

Exploring the impacts of the Sport, Hospitality and Entertainment District (SHED): Winnipeg's First Tax Increment Financing District

Anna McKinnon
Department of City Planning
University of Manitoba

REASONS FOR RESEARCH

Tax Increment Financing (TIF) is a popular economic development incentive typically applied across a defined area, called a TIF district. Within the district, property taxes are frozen at a base year, and incremental taxes (the amount of appreciation) will be spent on investments within the district that render it more attractive for private development. It is assumed that this spending will lead to property values increasing, and the municipality benefiting from the expansion to the tax base.

In 2012, the 11-block area around the Canada Life Centre in downtown Winnipeg was designated as the city's first TIF district. Termed the Sport Hospitality and Entertainment District (SHED), the area has seen significant new development take place since 2012. Because TIF represents a reallocation of tax funds that would otherwise benefit the municipality as a whole, it is critical to evaluate its effectiveness and the public benefit that it serves.

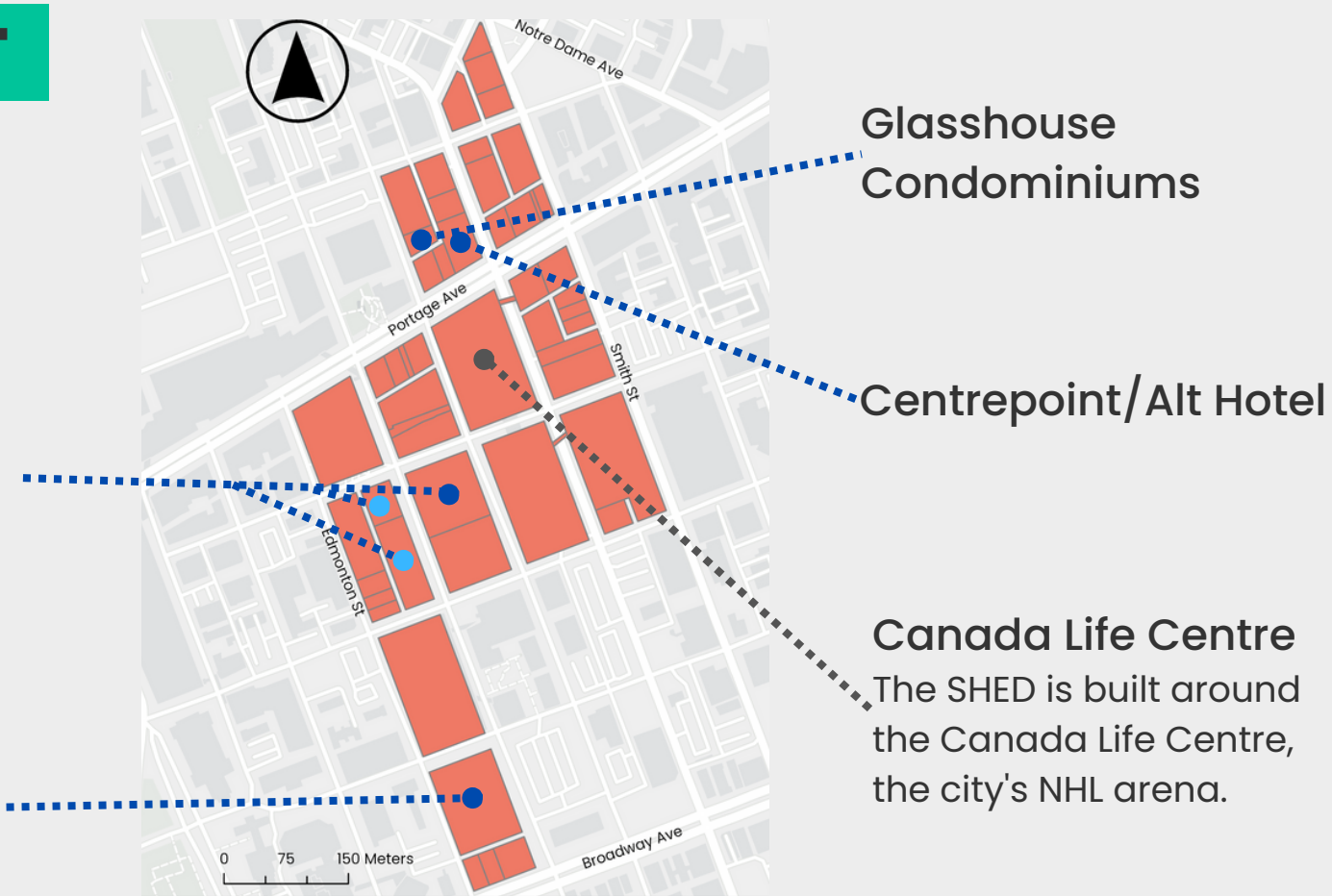
This research explores the impacts of the SHED's TIF designation using a twofold approach. First, it explores whether expected increases to property values have materialized within the SHED and the downtown zoning by-law since 2012. Second, it asks how residents feel about their community and the new development that has taken place in the SHED. Through this line of questioning, the research tries to understand what public benefit has been served through the SHED's TIF designation, and suggest future investment areas that could help to address ongoing challenges identified by residents downtown.

SHED CONTEXT

- New Development
- Under Construction
- Pre SHED Development

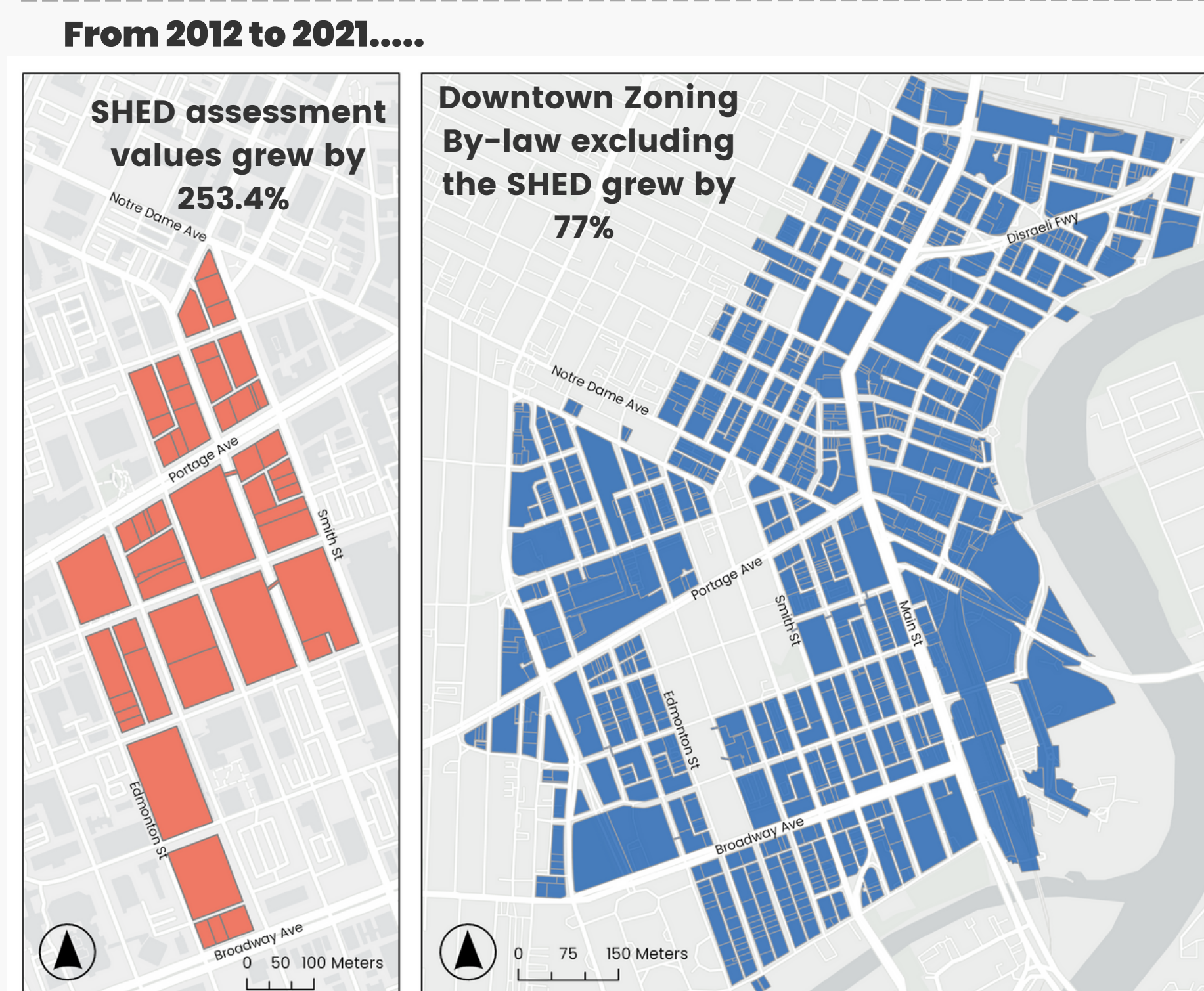
True North Square
True North Square is the SHED's flagship development and has been open to the public since 2018. Two towers are currently completed, with the remaining three still under construction.

RBC Convention Centre Expansion



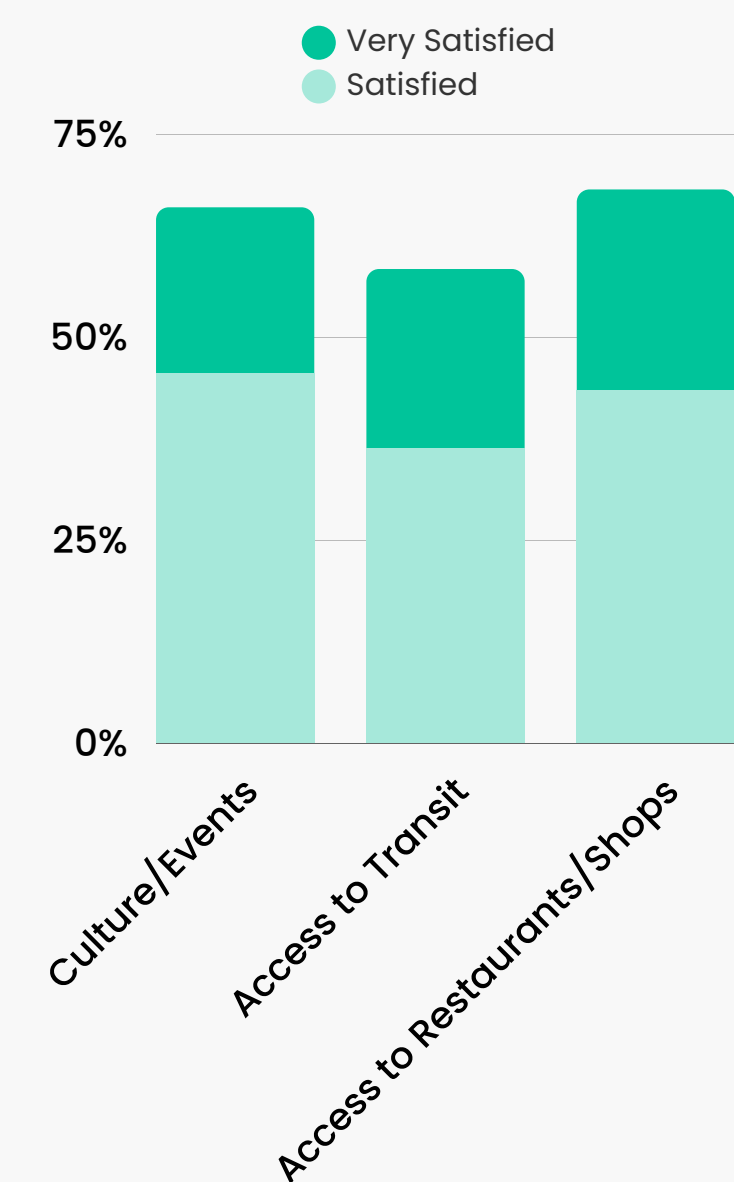
KEY FINDINGS

PROPERTY VALUE ANALYSIS

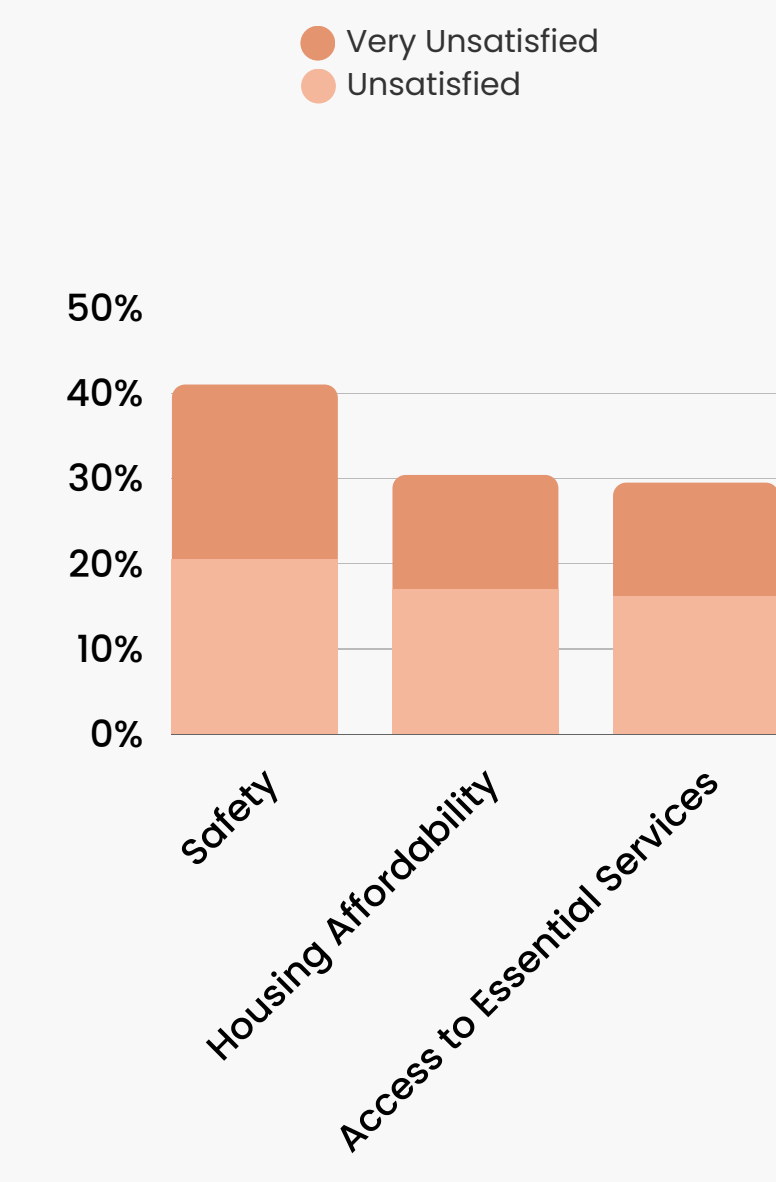


RESIDENT SURVEY

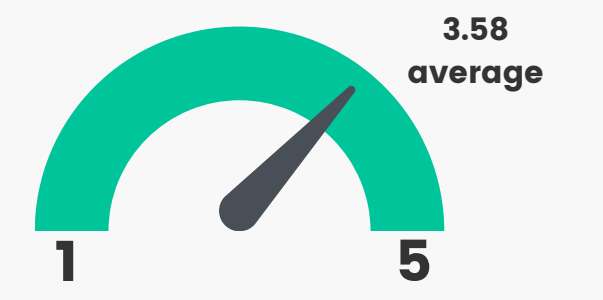
Residents were MOST satisfied with:



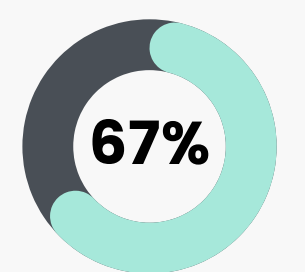
Residents were LEAST satisfied with:



Overall, residents had a mostly positive perception of the SHED area:



"On a scale of 1 to 5, with 5 being positive, how would you rate your feelings about spending time in the SHED?"



67% of residents felt new developments around the Canada Life Centre had a **positive** or **very positive** impact on their community



- 44.2% of Residents felt that streetscaping within the SHED had **somewhat improved**
- 22.5% felt that streetscaping had **greatly improved**

RESEARCH QUESTIONS & METHODS

Question 1:
How have property values in downtown Winnipeg's Sports, Hospitality, and Entertainment District (SHED) changed in relation to the rest of downtown since the inception of the TIF district?

Property Value Analysis
I used property values from 2009 - 2012 to establish a base rate of growth for the Downtown Zoning By-law. I then calculated growth from 2012 (year SHED was established) to 2021 (most recent assessment data available online)

Question 2:
How do residents living downtown feel about the development that has taken place in the SHED TIF district?

Resident Survey
I conducted a survey with residents living within a 5 minute walk from the SHED. In total, there were 120 valid responses (2 intercept + 118 online)

ANSWERS TO THE RESEARCH QUESTIONS

Question 1:

- SHED TIF designation does not appear to have changed the overall pattern of growth for Downtown
- Small size of the SHED and impacts of the COVID-19 pandemic may have limited growth
- The TIF District was effective at directing growth to the SHED
- However it seems likely the same amount of growth would have happened without TIF

Question 2:

- Overall, respondents felt positively towards the SHED
- Benefits from new development have included streetscaping improvements, increased foot traffic, and access to new bars and restaurants
- But there are also ongoing challenges that private development can't solve
- Need for community oriented amenities, affordable housing, improvements to safety

CONCLUSION

- TIF represents a reallocation of taxpayer dollars, however it is challenging to find information regarding how much money has been committed to different projects
- Transparency around TIF from both the City and Province should be improved to allow citizens to understand where their taxes are being spent
- There is a need for more community-oriented amenities downtown, especially a full service grocery store
- Life sustaining supports such as affordable housing, food security, and harm reduction supports are essential for addressing negative perceptions of safety and building a successful downtown for all
- These unmet resident needs should be considered in future TIF spending

"If developers are receiving incentives (tax breaks etc) to build, their plans should be required to include meaningful contributions to the community that exists downtown. That community includes people of all social economic backgrounds."

Survey Respondent