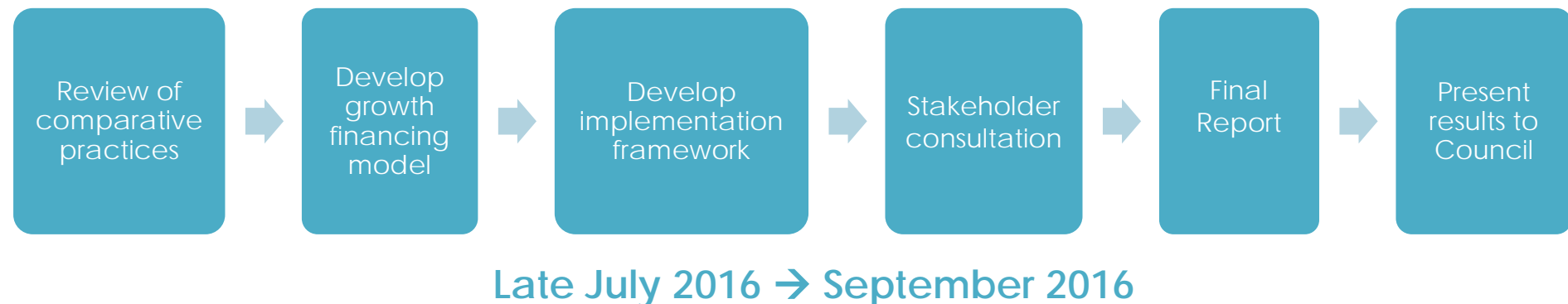


The Growth Study is being Undertaken in Two Phases

Phase 1: Funding Options and Determination of Development-Related Costs and Revenues

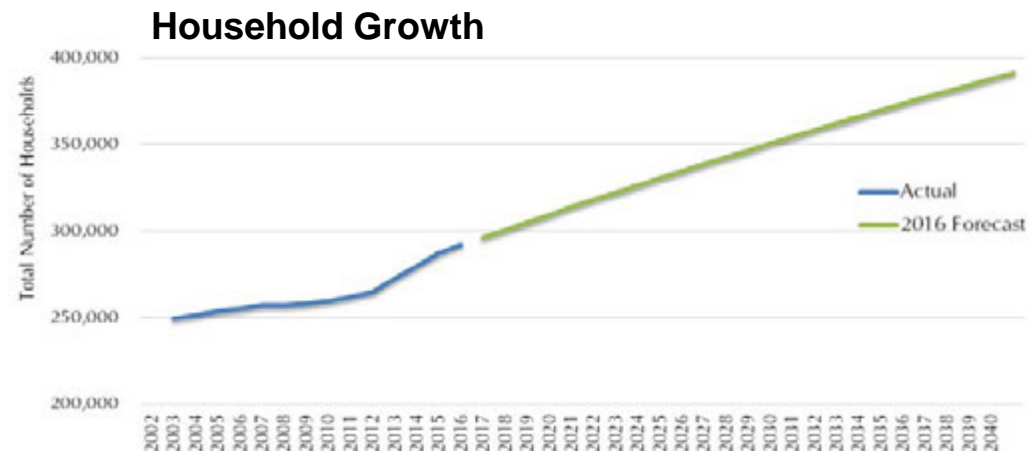
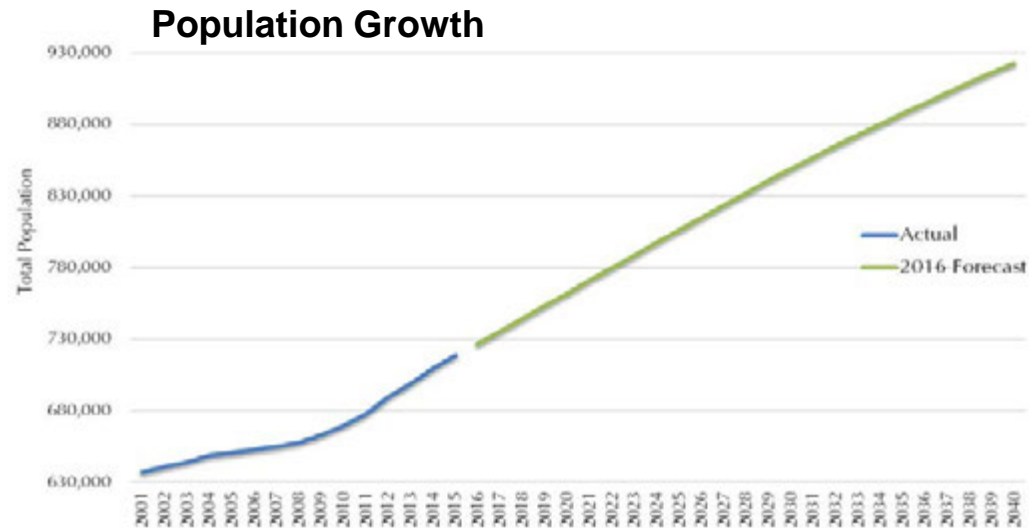


Phase 2: Determination of Growth Financing Implementation Framework



Winnipeg is Growing

- Relatively strong population growth and development is expected to continue well into the future
- Challenge: funding growth-related needs in addition to existing funding priorities (e.g. capital infrastructure deficit, rapid transit, operating costs)



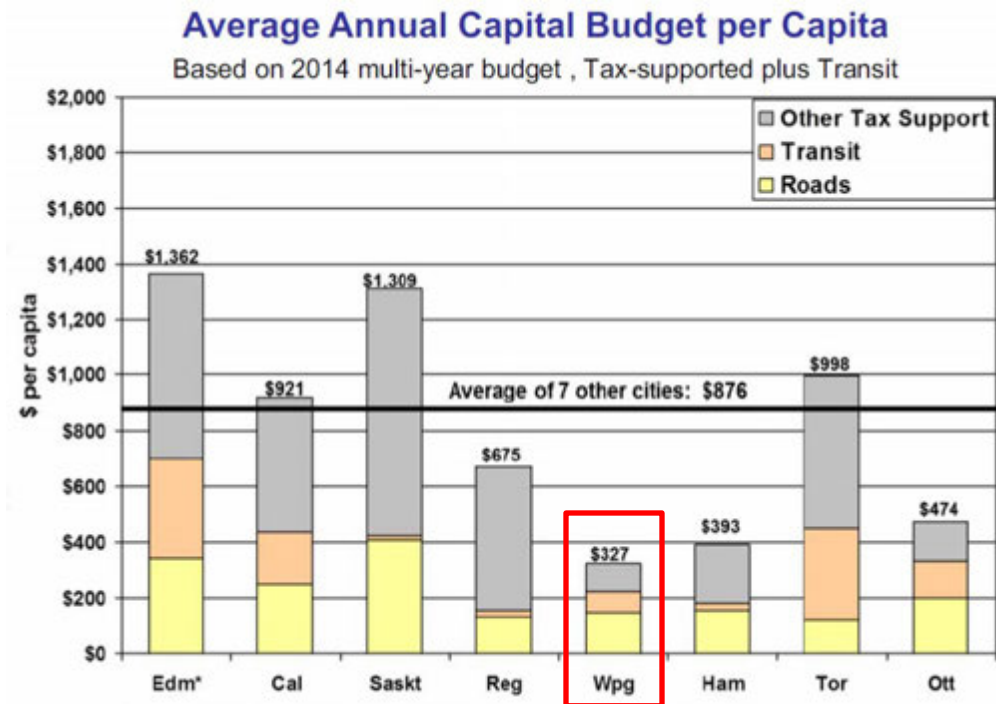
How Winnipeg Pays for Growth Today

- Through development agreements, developers currently pay for some off-site costs related to boundary roads, intersections, and drainage
 - Fees only cover infrastructure that directly serves the site
- In comparison, municipalities surrounding Winnipeg charge development levies to fund off-site, growth-related water, sewer, and road infrastructure



How Winnipeg Pays for Capital Today

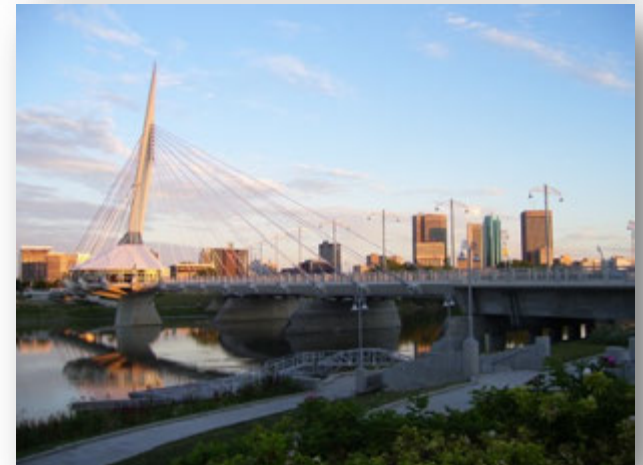
- With limited available funding mechanisms, the costs of growth are funded primarily through property taxes and utility rates
- Property taxes and capital spending are significantly lower than in other major Canadian cities
- This has resulted in competing funding priorities and a growing infrastructure deficit



Source: City of Winnipeg Community Trends and Performance Report, 2016

Legislative Charges for Development-Related Capital

- **Legislative Charges** are fees imposed on development to typically fund off-site, growth-related infrastructure
- Underlying principle: “growth pays for growth”
- Widely used by municipalities across Canada
 - Variation among enabling legislation
 - Municipalities use different approaches to determine eligible costs for recovery, how charges are calculated, exemptions and discounts, etc.



Legislative Charges: Services Recovered For

	Toronto	Ottawa	Regina	Calgary	Vancouver	Surrey	St. Clements	East St. Paul
Water	*	*	*	*	*	*	*	*
Wastewater	*	*	*	*	*	*	*	*
Storm/ Drains	*	*	*	*	*	*	*	*
Roads	*	*	*	*	*	*	*	*
Transit	*	*		*				
Parks & Rec	*	*	*	*	*	*	*	
Protection	*	*		*				
Library	*	*		*				
Childcare	*	*			*			
Housing	*	*			*			

Legislative Charges: How Charges Are Applied

	Toronto	Ottawa	Regina	Calgary	Vancouver	Surrey	St. Clements	East St. Paul
Municipal-wide charge	*	*	*	*	*	*	*	*
Area-specific charge		*		*	*	*		

	Toronto	Ottawa	Regina	Calgary	Vancouver	Surrey	St. Clements	East St. Paul
Land use specific charge	*	*		*	*	*		
Uniform charge across land uses			*	*			*	*

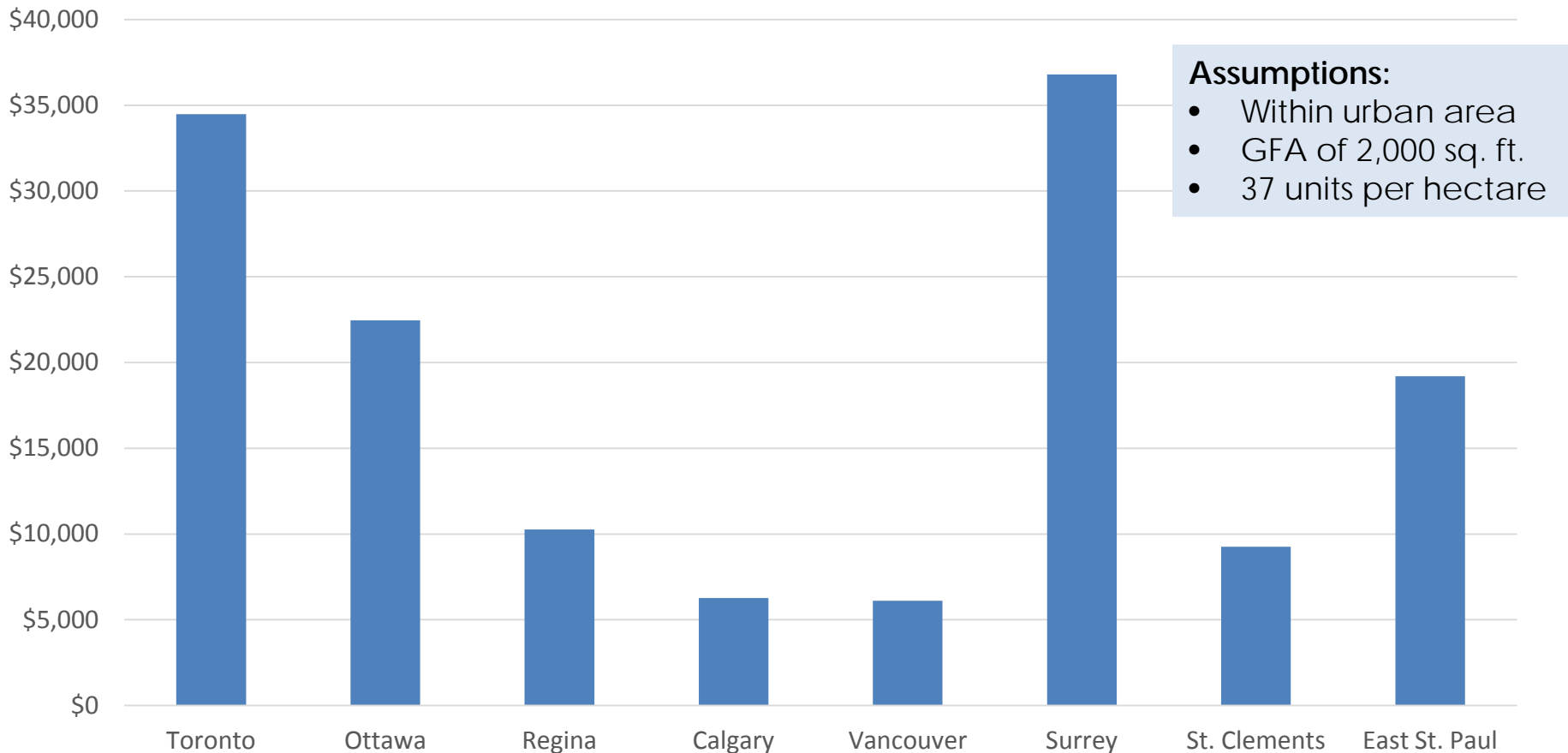
Legislative Charges: Amount of Charge

	Toronto	Ottawa	Regina	Calgary	Vancouver	Surrey	St. Clements	East St. Paul
Single detached home in urban area	\$34,482 per unit	\$22,468 per unit	\$380,000 per ha	\$6,267 per unit*	\$33 per sq.m	\$36,806 per unit	\$9,250 per new lot	\$19,200 per new lot
Commercial use in urban area	\$176 per sq.m	\$213 per sq.m	\$380,000 per ha	\$37 per sq.m*	\$143 per sq.m	\$107 per sq.m	\$9,250 per new lot	\$19,200 per new lot

**Represents Calgary's planned rates to be phased in by 2018*

Legislative Charges: Amount of Charge

Charge per single detached unit



Legislative Charges: Exemptions and Discounts

Many municipalities use exemptions and discounts to incentivize development of a certain typology or location:

- **Toronto:** Industrial uses are exempt from development charges
- **Ottawa:** Exemptions or discounts are offered for development on contaminated or “brownfield” sites, and for intensification in downtown neighbourhoods or transit nodes
- **Calgary:** Density Incentive Program caps levy rates within the urban area that reach a density equivalent of 285 people + jobs per hectare

Policy Considerations for Winnipeg

- Services to consider
- Area-specific vs. City-wide approach
- Charge per unit, per hectare, per square metre, or per new lot
- Potential for charges as an implementation tool for broader policy initiatives within *OurWinnipeg* (e.g. use of exemptions and discounts)
- Phasing in and/or indexing of charges on an annual basis



Next Steps

- Receive and respond to stakeholder comments
- Assessment of growth-related costs and revenues
- Evaluation of potential growth financing models
- Development of preferred growth financing model and implementation strategy
- Stakeholder Consultation Round 2: Aug 2016
- Final Report: Aug. 31, 2016