

Listen to planners, not plutocrats

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It's great City Hall wants to increase downtown Winnipeg's residential population. The densification of this city's core is a laudable goal.

But Winnipeg's curious plan to cut \$10,000 cheques to Exchange District and Waterfront Drive condo buyers appears to be a desperate and reactionary measure rather than a sensible piece of a long-term plan to continue the revitalization of the city's core.

This plan involves: A) Scooping up \$7.8 million of future property-tax revenues from new developments in every section of downtown; and B) Funnelling that money into the Exchange District and several adjacent neighbourhoods.

Some of the cash will be used to address concerns raised about downtown living, such as safety issues, parking and the absence of a major grocer. While there may be merits to increasing foot patrols, expanding car-sharing and offering incentives to retailers, it is improper to devote precious growth revenues to routine spending priorities. The city has a budget process and CentreVenture should not be allowed to circumvent it.

What officials have only hinted at publicly is some of the developers who took advantage of an earlier program -- the city-provincial Downtown Residential Development Grant Program -- are deeply unhappy they were unable to qualify for the maximum tax credits promised under that plan. It was billed as a tax-increment financing program, but it wasn't a real TIF.

Under a genuine TIF, any new property-tax revenue in a blighted area is either reinvested in streetscaping improvements or returned to the developers. Also, governments don't control what developments take place; they only decide how to reinvest the resulting windfall. The downtown residential program, however, was not a TIF but a series of grants, with the city and province effectively deciding who could qualify. Even worse, the provincial demand for an affordable-housing component weakened the TIF-like mechanism, as developers could not achieve the maximum possible profits -- and thus could not return the maximum amount of new revenues to downtown.

As a result, very little affordable housing wound up getting built, some developers were deeply disappointed and -- here's the crucial part -- downtown was left with more new condos (that many Winnipeggers cannot afford) than new apartments (which more Winnipeggers can afford).

For more on this story, [click here](#).

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