



CONVERGING PERSPECTIVES



centreventure
development corporation



CONVERGING PERSPECTIVES

CentreVenture Development Corporation was created by Winnipeg City Council in June 1999 as an arms length corporation. CentreVenture is mandated to stimulate downtown revitalization by creating the climate for business and government to work together and by promoting the downtown to investors, businesses and residents.

A shared vision of a revitalized downtown Winnipeg is coming together.



centreventure
development corporation



Buildings and Clouds (photo: Jorge Ducharme - Destination Winnipeg)

DEVELOPING A NEW PICTURE OF OUR DOWNTOWN

A MESSAGE FROM THE MAYOR OF WINNIPEG AND THE PRESIDENT AND CEO OF CENTREVENTURE



The Downtown Winnipeg Employment Study, a recent report commissioned by the city, confirmed that 57,000 people work downtown and projected substantial growth in downtown jobs in the immediate future. According to the Conference Board of Canada, Winnipeg's economic growth is expected to rise above the growth of other Canadian cities in 2009.

The City of Winnipeg is now in the process of creating a new 25-year blueprint for the future of Winnipeg, to succeed Plan Winnipeg, which was last updated in 2001. A major focus of the new plan will be to build on the recent successes downtown has experienced and to take on the challenge of growing the downtown residential population to rival the workforce numbers.

Since its creation in 1999, CentreVenture has been at the forefront of efforts to create an economic, social and environmental framework to sustain the revitalization of downtown neighbourhoods, business districts, parks and public destinations, including our wonderful waterfront. Myself, and everyone at the City of Winnipeg, commend CentreVenture on all their efforts and look forward to the accomplishments sure to follow in their second decade of downtown economic development.

A handwritten signature in orange ink that reads "Sam Katz". The signature is fluid and cursive.

Sam Katz
Mayor

Evidence of downtown Winnipeg's renaissance continues to emerge. There is renewed interest from both local and out of province investors, property values are on the rise and demand for housing is at an all time high. People are returning downtown and they're excited about the future.

In the past year alone, Birks Jewellers brought sophisticated retailing back to Main Street, Manitoba Hydro moved the first of 2,000 workers into its new corporate head office on Portage Ave. and the Sky Waterfront condominiums expanded the range of urban residential vistas along the Red River.

In 2008, CentreVenture announced the birth of a significant cluster of development along Main Street anchored by the construction of a \$40 million development by the Winnipeg Regional Health Authority. In the next two years, as the WRHA and additional complementary developments take place, we're confident that a tipping point will be reached in this historic and important part of our downtown.



The only constant in today's world is change. CentreVenture sees opportunity in our downtown despite the turbulent national and global economy and remains optimistic that private and public investment will continue to recognize the momentum and opportunity that exist here.

With the support of our Board, the City of Winnipeg and the staff of CentreVenture, we continue the process of downtown revitalization and rebuilding. Join us in celebrating the storied history of our city and in creating a downtown as inspiring and energizing as the people who live here.

A handwritten signature in orange ink that reads "Ross McGowan". The signature is fluid and cursive.

Ross McGowan
President and CEO



A SHARED VISION

A SNAPSHOT OF 2007– 2008

CentreVenture programs connect potential investors with the assistance, information, government programs and the financing they need to make their projects successful. Working with governments and allying with partner agencies, CentreVenture makes things happen downtown.



“When the WRHA decided to relocate our regional head office to the North Main area, CentreVenture was instrumental in reinforcing the value and advantages of this decision and making it a reality. We’re joining a neighbourhood filled with a unique mosaic of people, amenities and services that has welcomed us with open arms.”

Dr. Brian Postl, President and CEO
Winnipeg Regional Health Authority



“The project to redevelop Central Park will create a spectacular public destination and a beautiful year-round space for the community that lives in the area. CentreVenture’s stewardship of this complex and exciting pilot project bodes well for the success of future partnerships to revitalize downtown parks.”

Deborah Gray, The Gray Family

Redeveloping historic North Main Street

In March 2008, CentreVenture joined the Winnipeg Regional Health Authority (WRHA) in announcing the most significant development to take place on Main Street in the last 50 years. CentreVenture collaborated with the WRHA and The Resolve Group to build a \$30 million, 74,000 square foot community health clinic and WRHA head office between Logan and Higgins, complete with a 300-stall parking garage. It will be the major catalyst of North Main Street development and will bring 200 administrative and health workers to the area and generate \$1 million a year in incremental tax revenue.

Realizing world class public destinations

Great cities dedicate energy and resources to creating and maintaining parks, gardens, playgrounds and community places. A \$4 million project to remake Market Square as an international model for heritage district development began in September 2008.

In June of 2008, CentreVenture joined with the Winnipeg Partnership Agreement, The Winnipeg Foundation and members of the Gray Family of Winnipeg to announce a \$5.6 million initiative to return Central Park to its former glory.





Encouraging residential initiatives

Downtown is poised to receive a dramatic population increase. The expansion of residential opportunities on Waterfront Drive continues with the construction of the 136-apartment Sky Waterfront condominiums. In July 2008, the \$4 million You Cube condominium complex plan was announced. The 21-unit townhouse style project is located further north on Waterfront and expands the affordable housing options in the area.

Preserving heritage buildings and streetscapes

CentreVenture concluded an agreement that will restore the 112-year old facades of the Ryan Building at 104 King Street and create a much needed Exchange District parkade and 8,000 square feet of new commercial space at street level. In 2009, CentreVenture, in partnership with the City of Winnipeg and Adelaide Investments Group, will preserve and restore the century old Kelly House at 88 Adelaide Street in the Exchange District as the new headquarters of Heritage Winnipeg.

The Downtown Council from left to right: Angela Mathieson, Province of Manitoba; Deepak Joshi, City of Winnipeg; Mal Anderson, Exchange District BIZ; Ross McGowan, CentreVenture; Jim August, The Forks North Portage Partnership; Stuart Duncan, Destination Winnipeg; Stefano Grande, Downtown Winnipeg BIZ; David Angus, Winnipeg Chamber of Commerce (photo: Alan McTavish)

“CentreVenture’s assistance has been integral in purchasing the land and creating more residential living downtown. Planning a downtown project with people who share my passion for seeing our city achieve its fullest potential has been a great experience.”

Mark Penner, President
Green Seed Development Corporation



“This house is a rare example of a Winnipeg residence from the early 1880s. With the advocacy and financial assistance of CentreVenture, Kelly House will be saved from the wrecking ball and transformed into an important historical asset.”

Cindy Tugwell, Executive Director
Heritage Winnipeg



Providing leadership in downtown revitalization

CentreVenture, charged with providing leadership in downtown revitalization, has forged a successful collaboration with the agencies and organizations that play key roles in downtown redevelopment by establishing the Downtown Council.



THE VIEW FROM HERE

STRATEGIC DIRECTIONS



**Building a better downtown
is about much more than
the buildings downtown.**



**CentreVenture strategies
consider the mix of**



**business, residential,
functional and recreational
development needed to
strike a vibrant balance.**

Mountain Equipment Co-op – CentreVenture played the lead role in designing and building an environmentally green store at 303 Portage Ave.

Millennium Library
Fairchild Lofts

- CentreVenture will play a key role in implementing CentrePlan, the City of Winnipeg’s visionary downtown strategy. The Corporation will provide development direction, coordination and leadership while seeking to eliminate administrative red tape. It will also lead development of solutions around issues such as public safety, vehicles, parking, pedestrian circulation, social issues and the environment.
- Bridge and gap financing for downtown revitalization projects will be provided through CentreVenture’s Urban Development Bank. CentreVenture will also stimulate capital investment in the conservation, rejuvenation and reuse of designated historic buildings through the City of Winnipeg’s Heritage Tax Credit Programs and heritage grant programs.
- CentreVenture will actively promote residential, commercial, retail, entertainment and destination development by marketing downtown as the city’s premier location for appropriate businesses; by targeting and securing new tenants for key downtown sites; and by encouraging strategic partnerships in clusters of focused economic activity – particularly along vital arteries such as Portage Avenue and Main Street.
- Collaboration between the public and private sectors is essential to successful revitalization. CentreVenture will continue to promote public and private sector investment; to identify partnership opportunities; and to lead alignment initiatives that will streamline processes and eliminate redundancies.
- CentreVenture will promote our downtown as an exciting destination for residents and visitors by working with other agencies to provide comprehensive information about all that our downtown has to offer.

Mountain Equipment Co-op - a 2002 CentreVenture[®] initiated design/build project

 MOUNTAIN
EQUIPMENT
CO-OP

MOUNTAIN
EQUIPMENT
CO-OP
Opening Spring 2002

mecc.ca



A LOOK BACK

1999 – 2006: A TRACK RECORD OF MEANINGFUL CHANGE

CentreVenture Development Corporation has an enviable track record that ranks it among the top tier of downtown economic development agencies in North America.



Four condominium projects anchor the Waterfront Drive development:

The Excelsior
The Strand
Ship Street Village
Sky

Significant change fuelled by CentreVenture

With funding from the City of Winnipeg and the Province of Manitoba, the Urban Development Bank offers gap financing, mortgages and loan guarantees for small and medium projects.

CentreVenture worked with the private sector to rejuvenate some 26 historic buildings and realize almost 500 new housing units. These projects will contribute over \$145 million in new construction and redevelopment, create \$3.9 million in annual tax revenues and have created 2,270 person years of employment.

As well, CentreVenture has sold 21 surplus properties for \$2.9 million, awarded \$3.2 million in Heritage Tax Credits and \$1.0 million in Heritage Grants.

Waterfront Drive represents visionary new thinking

CentreVenture brought together three levels of government to invest \$9.1 million dollars in the project that is known as Waterfront Drive. It facilitated the development of the Wellington West office building, the Drive's gleaming cornerstone.

The Corporation was also instrumental in initiating and approving four major residential Waterfront Drive projects, in essence creating an entirely new downtown neighbourhood. When completed, the private sector will have invested \$57.5 million producing over 200 residential units and more than 35,000 square feet of commercial space.

Major projects realized with help from CentreVenture

CentreVenture has driven the reclamation and redevelopment of crumbling downtown structures into valuable facilities such as Red River College and the Crocus Building in the Exchange. The Corporation has helped facilitate agreements and champion for projects such as MTS Centre, Mountain Equipment Co-op, the Credit Union Central and Manitoba Hydro head offices.

All this has resulted in international recognition; CentreVenture earned a 2002 Award of Merit and a 2005 Multiyear Redevelopment Program Award from the International Economic Development Council.

The Sky Waterfront Condominiums – a \$26 million CentreVenture supported project.



VOLUNTEER VISIONARIES

THE ROLE OF THE BOARD



Jim Ludlow
CHAIRPERSON
President & CEO
True North Sports &
Entertainment Ltd.



Harry T. Ethans
VICE CHAIR
President & CEO
Matlock Enterprises Inc.



Richard Olfert
SECRETARY/
TREASURER
Office Managing Partner
Deloitte & Touche LLP



Rick Bachalo
Vice President,
Mortgages and
Investment Portfolio
Great-West Life
Assurance Company



Ashleigh Everett
President & Corporate
Secretary
Royal Canadian Securities
Limited



Dr. Jerry Gray
Dean Emeritus and Senior
Scholar
I.H. Asper School of
Business



Kevin McGarry
President & C.E.O.
Intelligent Hospital
Systems Ltd.



Sandy Riley
President & CEO
Richardson Financial
Group Ltd.



Curt Vossen
President
James Richardson
International Ltd.

CentreVenture's staff, under the guidance of a volunteer private sector Board of Directors, develops and implements strategies to identify and capitalize on economic, physical, and social development opportunities in Winnipeg's downtown. The Board plays a key role in representing the aspirations and interests of the Province, the City and every citizen stakeholder. Drawn from the ranks of Winnipeg's business community, CentreVenture's nine board members are each appointed for a three-year term.

The current Board brings new energy, recommitment to the strategic plan and has refreshed the thinking behind the business plan approved by Winnipeg City Council.

CentreVenture's Board supports a return to the vision of 'CentrePlan'

"...Downtown revitalization must be something ordinary Winnipeggers care about. We all need to buy into a discussion about what kind of downtown we want, how we can achieve it and what sacrifices we're prepared to make as a city in order to get it."

From an article in the *Winnipeg Free Press*,
April 29, 2006 by Bartley Kives/Mary Agnes Welch

Photos: Alan McTavish





WHAT DO YOU SEE?

A MESSAGE FROM THE BOARD CHAIR

I'm pleased to have the opportunity to represent the volunteer Board of CentreVenture and to bring this message to you on their behalf.

First, let me praise the depth of commitment demonstrated by our Board members. They come from different walks of life yet are united in working towards a shared vision: building a better city; building a downtown acknowledged as a place of pride; and building on the great heritage of our prairie city.

At a recent meeting our working group shared memories of favourite places and even favourite streets in memorable cities around the world. Responses were predictably diverse: Fifth Avenue in New York – great architecture, sense of history teeming with activity. Robson Street in Vancouver – open for business, packed with people and charged with energy. Rue du Champlain in Quebec City – culturally vibrant, alive with the arts and the history of our country. How would we like visitors to Winnipeg to remember our downtown?

We want to build on the grand historical downtown Winnipeg from the turn of the 20th Century and the stirring downtown of the

fifties and sixties to create a vibrant new 21st Century city-centre experience. That said, what do the people of our city want their future downtown to be? How do we go about creating that future?

These are the down-to-earth questions that the CentreVenture Board seeks to answer within the broad mandate of our charter. We hope you, our citizen stakeholders, are asking those questions too. It's your downtown, it's our shared future.

The Board and Staff of CentreVenture are committed to working hand in hand to provide leadership in Winnipeg's downtown redevelopment. The vision is developed. The business plan is refined. Great plans are beginning to unfold. The work continues.

Jim Ludlow
Chair, CentreVenture
Board of Directors



Downtown Winnipeg Skyline
(Photo: Bryan Scott – Destination Winnipeg)

THE FUTURE IS IN SIGHT

POSITIONED FOR SUCCESS: BUSINESS PLAN 2008 TO 2010



Avenue Building architectural rendering (Credit: Cohlmeier Architects)

The Dream – a vision for Winnipeg’s downtown that reflects the hearts and souls of its citizens. CentreVenture’s vision is grounded in a number of concepts and key initiatives that give focus to the corporation’s efforts as it continues building a better downtown through its third mandate.

Seizing the opportunity

Many of CentreVenture’s successes over the years were achieved through its ability to function in an entrepreneurial manner and seize opportunities the instant they become available. This mode of operation combines a coordinated, long-term vision that incorporates urban planning, land assembly and commercial deal making leadership to achieve greater results.

The Cluster Concept: dramatically changing the urban landscape

CentreVenture is pursuing an innovative and ambitious plan to develop three major clusters of activity along Portage Avenue and Main Street. A ‘cluster’ is an area of up to one city block that requires concentrated redevelopment to achieve a definitive visual transformation resulting in a positive psychological effect. CentreVenture is driving cluster development initiatives that will have a significant impact on the successful revitalization of Winnipeg’s downtown. A number of high profile projects in key locations are now in play:

- CentreVenture is continuing to champion the redevelopment of the North Main area and has identified the two blocks between Logan Avenue and Higgins Avenue for a cluster of high profile

activity. Land assembly was completed in 2007 with the purchase of The Bell Hotel. CentreVenture is now collaborating with a Winnipeg developer on the concept for a mixed use commercial building that will anchor the corner of Logan Avenue and Main Street. Working with the Aboriginal and Chinese communities in the area, CentreVenture is leading a comprehensive urban renewal program for this historic area of downtown.

There are two other high profile projects in various stages of development:

- CentreVenture is working with the owners of the Union Bank Tower, Red River College and a private sector partner to redevelop this nationally historic building into a mixed-use educational and student housing facility. The estimated value of this project is \$22+ million. This project represents a major tipping point in the revitalization of Main Street and will begin to address the need for affordable student housing in the neighborhood of the Red River College campus.
- CentreVenture has purchased The Avenue Building at 265 Portage Avenue and development options are now being analyzed for the redevelopment of up to 60,000 square feet of office and commercial space.

Red River College Culinary Arts Facility, a 2009 CentreVenture initiated and facilitated project (credit: Prairie Architects Inc.)



RED RIVER COLLEGE

Pakson

RED RIVER COLLEGE

CentreVenture Development Corporation

POSITIONED FOR SUCCESS: BUSINESS PLAN 2008 TO 2010 CONTINUED



The Public Destinations Plan

The vision is to build on Winnipeg's tradition of "breathing spaces" by improving traditional parks and creating niche public destinations that draw citizens and visitors while strengthening the sense of community in immediate neighbourhoods.



Central Park

CentreVenture is the project manager for the private/public partnership to return Central Park to historical prominence by creating a playground, a gathering place and a better quality of life for the large neighbourhood population in the vicinity. The project will be substantially complete in 2010.



Old Market Square

Old Market Square was transformed into the modern equivalent of a Central Market in 1976 and is visited by nearly 100,000 people every summer. The three-year reconfiguration of the Exchange District park features a major performance space, common gathering areas and an oasis of green.

Conceptual reconfiguration of Old Market Square becomes a reality in 2009 (credit: Scatliff+Miller+Murray Inc)

Sport Manitoba will provide a home for 76 amateur sports groups at "Sport For Life" headquarters in The Exchange District (credit: Number 10 Architects)

The Brick's Fine Furniture Building will be born again as downtown office space (credit: Number 10 Architects)

Community investment

Healthy neighborhoods require a strong foundation of charitable activities, social support and services. In keeping with CentreVenture's mandate to build a better downtown, CentreVillage Non-Profit Housing Co-operative Limited, a partnership with Knox Centre Inc., has been incorporated to create up to 28 new residential co-op units on Balmoral Street that will allow home ownership for families in the Central Park neighbourhood.

Historic preservation

CentreVenture continues to encourage the preservation, restoration and rehabilitation of historic buildings. Red River College, with the participation of CentreVenture, has developed plans to expand its downtown campus to the nationally historic Union Bank Tower on Main Street for a new Culinary Arts Institute and affordable housing for 100 students.

Strategic planning

CentreVenture completed and published the first comprehensive review of the City of Winnipeg's guideline for downtown development, CentrePlan, in nearly a decade.

CentreVenture will play a lead role in articulating this new long-term vision for downtown when the city conducts a year long consultation process to develop a new official plan for Winnipeg.

Attract high profile tenants and commercial development

CentreVenture assisted Sport Manitoba in realizing their plans to locate their new provincial headquarters and training facility in the former Prosperity Knitwear building in the Exchange District.

CentreVenture continues to champion the redevelopment of the North Main area with a 2009 proposal for a major new commercial development at Alexander and Main. The development will be fast-tracked for completion in 2010.

CentreVenture is negotiating the sale of the historic Alexander Docks and James Avenue Pumping Station properties for refurbishment and development that will be complementary to the residential properties on Waterfront Drive.

CentreVenture was instrumental in facilitating the purchase of the Brick's Fine Furniture Building at 111 Lombard Avenue by the United Equities Group for redevelopment as office space.

2008 FINANCIAL REPORT

FINANCIAL POSITION

CentreVenture's Financial Reporting

CentreVenture's financial statements for the year ended December 31, 2008 have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles.

The Corporation's 2008 financial statements have been audited by the firm BDO Dunwoody LLP. The Auditors' Report provided the Corporation with an unqualified audit opinion. These audited financial statements have also been reviewed and approved by the Corporation's Board of Directors.

The Statements of Financial Position and Operations included herein are excerpts from the Corporation's audited financial statements. The 2008 audited financial statements are available from CentreVenture upon request.

Management's Commentary on CentreVenture's Financial Position

The change in the Corporation's financial position from 2007 to 2008 reflects the pursuit of the direction established by CentreVenture's strategic plan. The loans advanced in 2008 were less than projected, but an additional \$1 million in loans are approved and expected to be advanced in early 2009.

The Corporation's \$3.9 million cash balance includes certain grant funds that CentreVenture administers under agreement with the City of Winnipeg. The total of these funds held, which is recorded as deferred grant revenue, is \$1.3 million, including \$500,000 which was received in 2008. Of this amount, over \$1 million is committed to development projects and expected to be paid out in 2009. The proceeds of the sale of the Mountain Equipment Co-op building are reflected in the Accounts Receivable balance and will provide CentreVenture with additional cash resources from which to provide gap financing and mortgage financing for downtown development in 2009.

Although cash resources are greater than had been estimated for the year ending December 2008, the magnitude of the projects being considered for financing in the downtown and the financing requests CentreVenture is receiving are significantly larger than those received in the past. A new land assembly to facilitate a development is also under way which will result in a significant short-term demand on CentreVenture's cash. The City of Winnipeg has provided CentreVenture with a guaranteed line of credit of \$4.5 million to allow CentreVenture to consider larger financing requests and/or to provide the capital required to do land assemblies to promote development.

STATEMENT OF FINANCIAL POSITION

(in thousands)

December 31	<u>2008</u>	<u>2007</u>
Assets		
Current assets		
Cash and bank	\$ 4,005	2,794
Accounts receivable and prepaid expenses	3,082	139
Property held for resale	2,118	2,150
Current portion of mortgages and loans receivable	1,585	2,250
	10,789	7,334
Mortgages receivable	731	1,523
Loans receivable	2,249	1,755
Capital assets	986	2,158
	14,755	12,771
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,229	\$ 76
Deferred grant revenue	1,313	891
	2,543	966
Net assets		
Invested in capital assets	986	2,159
General	1,916	1,722
Urban Development Bank	9,311	7,924
	12,213	11,805
	14,755	12,771

2008 FINANCIAL REPORT

OPERATIONS

Management's Commentary on 2008 Operations

There is a General Fund operating surplus of \$95,000 as a result of the transaction fee on the sale of the Mountain Equipment Co-op building, which closed in 2008 rather than 2009 which was anticipated. Administration costs increased due to the creation of a Director of Finance position and the recording of full year salaries for the CEO and Senior Development Officer positions which were vacant during the first quarter of 2007. Amortization expense is reflective of depreciation of a full year for Tenant Improvements' to CentreVenture's Main Street office versus only a portion of the year in 2007.

There were numerous Urban Development Bank property transactions in 2008. Most notably, the land assembly and subsequent sale of the property to facilitate the WHRA head office development at Main and Logan and the sale of the Mountain Equipment Co-op building on Portage Avenue to Mountain Equipment Co-op.

Significant expenditures included a \$1 million grant allocated for the redevelopment of Central Park and the costs of the land and associated expenditures related to the WRHA land assembly. In addition, a \$275,000 contribution was made to assist with environmental remediation costs of the Sky Waterfront development. Overall, revenues exceeded expenditures by \$313,000.

The City Auditor has confirmed that CentreVenture operations and reporting are in compliance with City of Winnipeg standards.

STATEMENT OF OPERATIONS (in thousands)

For the year ended December 31

	2008			2007
	General	Urban Development Bank	Total	Total
Revenue				
Grant				
City of Winnipeg	\$ 100	\$ -	\$ 100	\$ 250
Designated grants	-	76	76	123
Interest	461	-	461	468
Commission and development fees	228	-	228	10
Rental	164	-	164	183
Sale of properties	-	1,870	1,870	20
	<u>953</u>	<u>1,946</u>	<u>2,900</u>	<u>1,055</u>
Expenditures				
Administration	533	-	533	368
Amortization	115	-	115	68
Bank charges and interest	5	-	5	1
Cost of properties	-	1,655	1,655	193
Grants paid out				
Designated revenues	-	76	76	123
General	-	4	4	99
Insurance	10	-	10	9
Office	67	-	67	79
Professional fees				
Contract management	11	60	71	38
IT and other	14	-	14	21
Legal, accounting and transactional costs	26	77	102	61
Marketing	56	18	74	73
Project development	-	19	19	28
Property rental	8	-	8	16
Public destinations	13	-	13	115
Central Park		1,000	1,000	
	<u>859</u>	<u>2,909</u>	<u>3,768</u>	<u>1,290</u>
Excess (deficiency) of revenue over expenditures before other items	<u>95</u>	<u>(963)</u>	<u>(868)</u>	<u>(235)</u>
Other items				
Gain on sale of building	-	1,276	1,276	
Excess (deficiency) of revenue over expenditures for the year	<u>95</u>	<u>313</u>	<u>408</u>	<u>(235)</u>



Market Square (photo: Brent Bellamy)

THE ROYAL BANK OF CANADA

MTS

MTS

