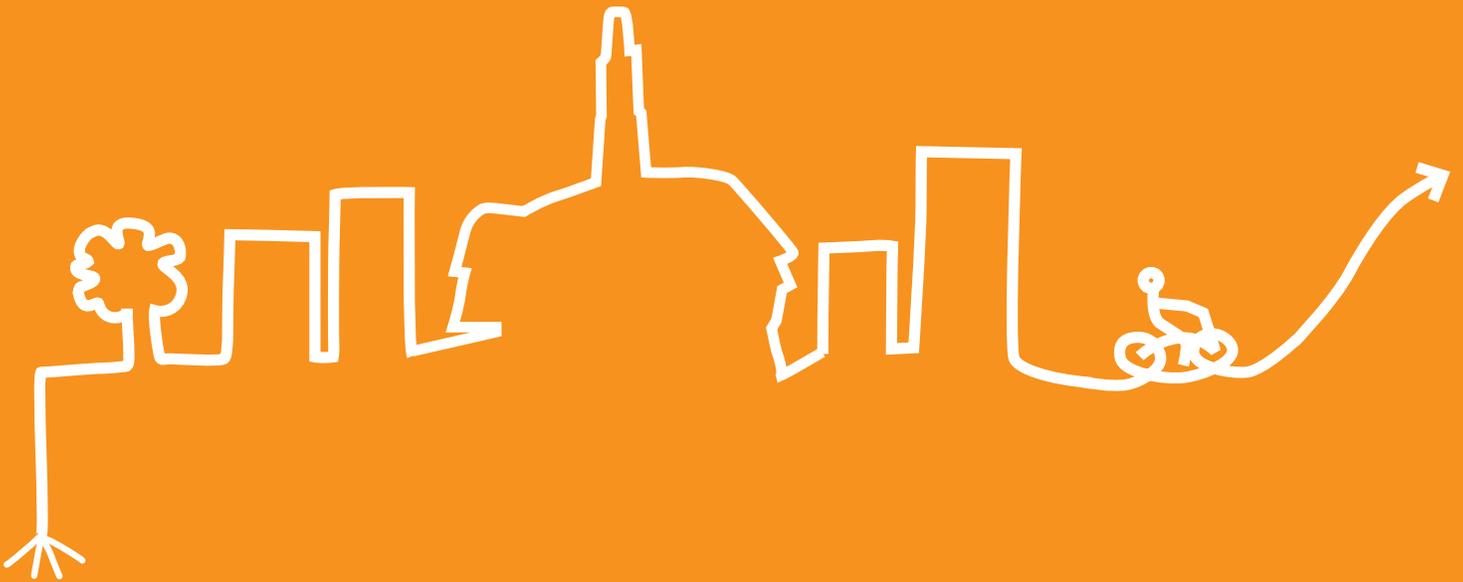


Taking Route

Taking Root



CentreVenture



A Message from the Mayor of Winnipeg

A handwritten signature in black ink that reads "Sam Katz".

Our downtown is the cultural and economic heart of our city and our window to the world. Our emerging Sports, Hospitality, and Entertainment District is steadily taking form. This entire area is undergoing a significant transformation into a more welcoming, vibrant, and thriving district – both day and night. Likewise, continued growth and development is solidifying Exchange Waterfront District's position as the quintessential downtown neighbourhood.

Since 2005, we've seen more than \$2 billion of investments and more than 100 new downtown development projects completed. Our downtown is in the midst of a remarkable period of renewal thanks to the shared vision of numerous community partners that is, in turn, engendering confidence within the private sector and the wider public.

The energy, enthusiasm, and enterprise we're seeing today – if not unprecedented – is at a level we haven't seen in a long time. We're going to claim a great future for business and development in downtown Winnipeg.

And what's really exciting is nearly 16,000 people now live downtown! Population projections for the next 25 years support the need to accommodate significant resident growth downtown and we're actively putting in place the programs and strategies to make this happen.

I see opportunity all around us. You can see it in new buildings, new activity and a whole new look and feel for the city we care about. Downtown's unparalleled transformation reflects its importance as the city's preeminent community – a place that we all share. We're proud to be part of this milestone and, along with CentreVenture, are excited to see our downtown continue to take shape.

Sam Katz, Mayor

CentreVenture Development Corporation was created in June 1999 as an arms length agency of the City of Winnipeg. Our mandated area covers one of the largest downtowns in North America. CentreVenture's directive is to stimulate downtown revitalization by creating an environment for private sector businesses and government to work together and to promote the downtown to investors, businesses and residents.



A Message from the President & CEO of CentreVenture

A handwritten signature in black ink, appearing to read 'Ross McGowan'.

Six years ago we came together and made a commitment to simply make downtown a better place. Since that time we have worked with our downtown partners and the private sector to lay the foundation for a great downtown. We are making great progress but there is much more work to be done.

Business travels at the speed of trust. Although difficult at times, we must continue to look at the big picture and realize that tough decisions made today will pay great dividends in the future. We celebrate the good things that require extra effort, such as the Avenue Building and Union Tower. Our momentum, on one hand, is very strong with the investment currently in the pipeline. On the other hand, it is precarious. As we see and experience a confidence unimaginable ten years ago, it is all predicated on a sense of trust and a commitment to deliver.

Our goal is to help lead the revitalization process by helping others achieve their goals, be it the private sector or government. A commitment to development excellence, within the realities of time and cost, must be paramount in our dialogue and debate. We must walk the walk if we are sincere in attracting and protecting high quality public and private investment.

We are competing in a national and international arena and many eyes are upon us. We have a collective responsibility to protect the public investment of the \$25 million TIF for The SHED and the \$40 million DRDG program. The decisions we make today will have profound impacts for decades to come. Let's get it right; it is in our control, but time is of great importance and our time is now!

I would like to thank our Board of Directors, whose guidance and support is the foundation of our success, Mayor Katz and the senior administration at the City of Winnipeg and the Province of Manitoba for your commitment and support for downtown.

Ross McGowan, President & CEO of CentreVenture



1

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.

Taking Root

A Remarkable 2013

This year marked the final year of CentreVenture's 2011-2013 Business Plan. This plan encompassed our role in, and vision for, ongoing downtown revitalization. It not only reflects the strong roots that have taken hold in 15 years of successive development initiatives, but also our route to a bountiful future.

Together with our public and private partners we see the returns of collaboration and our concentrated focus on a comprehensive strategy. We also see a growing understanding and awareness of the value a healthy downtown brings to the city and region. This critical concept underpins the efforts of CentreVenture.

We are working to further increase that value by building an inclusive, sustainable, and vibrant downtown that is truly the heart of our city and the showpiece of our province. Our revitalization strategy is a partnership between the public and private sectors in the context of a shared, long-term vision. This partnership is exemplified in many areas of downtown, but particularly in the Exchange District, Portage Avenue and the emerging Entertainment District (The SHED) – all areas of focus over the past few years.

RESIDENTIAL GROWTH

Recent development within the Exchange District demonstrates that a viable residential mixed-use neighbourhood is not only

possible, but is becoming a reality. Beyond the Exchange, new and exciting residential projects are also emerging with D Condos on Assiniboine Avenue and Glasshouse in The SHED.

Significant progress is being made to attract developers and prospective residents to consider downtown. Uptake of the \$40,000,000 Downtown Residential Development Grant (DRDG) program has been extraordinary, with 16 projects complete or under construction, and another 10 in the planning stage.

Increasing residential density is of paramount importance to the long-term commercial success, safety, and comfort of downtown. The DRDG program has proven so successful that we can expect nearly 490 rental units and more than 1,250 condos on the market in the next three to four years. Not only does that mean more than 2,000 additional residents living, shopping, and accessing services downtown, it also means 26 fewer underutilized buildings or surface parking lots to blight our urban landscape.

RESIDENTIAL DEVELOPMENT HIGHLIGHTS 2013

Streetside Developments continues to convert a cluster of vacant heritage warehouses into approximately 170 units of market-affordable housing, providing a much-needed boost to the East Exchange. Comprised of 19 warehouse-style condo units just steps from Waterfront Drive, the first residential conversion





at 110 James Avenue is complete and ready for occupancy. A 15-unit conversion at 133 Market is also complete, and a further 49 units are under construction at 132 James Avenue. These properties, known collectively as District Condominiums, will serve to stimulate further development in this up-and-coming neighbourhood.

In summer 2013, Sunstone Resort Communities completed new construction of 34 units in Phase II of Sky Condos. Combined, Phase I and Phase II of Sky Condos have added 143 units to intensify residential density along Waterfront Drive. These same developers are also behind a recently opened 67-room boutique hotel in the former Harbour Master building overlooking the Red River. The Mere Hotel includes a casual-dining restaurant, Cibo Waterfront Café, providing added vibrancy to the area.

Located at the northern end of Waterfront Drive, youCUBE Phase I is sold out and the construction of Phase II is well underway to add an additional nine units.

CentreVenture is also working with a local development group on a mixed-use proposal for the James Avenue pumping station. As owners of this property, we are working towards a viable solution for this central and important site that preserves its prominence as a historical icon of the district.

DOWNTOWN RENTAL HOUSING

While there continues to be a demand for condos, not everyone looking to live downtown wants to buy. New rental units are a welcome addition. Projects such as The Penthouse on Princess, H2O on Waterfront Drive, and 370 Donald Loft Apartments are providing attractive and much-needed alternatives for downtown residents.

EAST EXCHANGE STREETSCAPING

The first phase of the East Exchange streetscape enhancement program was completed along Market Avenue in the fall of 2013. Setting the tone for future planned public realm investments, the streetscape design is intended to provide an ambiance that reflects the unique character and cultural assets of the area.

Montreal's Moment Factory created *Listening Lights*, an interactive installation based on folklore of the Northern Lights and the signature element of the streetscape design. The installation consists of 68 ever-changing light prisms arranged along Market Avenue.

THE EXCHANGE WATERFRONT NEIGHBOURHOOD DEVELOPMENT PLAN

To help guide and shape future development in the area, CentreVenture has been working with stakeholders including



3

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. In short, to make downtown a better place.

the City of Winnipeg and the Province of Manitoba on the creation of The Exchange Waterfront Neighbourhood Development Plan, a new strategy to increase residential and retail density in the emerging downtown neighbourhood.

The City of Winnipeg and the Province of Manitoba have committed incremental property tax dollars generated by the new residential developments to the creation and implementation of the Plan, a focused and comprehensive strategy to address neighbourhood beautification, district marketing and more - including amenities that attract and support the growing residential population. The Plan will implement:

1. Initiatives to attract the establishment of retail to support area residents
2. Strategies to improve the image and awareness of the neighbourhood
3. Initiatives to address parking availability and alternative transportation options
4. Safety initiatives incorporating Crime Prevention Through Environmental Design (CPTED) principles

PORTAGE AVENUE AND THE SHED

In 2010, we introduced the Portage Avenue Development Strategy (PADS) that articulated a complete social, physical and economic strategy to generate, attract and protect further private and public investment along this iconic corridor.

PADS led to the creation of The SHED. We are proud of the accomplishments to date and look forward to the next few years of anticipated growth. The SHED is becoming a complementary destination to The Forks and CMHR, with over \$1.4 billion of investment.

It's coming alive with the emergence of Centrepoin, the highly anticipated \$130 million redevelopment of the former A&B Sound site by Longboat Development and Artis REIT. The

\$181 million RBC Convention Centre Winnipeg expansion is proceeding. Manitoba Public Insurance, owner of cityplace, is also currently examining development opportunities on their lands as part of the broader redevelopment of The SHED.

As a further demonstration of our commitment to The SHED, we have made a major investment with the purchase of the Carlton Inn, which will be replaced by a new signature hotel and complementary mixed-use development.

With a \$25 million commitment from the Province of Manitoba and the City of Winnipeg to public realm enhancements in and adjacent to The SHED, we are able to establish the type of development excellence that we will expect from both the private and public sector.

The streetscape of Donald, from Portage to Graham, was completed in fall 2013, and is the prototypical treatment that we expect to see throughout the district. The long-awaited Funnelator was installed in December in front of the Millennium Library; providing a unique visual element as well as a platform for experimenting with digital media applications in the public realm, showcasing local creativity and promoting innovation and talent in digital arts.

Last year we launched The SHED website – another crucial component in building The SHED brand.

The detailed SHED Vision Plan, the blueprint for public/private investment and development cohesion, has been completed in collaboration with the City and Province and the approval process is underway. Building on the OurWinnipeg Plan and the Portage Avenue Development Strategy, the SHED Vision Plan articulates the guiding vision for The SHED and its core development principles.

The vision for The SHED is simple: to create a distinct and dynamic urban hotspot that ignites downtown revitalization efforts and energizes the entire city.





The SHED is emerging as Winnipeg's premier destination for sports, hospitality, and entertainment, but it is more than that. The SHED is also envisioned to evolve as a complete community that supports a diversity of commercial activity, new retailers, new restaurants and residential development intended to draw and keep people downtown.

Beyond setting out the key planning and development directions, the Plan is intended to inspire, to motivate and to raise the profile and awareness of the district amongst both the public and the development community.

Underpinned by the following six core principles, moving forward, the Plan will be a pivotal tool in shaping the long-term direction of The SHED:

- 1. Activating the District** by stimulating new commercial and residential development, attracting the right mix of uses, and bringing more people downtown.
- 2. Creating Connections** between The SHED and other distinct areas of downtown and the broader city.
- 3. Protecting Investment** through strategic investments into the public realm, ensuring high quality design, marketing and promotions.

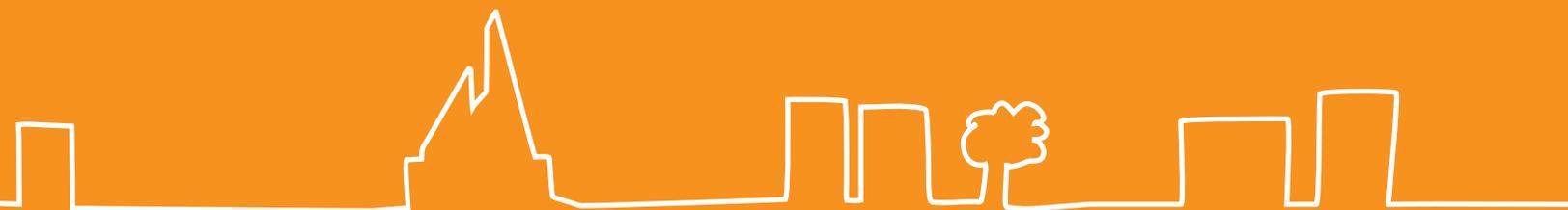
4. Promoting Innovation in urban design and development – whether it is rehabilitating historic buildings, integrating multimedia/interactive lighting into the public realm, supporting new business ventures or utilizing sustainable technologies.

5. Improving Safety and Security through intensification and other initiatives including, but not limited to, improved lighting, promoting responsible hospitality and continued collaboration with the Winnipeg Police Service, Cadets and BIZ patrols.

6. Ensuring the District is Well-Managed and Maintained to ensure that the long-term vision for the District is sustained, that the District functions in a cohesive manner, that the public realm is well-maintained, and that the District is promoted as a destination.

CentreVenture will continue to act as the catalyst for the growth and development of The SHED and will play a key role in ensuring that the resultant development matches the hype.

As a further affirmation of our commitment to The SHED, last fall, CentreVenture relocated its office to cityplace, in the heart of the District. Making the move to The SHED will give us additional credibility as we advance the vision for the District and help ensure that new development meets expectations.



5

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

The Importance of Downtown

An aerial photograph of a city skyline at dusk. The sky is a deep blue, and the city lights are beginning to glow. In the foreground, there are several large, modern buildings with flat roofs. In the middle ground, there are more buildings, some with lit-up windows. In the background, there are several tall skyscrapers, some of which are lit up. The overall scene is a vibrant and active urban environment.

Cities grow and change. The best ones grow with a plan, starting at the root. Each part requires care and attention along the way, and has its own value. Meanwhile, the whole is greater than the sum of its parts. As you plot your garden, you also plot a route to where you want to be.

A south view from Glasshouse
Photo credit: Urban Capital



A successful downtown is essential for our city to remain vibrant and prosperous. Downtown is the showpiece of our city and province. Its vision reflects our social, economic and cultural diversity.

The path to a healthy downtown requires a long-term vision, creativity, tenacity, consultation and collaboration with strong committed partners. Downtown still faces many obstacles, but we're en route towards creating a more livable, inclusive and diverse downtown.

7

Taking Route

2014–2016 Business Plan

As the City of Winnipeg's downtown development agency, CentreVenture plays a lead role in current downtown revitalization efforts. While there have been many success stories and significant momentum gained over the preceding three years, there is still considerable work to be done. The 2014-2016 Business Plan outlines our continued commitment to a vibrant and healthy downtown, expanding on the work in progress while also pursuing new initiatives.

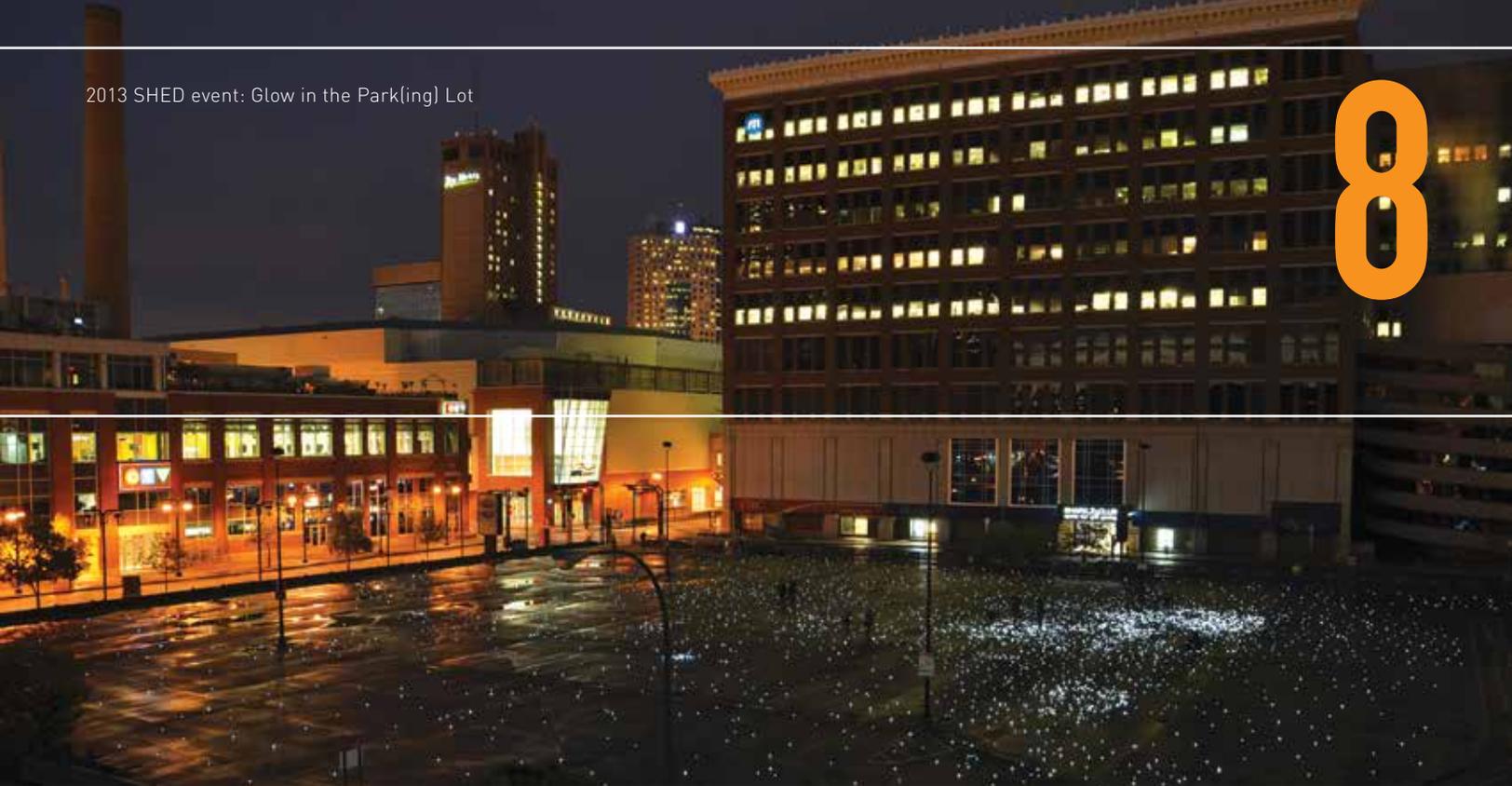
CentreVenture has set out five key priority areas for 2014 to 2016. A number of these priorities remain consistent and, in large part, build on the directives in our preceding business plan. Initiatives such as The SHED, The PADS, and a focus on residential development will continue to be major priorities. This business plan also introduces two new priorities for CentreVenture initiatives, and reflects CentreVenture's strategic planning and role as a catalyst in downtown development.

The 2014 Business Plan Priorities

Sustain efforts to promote downtown residential development and the continued growth of the downtown's residential population.

- Collaborate with the City of Winnipeg and the Province of Manitoba to establish a new grant program to further attract and support additional residential development in the downtown
- Complete the first phase of enhanced streetscaping
- Finalize the Exchange Waterfront Neighbourhood Development Plan
- Continue to market downtown living and other initiatives designed to drive demand for downtown residential
- Support developers to enable development starts on proposed residential projects





Identify appropriate retail to support residential development.

- Implement The SHED Façade and Storefront Improvement Program
- Implement Pop-Up Shop Pilot Project
- Develop long-term strategy for Hudson's Bay
- Continue efforts to attract a new full-service grocery store
- Support efforts to revitalize Portage Place
- Support efforts to revitalize cityplace
- Initiate downtown-wide retail recruitment/retention strategy
- Collaborate with partners to ensure parking solutions are implemented in the Exchange Waterfront District

Continue implementation of the Portage Avenue Development Strategy, with a strategic focus on areas in need.

Continue to support the emergence of The SHED and facilitate new development within the District.

- Finalize The SHED Development Strategy
- Continue streetscaping improvements
- Finalize redevelopment plans for the Carlton Inn and St. Regis Hotel properties
- Establish a long-term management strategy and identify operating funding mechanisms

Initiate new planning and redevelopment efforts along Main Street, south of Portage.

- Undertake land inventory and market analysis
- Consult with stakeholders to define vision and identify key priorities
- Initiate South Main Development Strategy – vision, core objectives and development priorities

Demonstrate CentreVenture's commitment to stakeholder engagement in shaping the long-term vision for downtown.

- Develop and begin implementing a comprehensive communications strategy with our downtown partners



9 Our People

Leadership & Planning

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



CentreVenture Staff

(Top row left to right)

Ross McGowan – President & CEO

Tom Janzen – Development Manager

Loretta Martin – Development Manager

(Middle row left to right)

Sandra Henry – Controller

Patty Nero – Communications & Marketing Coordinator

Johanna Chabluk – Development Officer

(Bottom row)

Jamie Kerr – Receptionist & Administrative Assistant

Advocacy

CentreVenture works with investors and developers to find solutions customized to their specific needs. From identifying suitable development opportunities to securing financing, from expediting procedural processes to hands-on brokering of business deals, we encourage downtown revitalization initiatives and appropriate public/private partnerships.

Collaborators & Partners

CentreVenture works side-by-side with residents, businesses, institutions, property owners, public agencies and other civic organizations. The following are just some of the organizations and committees that we work with to advance our long-term vision to strengthen downtown Winnipeg's position and enhance its economic prosperity and competitive advance.

Collaborators & Partners:

- City of Winnipeg
- Winnipeg Police Service
- Winnipeg Parking Authority
- Province of Manitoba
- Downtown BIZ
- Exchange District BIZ
- West End BIZ
- The Forks North Portage
- Winnipeg Chamber of Commerce
- ANIM & World Trade Centre
- Economic Development Winnipeg Inc.
- Yes! Winnipeg
- Tourism Winnipeg
- University of Winnipeg
- Red River College
- RBC Convention Centre Winnipeg
- Residents of the Exchange District

Letter from the Chairman of the Board

Over the past three years, CentreVenture Development Corporation has worked to accomplish the extraordinary goals established in our 2011 – 2013 Business Plan. Working with a broad sector of stakeholders including developers, downtown partners, and both the private and public sector, CentreVenture has helped to create, articulate and achieve the community's top priorities for advancing downtown revitalization.

Last year, the board and management took part in a strategic planning session to guide the development of CentreVenture's 2014 – 2016 Business Plan. Over the next three years we will continue to expand on our past initiatives and accomplishments. The main priorities will be to provide ongoing support for residential development and continue our efforts to foster the emergence of The Sports, Hospitality and Entertainment District.

CentreVenture will also continue to implement the Portage Avenue Development Strategy, with a particular focus on the Retail District. Additionally, we will examine the potential for intensification and redevelopment of Main Street, south of Portage. We will also review our approach to enhance longer-range strategic planning and stakeholder communications.

In 2013, we welcomed two board members, Ms. Kim Jasper and Mr. Mark Chipman, replacing outgoing members, Dr. David Barnard and Ms. Ashleigh Everett.

By working together, we were able to take part in building a vibrant city centre. A community is as strong as its members. Together, we're continually able to implement creative and innovative ideas to set downtown Winnipeg apart.



Curt Vossen, Board Chair



Board Members

(Top row left to right)

Curt Vossen (Board Chair) – President, Richardson International Ltd.
 Scott Stirton (Vice Chair) – CEO, Smith Carter Architects and Engineers Inc.
 Richard Olfert (Secretary/Treasurer) – Partner, Deloitte & Touche LLP

(Middle row left to right)

Rick Bachalo – Vice President, Mortgage Investments, Great-West Life Assurance Company

Kevin McGarry – Managing Broker, DTZ

Rob Johnston – Regional President, Manitoba, Saskatchewan & Northwest Ontario, Royal Bank of Canada

(Bottom row left to right)

Doug Harvey – President, Maxim Truck and Trailer

Kim Jasper – Chief Advancement Officer, Red River College

Mark Chipman – Chairman & Governor, Winnipeg Jets Hockey Club

Financial Statements

For the year ended December 31, 2013

CENTREVENTURE'S FINANCIAL REPORTING

Management, in accordance with Canadian Public Sector Accounting Standards, has prepared CentreVenture's financial statements for the year ended December 31, 2013. The Corporation's 2013 financial statements have been audited by the firm BDO Canada LLP. The Auditor's 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 2013 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 2012 to 2013 reflects the direction established by CentreVenture's strategic plan. The Corporation's plan contemplates that 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 2013 OPERATIONS

CentreVenture's operations achieved the targeted break-even, while the Urban Development Bank deficit of \$483,822 continued to reflect the commitment to invest assets in the revitalization of downtown Winnipeg.

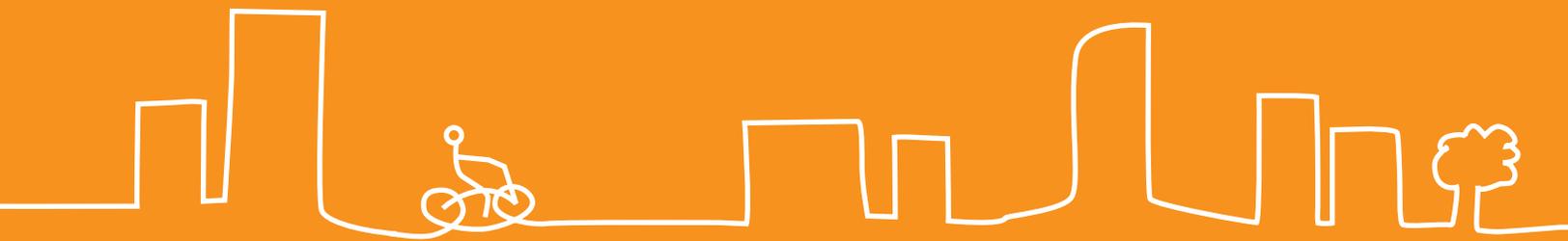
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands)

December 31	2013	2012
Assets		
Current Assets		
Cash held in trust	\$ -	6,785
Accounts receivable and prepaid expenses	3,995	1,516
Property held for resale	797	1,037
Current portion of mortgages and loans receivable	3,659	4,209
	8,450	13,546
Mortgages receivable	2,040	2,331
Loans receivable	3,807	2,863
Investment in hotel properties	11,992	-
Capital assets	8,630	9,140
	\$ 34,919	\$ 27,880
Liabilities and Net Assets		
Current Liabilities		
Bank indebtedness	\$ 6,454	\$ 6,827
Accounts payable and accrued liabilities	607	646
Deferred grant revenue	748	676
Current portion of long-term debt	185	163
	7,994	8,312
Long-term debt	12,439	4,129
Deferred government assistance	5,705	6,158
	26,138	18,599
Net Assets		
Invested in capital assets	1,002	1,034
General	97	97
Urban Development Bank	7,682	8,151
	8,781	9,281
	\$ 34,919	\$ 27,880

CONSOLIDATED STATEMENT OF OPERATIONS (in thousands)

For the year ended December 31

	2013		2012	
	General	Urban Development Bank	Total	Total
Revenue				
Grant				
City of Winnipeg	\$ 300	\$ -	\$ 300	\$ 300
City of Winnipeg - Downtown Residential Development Grant	-	15	15	15
Province of Manitoba	-	256	256	53
Designated grants	-	763	763	280
Amortization of deferred government assistance	-	452	452	453
Interest	434	-	434	494
Commission and development fees	225	1	226	60
Rental	30	642	672	658
Sale of properties	-	412	412	1,525
Other	-	107	107	140
Income from hotel properties	-	(27)	(27)	-
	989	2,621	3,610	3,978
Expenditures				
Administration	790	2	792	702
Amortization	23	630	653	660
Bank charges and interest	3	196	199	10
Interest on long-term debt	-	89	89	90
Cost of properties	-	299	299	1,912
Grants paid out - Designated revenues	-	763	763	280
Insurance	16	17	34	26
Office	97	-	97	79
Professional fees				
IT and other	17	-	17	11
Legal, accounting and transactional costs	26	260	286	467
Marketing	33	3	36	49
Project development	-	470	470	236
Rental properties	-	363	363	345
Bad debt	-	-	-	35
Community investment	-	13	13	12
	1,005	3,105	4,110	4,915
Deficiency of revenue over expenditures for the year	\$ (16)	\$ (483)	\$ (500)	\$ (937)
Comprised of:				
Operating surplus	7	-	7	31
Urban Bank	-	(306)	(306)	(761)
Invested in capital assets	(23)	(178)	(201)	(207)
	\$ (16)	\$ (484)	\$ (500)	\$ (937)



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centventure.com



centventure
development corporation