



Turning the Corner

The Road to

CentreVenture Development Corporation was created in June 1999 as an arms length agency of the City of Winnipeg. Mandated to stimulate downtown revitalization, CentreVenture provides the **leadership, vision** and **connection** for business and government to intersect and work together on development opportunities for the betterment of downtown Winnipeg and the city as a whole.

Mission:

To serve as an advocate for downtown and a leader in promoting development by identifying opportunities, creating partnerships, forming innovative improvement strategies, providing information and by serving as an accessible conduit to support initiatives.

Vision:

To be the leader and catalyst in creating a downtown of which all Winnipeggers can be proud; a downtown that reflects the vibrancy of the whole city. To realize a downtown that will contribute to Winnipeg and Manitoba's reputation as a great place to live, work and visit. To make downtown a better place.

Values:

- Effective leadership in downtown development.
- Passionate advocacy on behalf of downtown stakeholders.
- Transparency in providing open access to assistance, information and professional guidance.
- Professional and accountable in all business activities.
- Collaboration with all partners and stakeholders in revitalizing the downtown.

Revitalization

Moving in the Right Direction – A Message from the Mayor of Winnipeg and the President of CentreVenture



A HEALTHY AND VIBRANT DOWNTOWN BOOSTS ECONOMIC QUALITY CITY-WIDE.

A vibrant and healthy downtown is the keystone of a healthy city and becomes symbolic of community pride and prosperity. As Mayor, I have remained focused on developing incentives to continue investing in our city's downtown. Quality services, citizen participation and a collaborative, multi-sector approach are also immensely important factors to impact the community development and meet the unique and changing needs of Winnipeggers. Through partnerships and

programs we are making great strides; of course, there is still much more for us to do.

I will continue to focus on building positive relationships that ensure we are ready to accept growth opportunities and welcome investment in our downtown. These are the relationships that will be the foundation our downtown will grow upon for future generations to enjoy. CentreVenture's role in fostering these valuable relationships has ensured our downtown continues growing as the place to live, grow a business, study and play.

I want to congratulate CentreVenture on their tenth year as the invaluable catalyst, bringing ideas and investors together to help revitalization in the heart of Winnipeg to continue and thrive. On behalf of my Council colleagues and the City of Winnipeg, it is my pleasure to extend gratitude and support for sharing my vision for a city of opportunity for everyone who lives, works, plays and invests here.

Sam Katz
Mayor

2009 WAS A REMARKABLE YEAR FOR DOWNTOWN WINNIPEG.

While the national economy suffered its worst downturn since The Great Depression, downtown Winnipeg was in the midst of one of its most memorable resurgences. Overall, Winnipeg's downtown continues to move in the right direction.

The renaissance is visible from the downtown horizon dotted with construction cranes showing several major projects underway. Construction of the Winnipeg Regional Health Authority office building was completed, allowing the WRHA to move into their new space in the spring of 2009. Main Street's cluster development continues with United Way announcing their move to

Main Street. Construction began on their new headquarters last summer and will be completed in July 2010. Both existing retail and future development on Main Street will see the added benefit of these two new tenants.

Responding to the deep global recession, the Government of Canada unveiled its Economic Action Plan. Through a collaborative partnership between the three levels of government, CentreVenture, and the private sector, a dream became reality for Red River College. They announced plans to restore the historic Union Tower as the Paterson GlobalFoods Institute at William and Main, joining the downtown campus as student housing and a state of the art culinary institute.

As 2009 came to a close, CentreVenture facilitated a strategic planning session with members of the Downtown Council. From those sessions, our vision and action plan will direct us as we "Turn the Corner" to focus our revitalization efforts on another important artery - Portage Avenue. The years ahead promise to be very positive for downtown Winnipeg!

With the support of our chair, Jim Ludlow and our dedicated Board of Directors, CentreVenture continues to represent leadership, vision and connection in our mission to preserve and enhance your downtown.

Ross McGowan
President & CEO

A Look in the Rearview

HOUSING

An increased, stable residential base is key to a successful downtown.

Downtown is a unique, vibrant and convenient neighbourhood that provides residents with the opportunity to walk to work, restaurants, theatres, museums, parks, one-of-a-kind retailers, concerts and sporting events. Downtown offers a wide range of both rental and condominium housing alternatives – high rise, low rise, converted heritage warehouses – everything from lofts to luxury. CentreVenture dedicates significant resources to increasing the residential density of the downtown.

In 2009, CentreVenture worked with numerous developers and representatives. When all construction is complete, an additional 479 residential units will be available. Projects include:

YouCUBE Condominiums: A 21 unit innovative townhouse development in the Waterfront Drive community.

Sky Waterfront Condominiums: A 109 unit development designed to appeal to urbanites who appreciate quality and location.

Residences on York: A hotel redevelopment into 181 upscale rental apartments, with commercial on the main floor.

The Edge On Princess: A renovated heritage warehouse comprised of 36 “New York Loft” style rental apartments.

Union Tower: The “Tower” will become home to up to 100 Red River College Students.

Centre Village Housing: A CentreVenture Development; a uniquely designed residential “community” of 25 affordable rental units in the Central Park neighbourhood.

COMMERCIAL

Downtowns are historically a city's hub of commercial activity. Creating vibrant storefronts, attractive office development

and enhanced retail are of primary importance to CentreVenture and in 2009, resources were expended to accomplish the following:

United Way Corporate Office: CentreVenture completed the land assembly to facilitate United Way of Winnipeg's relocation to an underutilized block on Main Street.

Kelly House: CentreVenture facilitated a complicated public/private partnership to save this historic building from demolition, through redevelopment for commercial offices.

Union Tower: Soon to become Paterson GlobalFoods Institute, home to Red

River College's Culinary and Hospitality programs. A generous private donation from The Paterson Foundation, along with participation from all three levels of government and CentreVenture, will see this nationally recognized historic building restored to its former grandeur.

Bernes & Black Salon/Spa: CentreVenture provided financing to acquire the former Birt's Saddlery building. The main floor is now redeveloped into a high-end salon and boutique shoe store.

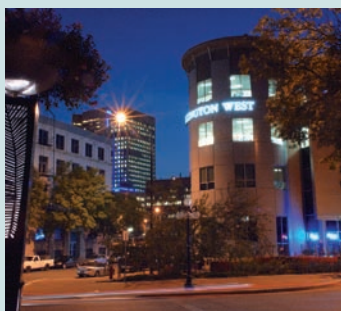
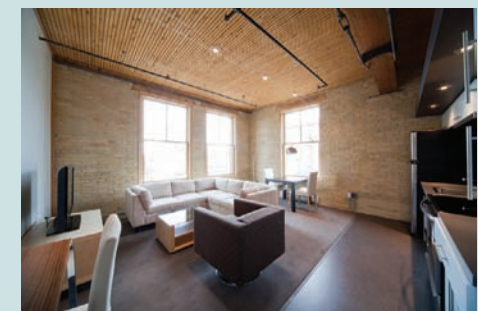
104 King Street: The facades of a high risk, visible, heritage property will be saved by the development of a parkade, with main floor retail that will include the reconstruction of the original facades.

Sport Manitoba Head Office:

CentreVenture assisted Sport Manitoba with its civic approvals and provided ongoing advisory services on heritage and development issues.

PUBLIC DESTINATIONS

Central Park: The primary focus of CentreVenture's Public Destinations initiative commenced construction in the spring of 2009 with completion scheduled for July 2010. Central Park redevelopment was made possible by a significant private donation from the Gray family and supporting funding from all three levels of government, CentreVenture and The Winnipeg Foundation.



Inset: Winnipeg Regional Health Authority Corporate Offices and Access Downtown Clinic

Snapshots: 1. Chain-cutting ceremony announcing the Paterson GlobalFoods Institute 2. The Forks 3. Kelly House 4. The Edge on Princess 5. The Edge on Princess loft apartment 6. Waterfront Drive

Old Market Square: Improvements are underway to make this important urban green space safer, attractive and more functional, including the construction of a new stage. The redevelopment is spearheaded by the Exchange District BIZ, with complimentary funding provided by the City of Winnipeg, The Winnipeg Foundation and CentreVenture.

HERITAGE PRESERVATION

CentreVenture is an advocate for the preservation and adaptive reuse of heritage buildings. Six development projects in 2009 included heritage properties, with CentreVenture providing gap financing of municipal heritage tax credits. The City of Winnipeg Heritage Conservation Tax Credit Program assists developers with the added costs often associated with heritage preservation.

PLANNING LEADERSHIP & ADVOCACY

To ensure the continued success of our economic development and business, retail and residential recruitment efforts, CentreVenture provides affective

leadership in downtown development. By both working with and advocating on behalf of all downtown partners and stakeholders, CentreVenture contributes to a strong and vital urban community.

Downtown Council: CentreVenture played a lead role in establishing the Downtown Council. It is comprised of leaders from CentreVenture, The Forks North Portage Partnership, Destination Winnipeg, Winnipeg Chamber of Commerce, Downtown Winnipeg BIZ, Exchange District BIZ, Winnipeg Police Service, Winnipeg Convention Centre and senior representatives from the City of Winnipeg and the Province of Manitoba. The council is dedicated to keeping our downtown attractive, safe and diverse, by planning and guiding development that fosters the vision of the city and its stakeholders.

Committees: CentreVenture works side-by-side with residents, businesses, institutions, property owners, public agencies, and other civic organizations. These committees are intended to

formulate a long-term vision that will strengthen downtown Winnipeg's position and enhance its economic prosperity and competitive advantage. These committees include:

- Tax Increment Financing Consultations
- South Point Douglas Secondary Plan
- Exchange District Secondary Plan
- Main Street Advisory Group
- Winnipeg Parking Authority Advisory Committee
- Downtown Housing Strategy
- Downtown Retail Strategy
- Downtown Lighting Strategy
- Exchange BIZ Residents Association
- Neon Museum Initiative
- Urban Design Advisory Committee
- Safe Communities Committee
- Downtown BIZ Marketing & Events Committee

Getting Good Mileage

Final Year of the 2008 – 2010 Business Plan

CentreVenture's success over the years has been achieved through its ability to seize and act on opportunities as they arise. Their entrepreneurial spirit finds a balance between long and short term planning, public policy and private development, in order to achieve sustainable economic benefits for the downtown.



Snapshots: 1. Old Market Square, Exchange District green space
2. Central Park redevelopment 3. United Way 4. Central Park rendering

CentreVenture uses its diverse “toolbox” to initiate and facilitate commercial, residential and green space development in the downtown, which includes:

THE URBAN DEVELOPMENT BANK

Provides bridge or gap financing of City and Provincial Grant and Tax Credit programs and mortgage construction financing for uniquely challenged properties.

INFLUENCE & ADVOCACY

CentreVenture assists developers in accessing City of Winnipeg, Province of Manitoba and Government of Canada programs; consulting with government and the private sector to encourage downtown revitalization initiatives and appropriate public/private partnerships.

LEADERSHIP & PLANNING

CentreVenture collaborates with governments, stakeholders and the community to advance planning initiatives that will provide long-term social and economic benefits for the downtown.

In 2008, CentreVenture developed a three year business/strategic plan that expires in December 2010. CentreVenture is well on its way to exceeding its goals, which included the revitalization of underutilized properties along Main Street and Portage Avenue.

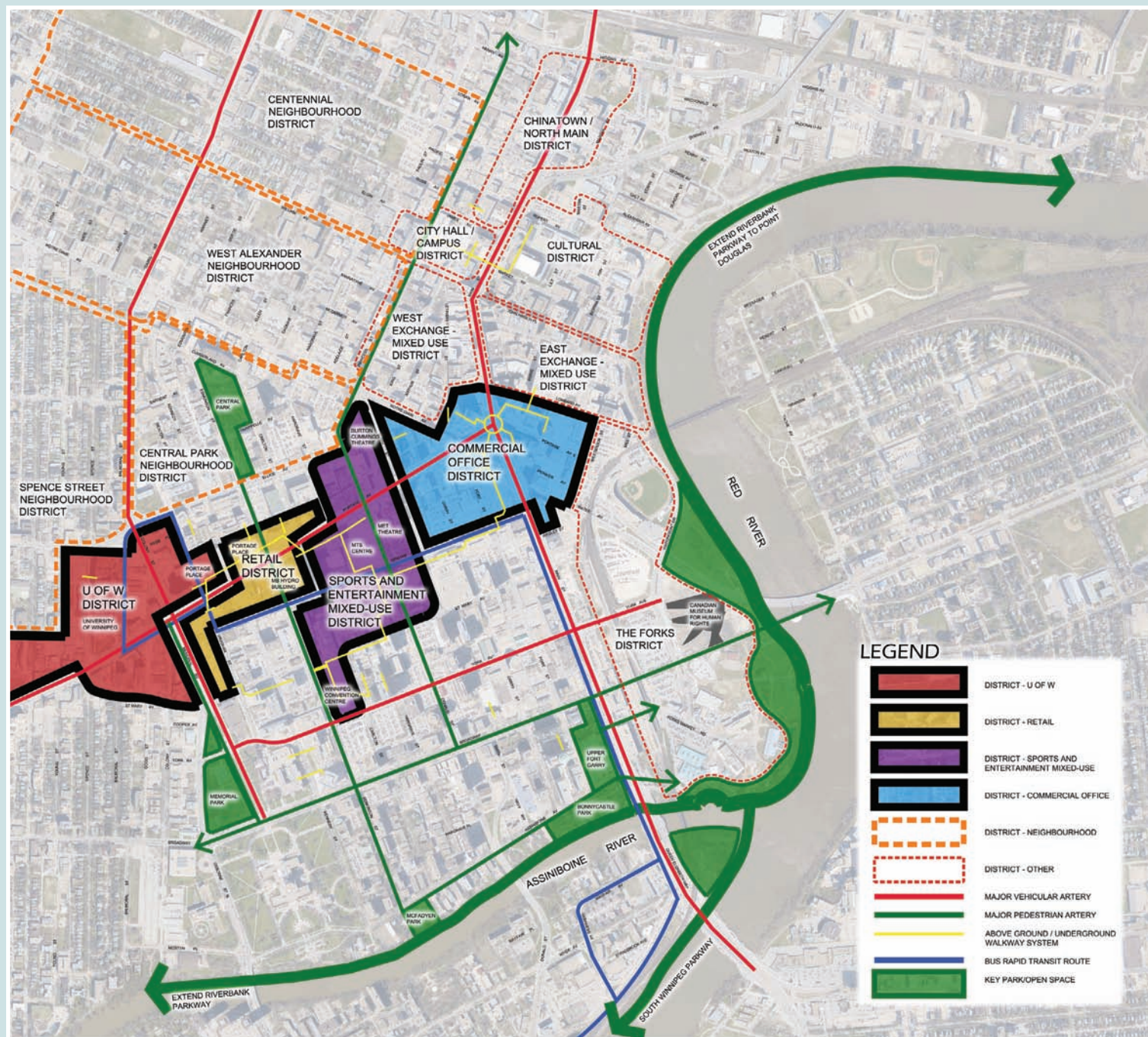
2010 will be a transition year, as we move toward an evolution in the revitalization effort portrayed in CentreVenture's 2011 – 2013 plan: Turning the Corner.



*** Inset:** YouCUBE is an innovative and affordable townhouse development located in Waterfront Drive community, creating an exciting destination at the north end of the Stephen Juba Park / Waterfront Drive corridor.

Snapshots: 1. Paterson GlobalFoods Institute 2. Sport Manitoba 3. Centre Village Housing 4. 104 King Street Parkade 5. Waddell Fountain – Central Park 6. Walkway at The Forks – photo courtesy of The Forks 7. Patio in the exchange – photo courtesy of Ruehle Design

Turning the



Corner

Strategic Directions Going Forward

As CentreVenture continues to drive development of Winnipeg's downtown core, we turn the corner from Main Street to Portage Avenue. Prioritized as the primary strategic direction moving forward, we will focus on much needed improvements to this vital corridor.

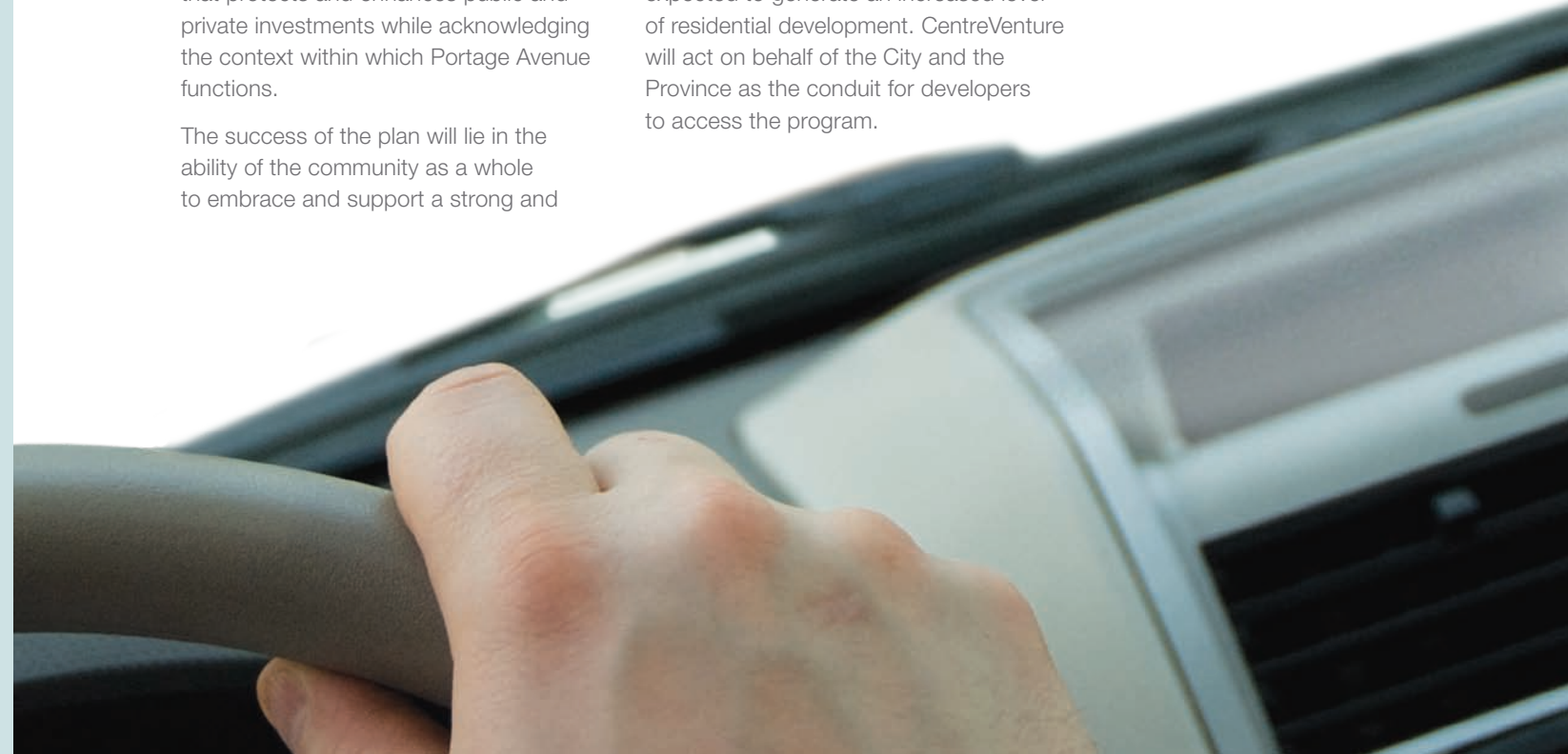
In collaboration with the Downtown Council, CentreVenture has prepared an action plan for Portage Avenue that guides the activities of the various stakeholders toward a common vision for this important downtown artery.

The action plan focuses on the social, physical and economic environments in the form of a comprehensive strategy that protects and enhances public and private investments while acknowledging the context within which Portage Avenue functions.

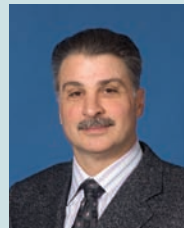
The success of the plan will lie in the ability of the community as a whole to embrace and support a strong and

vibrant downtown, and the commitment of the Downtown Council through its "Memorandum of Collaboration."

CentreVenture will continue to support and facilitate development outside of the Portage Avenue district. The Downtown Residential Housing Program was announced by the City of Winnipeg and the Province of Manitoba and is expected to generate an increased level of residential development. CentreVenture will act on behalf of the City and the Province as the conduit for developers to access the program.



Steering our Vision – A Message from the Board Chair



For the past two years, I have had the privilege of chairing the Board of Directors of CentreVenture Development Corporation. The position gives me a unique perspective on the efforts of revitalizing downtown Winnipeg. I see incredible success in our shared vision of building a better city, by building a better downtown.

CentreVenture realizes the importance of working together, collaborating with governments, aligning with partner agencies, and seeking out investors to ignite economic development in downtown. Difficult economic conditions have heightened discussions about the value of public and private investments that further economic development and community revitalization.

Although CentreVenture has logged many miles, its redevelopment work is far from complete. As we near the end of our current business plan and embark on a new, three-year plan, CentreVenture has the opportunity to “Turn the Corner” and steer the Portage Avenue revitalization, while continuing its commitment to Main Street and other areas of downtown.

I am proud of our accomplishments and I want to thank my colleagues on the Board, our shareholder, the City of Winnipeg and the talented CentreVenture staff for their hard work and dedication. It is clearly evident that a great deal of behind the scenes work is required by CentreVenture to ensure a project reaches its destination.

I hope that you will be inspired, knowing that you live in a collaborative, creative city where YOU can help shape the future.

Sincerely,


Jim Ludlow

Under the guidance of a volunteer Board of Directors, CentreVenture drives strategies to identify and capitalize on economic, physical and social development opportunities in Winnipeg's downtown. The Board, with their expertise and vision, represents the aspirations and interests of the City and every citizen stakeholder.

Board Members (clockwise from top left) 1. **Rick Bachalo** – Vice President, Mortgage Investments, Great-West Life Assurance Company 2. **Harry Ethans** (Vice Chair) – President & CEO, Matlock Enterprises Inc. 3. **Jerry Gray** – Dean Emeritus and Senior Scholar, I.H. Asper School of Business 4. **Richard Olfert** (Secretary/Treasurer) – Office Managing Partner, Deloitte & Touche LLP 5. **Curt Vossen** – President, James Richardson International Ltd. 6. **Sanford Riley** – President & CEO, Richardson Financial Group Ltd. 7. **Kevin McGarry** – President & CEO, Intelligent Hospital System Ltd. 8. **Ashleigh Everett** – President & Corporate Secretary, Royal Canadian Securities Limited



Snapshots: 1. Red River College 2. Skateboard Park at The Forks – photo courtesy of the Downtown BIZ 3. Lobby on York – photo courtesy of the Downtown BIZ 4. Historical buildings in the Exchange District 5. Downtown Living Tour 2009 – photo courtesy of the Downtown Winnipeg BIZ

2009 Financial Position

CENTREVENTURE'S FINANCIAL REPORTING

Management in accordance with Canadian Generally Accepted Accounting Principles has prepared CentreVenture's financial statements for the year ended December 31, 2009. The Corporation's 2009 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 2009 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 2008 to 2009 reflects the direction established by CentreVenture's strategic plan. The Corporation's plan contemplates that the equity will be gradually reduced as a result of community investments that

contribute to the revitalization of Winnipeg's downtown.

The Corporation's financial statements are consolidated with our wholly owned subsidiary, Centre Village Housing Inc. which operates under common management.

MANAGEMENT'S COMMENTARY ON 2009 OPERATIONS

The current year deficit of \$32,250 was incurred because a significant transaction fee, expected in 2009, was actually earned late in 2008. This created the surplus of \$94,737 for the 2008 fiscal year. Over the 2008 and 2009 period, CentreVenture's results were better than the targeted break-even outcome.

Urban Development Bank deficit of \$960,866 is reflective of the commitment to invest assets into the revitalization of downtown Winnipeg.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands)

December 31	2009	2008
Assets		
Current Assets		
Cash in Bank	223	4,005
Accounts receivable and prepaid expenses	1,407	3,082
Property held for resale	1,357	2,118
Current portion of mortgages and loans receivable	<u>2,740</u>	<u>1,585</u>
	5,727	10,789
Mortgages receivable	986	731
Loans receivable	3,529	2,249
Capital assets	<u>2,452</u>	<u>986</u>
	<u>12,694</u>	<u>14,755</u>
Liabilities and net assets		
Current liabilities		
Bank indebtedness	77	—
Accounts payable and accrued liabilities	965	1,229
Deferred grant revenue	433	1,313
	<u>1,475</u>	<u>2,543</u>
Net Assets		
Invested in capital assets	1,738	986
General	97	1,916
Urban Development Bank	<u>9,384</u>	<u>9,311</u>
	<u>11,219</u>	<u>12,213</u>
	<u>12,694</u>	<u>14,755</u>

CONSOLIDATED STATEMENT OF OPERATIONS (in thousands)

For the year ended December 31	2009		2008
	General	Urban Development Bank	Total
Revenue			
Grant			
City of Winnipeg	100	—	100
Designated grants	—	881	881
Interest	467	—	467
Commission and development fees	188	—	188
Rental	29	—	29
Sale of properties	—	543	543
	<u>784</u>	<u>1,424</u>	<u>2,208</u>
Expenditures			
Administration	611	—	611
Amortization	62	—	62
Bank charges and interest	1	—	1
Cost of properties	—	1,260	1,260
Grants paid out			
Designated revenues	—	866	866
General	—	4	4
Insurance	11	—	11
Office	64	—	64
Professional fees			
Contract management	4	104	108
IT and other	15	—	15
Legal, accounting and transactional costs	18	97	115
Marketing	24	12	36
Project development	—	27	27
Property rental	—	9	9
Public destinations	6	—	6
Community investment	—	5	5
	<u>816</u>	<u>2,384</u>	<u>3,201</u>
Excess (deficiency) of revenue over expenditures before other items	<u>(32)</u>	<u>(960)</u>	<u>(993)</u>
Other items			
Gain on sale of building	—	—	—
Excess (deficiency) of revenue over expenditures for the year	<u>(32)</u>	<u>(960)</u>	<u>(993)</u>

