

Downtown Tax Increment Financing program expanded

March 26, 2010 | [Winnipeg Free Press](#)

The city and province have agreed to offer up to \$20 million worth of tax incentives to developers over the next three years in the hopes of creating 500 to 800 new rental apartments or condominium units in downtown Winnipeg.

The harmonized incentive package, formally known as the Downtown Residential Development Grant program, is designed to help developers bridge the gap between the cost of bringing old heritage buildings up to code -- or building brand-new residential buildings -- and the potential profits they could garner from new developments.

[The city has offered incentives for downtown housing since 2007](#), when it began providing property-tax breaks of up to \$20,000 per unit in multi-family and mixed-use buildings. But developers complained they also needed breaks on provincial education taxes in order to make their projects work.

The new incentive package, which will effectively replace the city program, provides developers with combined tax breaks of up to \$40,000 per unit. Under a complex formula that's still being worked out, apartment and condo buildings with affordable components are supposed to receive the biggest grants.

The higher subsidies go to the units that have the most affordable components (i.e. \$500-a-month one-bedroom apartment or condo units with assessed values below \$250,000).

At least 10 per cent of the units created by the new program will be affordable and 10 per cent will be designed for people with disabilities. But those ratios will not be imposed on every building that will qualify for the tax breaks.

See full story [here](#). Developers respond in a separate story [here](#).

Posted on the [Winnipeg Rental Network](#)

