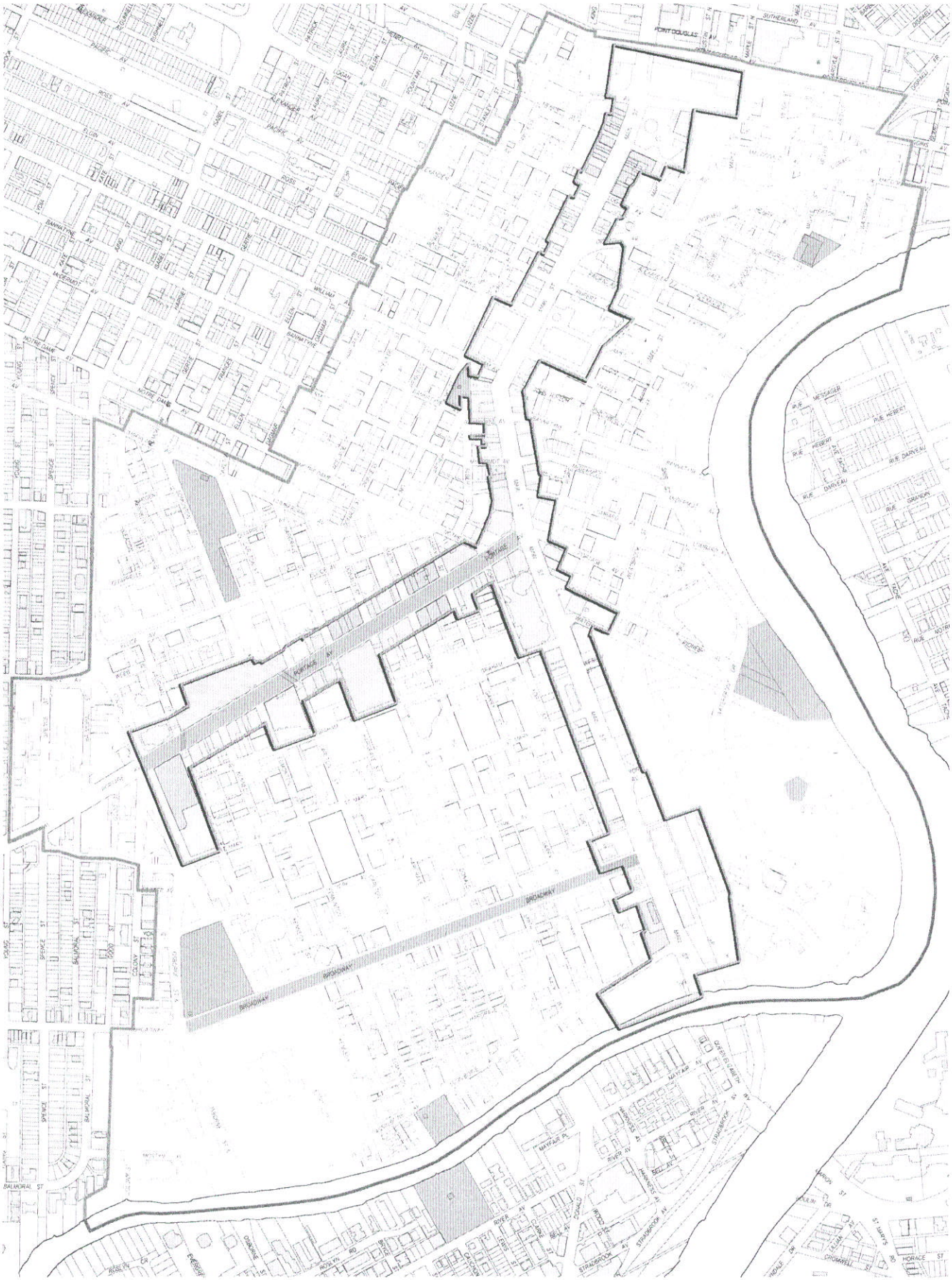
CENTURE VENTURE DEVELOPMENT CORPORATION

HEART OF GOLD PLAN

(Strategic Plan: 2007 – 2009)

Submitted: January 15, 2006



focus area

public destinations

potential clusters

mandate area

heart of gold

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EXECUTIVE SUMMARY

THE GOAL

To create enough visible improvement, and enough atmosphere of change and momentum, to achieve a 'tipping point' in people's perception of the downtown.

THE BACKGROUND

CentreVenture was created in May, 1999, by Winnipeg City Council to spearhead the revitalization of downtown Winnipeg.

THE PRESENT SITUATION

There has been a marked improvement in the condition of Winnipeg's downtown since CentreVenture's creation in 1999. Arguably, the private marketplace is performing adequately in many parts of CentreVenture's mandate area. ***"What role, if any, still remains for CentreVenture?"***

THE EXCEPTION

The market is not yet functioning adequately with respect to the properties in two related areas; being the properties fronting on both sides of Portage Avenue, in the section from Memorial Boulevard to Main Street and the properties fronting both sides of Main Street, in the section from Assiniboine to Higgins Avenues. ("Focus Area").

THE PRINCIPLES

Everything must be done to improve the Focus Area, Every citizen must contribute to the solution, in a manner consistent with their circumstances. The entire downtown, and the entire City, will be immeasurably improved by success in revitalizing the Focus Area. Failure is not an option

THE ISSUE

Why does this matter? Because they have been so long without a real downtown, the citizens of Winnipeg, particularly those under fifty years of age, have lost touch with an important truth – the heart of a city matters a great deal. The downtown of any city is a snapshot of the real health, even the real meaning of a city. For better or worse, the most visible and vital section of Winnipeg's downtown is the Focus Area.

THE PRESCRIPTION

The Focus Area will only be viable if it features destinations, atmosphere, and attitudes that cannot be found elsewhere. It must be a classic 'downtown'. Only the market can determine how such a downtown would look. CENTREVENTURE, and others, can only create conditions that allow the market to function efficiently. As well, the strengthening of civil society in the downtown must be supported

THE HEART OF GOLD

At the end of the period described is this report, the Focus Area will become Winnipeg's "Heart of Gold" – its geographic centre, its psychological home, its economic pump - its heart. ***With a Heart of Gold to see, feel, and think about, the 'tipping point' can be reached.***

THE INGREDIENTS

Best Place to Do Business

The Heart of Gold must, and can become the "Best Place to Do Business". Initial investigation should begin on measures to support this goal in the longer term.

Security

1. People

   CentreVenture will continue to; 1) support strongly all existing security initiatives, 2) work with the Winnipeg Police Service and other agencies in refining existing initiatives and in identifying needed new efforts, and 3) promote, by the example of its Board and staff, an enthusiastic participation in activities taking place in the Heart of Gold.

2. Public Destinations

   CentreVenture has demonstrated competence and a track record of success in facilitating the creation of public amenities of the character of the Plaza Skate Board at the Forks; to enhance the quality of life in the Focus Area, in the broader downtown, and in the City as a whole. This is also a citizen responsibility and an opportunity. The Public Destinations are expected to 'open the heart' of Winnipeg. CentreVenture will facilitate the creation of public amenities of the character of the Plaza Skate Board at the Forks. ("Public Destinations" or "PD").

   The general framework of the projects will be: 1) principal capital funding by public spirited private donors, 2) project co-ordination and some financial assistance by CentreVenture in establishing the PD's, 3) financial contributions by the City and the Province, to an extent determined by the history and the nature of the PD, and 4) on-going management and maintenance of the PD's by a variety of means. The estimated cost to CentreVenture is **$5.68M**

3. Special Safety Wardens

   Serious consideration should also be given to the establishment of a system whereby Special Safety Wardens are on duty, during designated times, at strategic corners along Portage Avenue and Main Street – assisting pedestrians and available to refer citizens in distress to the proper service providers.

Priming the Pump

1. Legacy

   A long history of difficulty and disappointment, surrounding the development and ownership of property in the Heart of Gold, has left a negative legacy, amongst many members of the development community, and amongst the citizenry at large. Accordingly; notwithstanding the measures described in the report, and other efforts to facilitate the market's operation, new development, particularly retail and mixed use development, needs to be 'primed' into existence in the Heart of Gold, The intent is to tilt the playing field back in favor of the smooth working of market forces, while attending to the public interest, as seen from the widest perspective.

2. Clusters

   Downtown redevelopment experience points to the need to concentrate efforts on the achievement of a visual and psychological critical mass of results, at important places in the redevelopment geographic. In the case of the Heart of Gold, there are sections of visually uninspiring, under-improved properties located along both Main Street and Portage Avenue. Resources should be directed at efforts to deal with each section, as much as possible, as a

whole. ("Clusters'). CentreVenture is projected to redevelop, over a three year period, up to **3** Clusters, at an estimated cost to CentreVenture of **$8.0M**, partnering with the private sector, with other downtown agencies and with the City and the Province.

3. Profile Investments

This type of investment is intended to create high visibility and interest, to raise the flag – in circumstances where it is difficult for the private marketplace to appreciate the potential for profitable investment. In this category is the outright, unconditional purchase of a troubled property whose rehabilitation will anchor the resurrection of a Cluster. CentreVenture will also employ other types of equity and debt structures. CentreVenture, over a three year period, is projected to make up to **3** Profile Investments, at an estimated cost to CentreVenture of **$2.0M**, (included in the Cluster total), partnering as described in Clusters above. Return on CentreVenture's investment in these cases expected to be below market, and may, in fact, be negligible.

4. Profile Tenants

This type of investment, is intended to create high visibility and interest, perhaps even more than for Profile Investments. Potential investments in Profile Tenants may require a larger imagination. CentreVenture should ; 1) identify Profile Tenants, 2) assess the market for them in the Heart of Gold (in a CentreVenture Cluster or otherwise), 3) quantify any market gap, and 4) find ways to bridge it. CentreVenture, over a three year period, is projected to attract up to **3** Profile tenants, at an estimated cost to CentreVenture of **$3.0M**, (included in the Clusters total), partnering as described in Clusters above. There is not expected to necessarily be any return on CentreVenture's investment in these cases.

5. Housing/Tax Credit Programs

A key component of a prosperous downtown is a downtown population that is large in number, and diverse in make-up. CentreVenture has been active in administering tax credit programs intended to promote residential construction in the downtown. Discussions are underway with City officials regarding the institution of new programs. The specific targeting of enhanced credits to the Heart of Gold area is a strong possibility. CentreVenture will continue to be deeply involved in the process of developing suitable criteria for tax credit programs.

However, the only available means, whereby a developer or owner can convert an entitlement to future tax into presently available capital, is by having CentreVenture approve a loan against the future revenue stream, under our Gap Financing Program. The demand for Gap Financing already exceeds supply. More resources must be found for this program. CentreVenture will be the leader of an effort to persuade the Province that making the Provincial portion of property taxes part of tax credit programs would be a cost effective way to energize Winnipeg's development.

CentreVenture will, by the end of 2007, invest approximately **$600K** of past and present heritage grant funds. Further, CentreVenture will set aside **$1.0M** per year for purposes of investing in Gap financings on projects not located in the Focus Area.

6. Parking and Services

The demand for housing in the downtown is not only affected by supply, but by perception of security. CentreVenture's contribution to the improvement of perception of security must be, and can be, many-fold. All the initiatives listed in this Heart of Gold Plan are part of the remedy. However, it is possible to make another contribution by addressing two other identified problems - obstacles standing between the downtown and a decision to live there. These problems are, 1) the shortage of immediate proximate parking, and 2) the absence of basic services in locations that are seen to be convenient and safe. CentreVenture, over a three year period, will invest in up to **3** strategically located Parking/Service facilities at an estimated cost of $1.0M per project, or a total of **$3.0M.** (included in Clusters total). Return on

CentreVenture's investment in these cases expected to be below market, and may, in fact, be negligible.

RESOURCES

Financial

CentreVenture is projected to make a net cash investment of **$17.28M** over the three year period of the Heart of Gold Plan, comprised of **$8.0M** for investments in the Focus Area, **$3.6M** for investments in projects not located in the Focus Area, and **$5.68M** for Public Destinations. Absent new resources, (other than renewal of the City's annual operating grant, which is requested in this Plan) CentreVenture's net asset position would decrease from **$14.7M** as at December 31, 2006, to **$7.7M** as at December 31, 2007.

OUTCOMES

Quantitative

Completion of the Heart of Gold Plan would result in the creation of up to **9** Public Destinations, up to **3** Cluster redevelopments, and up to **3** Parking/Service facilities. CentreVenture's investment is expected to attract parallel investment by the City of Winnipeg totaling **$8.7M**, by the Province of Manitoba totaling **$6.2M**, and by other public sector agencies totaling **$6.0M**. Based upon CentreVenture's historic performance, the investment of CentreVenture and other public sector monies should attract investment or donations by the private sector totaling more than **$150M**. This highly visible, substantial level of activity will undoubtedly catalyze a substantial increase in economic activity in the Heart of Gold, and elsewhere.

The public sector's return resulting from the success of the Heart of Gold Plan- will be immense. By only one measure, increases in property tax revenues attributable to properties directly involved. based upon CentreVenture's past achievements, the Heart of Gold related investments should result in an increase in property tax receipts, of approximately **$2.5M** per year by the City of Winnipeg, and of **$4.2M** per year by the Province of Manitoba, on on-going basis – without regard to the associated increases in the assessed values of neighbouring developments.

Qualitative

The GOAL will have been accomplished.

PARTNERS

City of Winnipeg

CentreVenture's main partner has been, and will continue to be, the City of Winnipeg. The City can reward CentreVenture's success in this Heart of Gold effort by replacing CentreVenture's working capital, by some means.

Province of Manitoba

CentreVenture's other original, and continuing, partner is the Province of Manitoba The Province can reward CentreVenture's success in this Heart of Gold effort by replacing CentreVenture's working capital, by some means.

Other Agencies

It is anticipated that other agencies will be motivated to become involved in the purpose of achieving the GOAL, with or without supporting any particular element of the Heart of Gold Plan.

Social Consensus

In order for the Heart of Gold Plan to succeed, a social consensus must develop, a consensus that supports the PRINCIPLES, if not necessarily any particular approach.

THE FUTURE

At the end of the Heart of Gold period, **"What role, if any remains for CentreVenture?"** The options include, amongst others; 1) carrying on as presently constituted, 2) keeping the present governance and operational model, but moving it's mandate to a different geographic, 3) merging with another agency operating in a related space, or 4) winding up operations, almost certainly on the high note of successful completion of the Heart of Gold Plan.

THE GOAL

To create enough visible improvement, and enough atmosphere of change and momentum, to achieve a 'tipping point' in people's perception of the downtown, i.e. to make them believe that Winnipeg's Heart of Gold is on the rise, that it is an exciting and vital place - and that it is getting better.

THE BACKGROUND

By the late 1990's, the downtown of Winnipeg was in a sorry state, plagued by; an exodus of businesses and residents, a significant increase in arsons and property related and other crimes, and declining property values. The private market-place and civil society were not functioning adequately. CentreVenture Development Corporation ("CentreVenture" or "CentreVenture"), an arms length agency of the City of Winnipeg, was established based on the principal recommendation of the Downtown Winnipeg Task Force (the "Task Force") to implement concepts reflected in the CentrePlan Development Framework, a document that had been created after extensive community consultations. The Task Force proposed the establishment of a "downtown development authority" to plan, coordinate and implement revitalization projects, to halt the decline and improve downtown's fortunes. CentreVenture was created in May, 1999, by Winnipeg City Council to spearhead the revitalization of downtown Winnipeg.

CentreVenture is an advocate and catalyst for business investment, development, and economic growth in downtown Winnipeg. 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.

In 1999, the City of Winnipeg provided $3 million in capital, which CentreVenture chose to use to establish CentreVenture's Urban Development Bank (the "Urban Bank") to assist redevelopment projects located in the downtown. Funding possibilities foreseen included; bridge financing, mortgage financing, loan guarantees, subordinated debt, and/or equity participation - for real estate developments in the CentreVenture mandate area. Where appropriate, CentreVenture has chosen to partner with traditional lenders such as banks and credit unions. Under an Asset Agreement, the City of Winnipeg vested control of non-performing, surplus, City-owned properties in downtown -- present and future – in CentreVenture. CentreVenture markets surplus city-owned properties for sale and redevelopment. Interest and repayments from Urban Bank-assisted projects, interest earned on the capital pool, and net proceeds from sale of properties, acquired by CentreVenture under the Asset Agreement and otherwise, have heretofore been directed to the account of the Urban Bank, to increase its supply of investment capital.

In June, 2002, Winnipeg City Council renewed CentreVenture's mandate to 2006, and expanded its geographic reach. The City also approved an additional $7 million capital contribution, which CentreVenture again applied to the Urban Bank's account. The Government of Manitoba made an initial $250,000 contribution to CentreVenture, and continues to provide additional annual contributions of $238,000, on a project specific basis.

CentreVenture's mandated area of responsibility now covers one of the largest downtown areas in North America, bordered by the Assiniboine River to the south, CP Rail Highline to the north and the Red River to the east. The area's western edge is roughly defined by Osborne, Young, Balmoral, and Hargrave Streets.

Through its Urban Development Bank, as of March 31, 2006,, CentreVenture has provided nearly $8 million in gap financing, mortgages, and development capital, supporting 26 projects. This investment has leveraged more than $60 million in private sector investment. CentreVenture's grants under Heritage Tax Credit Programs have leveraged some $20 million in private investment, in 23 projects having a major heritage preservation

and redevelopment element. CentreVenture has sold, or conditionally sold 31 abandoned buildings and vacant lots in Winnipeg's downtown that had come to the City in tax sales. New, private investment in these properties totals $116 million. More than $2.5 million (final sales only) in sale proceeds have been allocated to the Urban Bank.

On the advocacy front, amongst numerous instances, several can be highlighted. CentreVenture made the business case that convinced the three levels of government to invest $9.1 million in the Waterfront Drive project. As a result, eight, previously surplus City land sites are enjoying $48.8 million in private sector investment, producing 206 residential units, and over 35,000 square feet of commercial space. Existing adjacent property owners in the area are now planning investments worth close to $100 million, and enjoying increased property values. Similarly, CentreVenture's promotion of, and involvement with, (via tax and other financial incentive programs) the Mountain Equipment Co-op and Giant Tiger projects, facilitated the development of these new, modern structures. These facilities replaced abandoned buildings with major retail establishments. In addition, with CentreVenture's crucial assistance, a number of warehouse buildings are being transformed into residential properties, in a range of formats, including relatively inexpensive rental lofts, through to upscale condominiums.

Other downtown successes that have occurred during CentreVenture's watch include the construction of the MTS Centre, and the pending construction of the new headquarters of Manitoba Hydro on Portage Avenue. As well, the Exchange District is now home to Red River College's downtown campus. CentreVenture promoted the Princess Street location as the site of this $35 million project.

THE PRESENT SITUATION

There has been a marked improvement in the condition of Winnipeg's downtown since CentreVenture's creation in 1999. Arguably, the private marketplace is performing adequately in many parts of CentreVenture's mandate area. That is to say, property development and economic development are increasingly taking place on their own volition, without excessive involvement by the public sector, including CentreVenture. More arguably, civil society can be seen to have improved, in certain sectors, - for example in the vicinity of Red River College and in the East and West Exchange area. There is more street activity, at least at some times of the day, and, therefore, more of a sense of community and security. However, the social situation continues to be problematic. The economic and the social aspects are of course related, and the weaknesses and strengths of one are tied to those of the other. We will return to this matter later. For now, it is necessary to take, as a working assumption, that the efforts of CentreVenture, of the governments, of the other public agencies, and of the market-place over the last number of years, have born fruit. CentreVenture had been created because, in part, the market and civil society were not functioning adequately. If, again arguably, there has been, at least, a big improvement in such functioning, "***What role, if any, still remains for CentreVenture?"***

THE EXCEPTION

It is CentreVenture's contention that the market is not yet functioning adequately with respect to the properties in two related areas; being the properties fronting on both sides of Portage Avenue, in the section from Memorial Boulevard to Main Street (the "Portage Group"), and the properties fronting both sides of Main Street, in the section from Assiniboine to Higgins Avenues (the "Main Group"). Together, the Portage Group and the Main Group are referred to in this report as the "Focus Area". (See map attached) For a variety of interrelated, complex, and long-standing reasons, the Focus Area has remained in a distressed situation longer, and to a degree not shared by other precincts in the downtown area.

Despite significant major strategic developments over the last three decades (Portage Place Shopping Centre, A. & B. Sound, Mountain Equipment Co-op, MTS Centre, Credit Union Central, etc.) development along Portage Avenue remains patchy, containing unsightly entire blocks, such as the

strip including, the A. & B. Sound, Mitchell Copp, and Dayton's Buildings, and the buildings between the Kensington Building and the Paris Building, amongst others. Portage Avenue is particularly unattractive in the section north from Donald Street to Main Street, but remains challenged and vulnerable along most of its length, including, very importantly, the Bay Store Building, at Portage and Memorial, at the end of the Portage Group.

Main Street's secular decline commenced as long ago as the turn of the twentieth century, with the construction of the Eaton's Department Store on Portage Avenue. Government backed attempts at resurrection of Main Street go back at least as far as the building of the present City Hall on the site of the former edifice from Winnipeg's first golden age. Canada's centennial year, 1967, saw the construction of the Concert Hall, Planetarium, and Museum complex. Eventually the Manitoba Theatre Centre construction, and the Pantages Theatre redevelopment completed the public sector's shot at turning around the fortunes of Main Street, in the section approaching Portage Avenue. At the other end of the Main Group, the 'missing tooth' pattern of buildings interspersed with empty lots is a visual testament to the decades long decline of Main Street, from a busy retail strip, to a mix of (mostly) lower quality retail and (mostly) skid row collection of hotels, restaurants and pawn shops, to an area where more and more properties were condemned or purchased for demolition, to what it is today – a mix of properties beyond redemption, and the homes and businesses of entrepreneurs and social activists who intend to (and are) resurrecting them anyway.

THE ISSUE

Why does this matter? Because they have been so long without a real downtown, the citizens of Winnipeg, particularly those under fifty years of age, have lost touch with an important truth – the heart of a city matters a great deal. The downtown of any city is a snapshot of the real health, even the real meaning of a city. For better or (mostly) worse, the most visible and vital section of Winnipeg's downtown is the Focus Area. If suburban Winnipeggers 'see' (with their eyes and their minds) the Focus Area as an embarrassment, then they will 'see' the entire downtown as an embarrassment – a place they do not wish to be, or even to think about. More ominously, if out of town visitors to Winnipeg 'see' the Focus Area as in the same light, they will 'see' all of Winnipeg as a place they do not wish to be, or to recommend to others, or, perhaps, in which to do business. Despite decades of best efforts, and with certain individual properties as honourable exceptions, the Focus Area is an embarrassment. This situation is more than unfortunate, economically or otherwise. It is a disgrace. But it is not an abstract or a generalized disgrace. It is an individual, personal disgrace to all the citizens of Winnipeg.

THE PRINCIPLES

Everything must be done to remove this disgrace. Failure is not an option. There is no time to lose. Every citizen must contribute to the project of fixing the Focus Area, in a manner consistent with their circumstances; the more prominent and powerful the citizen, the more he or she should do. It is not socially acceptable to stand in the way of this project. All discussions of this issue that begin with complaints, must end with suggestions and action. Every person involved in public affairs (indeed every citizen) is an active ally. The entire downtown, and the entire city will be immeasurably improved by success in revitalizing the Focus Area. Failure is inconceivable.

THE PRESCRIPTION

The Focus Area will only be viable if it features destinations, atmosphere, and attitudes that cannot be found elsewhere. It must be a classic 'downtown'. At one time, Winnipeg had a vibrant, classic downtown, featuring restaurants, nightclubs, department stores, movie theatres, and extensive other retail. That downtown is long gone, and will not return. CentreVenture does not take a position as to what a resurrected Winnipeg downtown would or should look like. Only the market can determine

that. CentreVenture and others can only create conditions that allow the market to function efficiently. There are some exceptions to this notion that will be examined later. However, for the most part, market forces will ultimately determine what developments take place in the Focus Area. The market has the power. The opportunities for profit are substantial, and the citizens of Winnipeg should welcome and celebrate that potential. CentreVenture, other agencies, and the City of Winnipeg should participate in this project, i.e. intervene in the marketplace, selectively, as and when required.

In addition to the re-empowerment of market forces, civil society in the downtown must be made to function more like it does in other areas of Winnipeg. This issue is even more complex than the economic question, and making a difference will be exceedingly challenging. Social engineering is beyond the scope of, and outside the inclinations of CentreVenture. Notwithstanding that, CentreVenture has the human, financial, and creative resources to make a contribution to the broader context in which our normal development efforts take place. (see 'Public Destinations' below)

THE HEART OF GOLD

This Plan is based upon THE PRINCIPLES outlined above, and will attempt to describe several options for applying THE PRESCRIPTION, with the intent that, at the end of the period described is this report, the Focus Area will become what will hereinafter be referred to as Winnipeg's "Heart of Gold". The word 'Heart' in this context connotes the geographic centre of the city, its centre, its heart. As well, the Heart of Gold will act as the pump of economic power, and of vitality to the suburbs and beyond. Finally, and not least in importance, a vitalized core will come to be seen and felt as the emotional, and psychological 'heart' of Winnipeg – inviting, welcoming, and enriching. The word 'Gold', in this context, connotes the commercial success that will flow to participants (building owners, merchants, employees, local residents, and the tax-collectors) in the new, invigorated economy in the area. As well, the area, after successful revitalization, will represent the 'gold standard', of potential and of achievements – the best place to be, for many different pursuits, and many different people. ***With a Heart of Gold to see, feel, and think about, the 'tipping point' can be reached.***

THE INGREDIENTS

Security

1. People

   Underlying any initiatives to enhance security is the reality that, in the end, safety and comfort come from the presence of people. It is the report's view that the success of the programs described in this Heart of Gold Plan, and the market forces that it is designed to promote, will make a major contribution to attracting people to the Heart of Gold, and to the downtown in general. Notwithstanding this fact, as in the matter of the market working to redevelop the Heart of Gold, it is recognized that there is, and will continue to be, a compelling need to 'prime the pump' on the issue of security. To that end, CentreVenture continue to; 1) support strongly all existing security initiatives, 2) work with the Winnipeg Police Service and other agencies in refining existing initiatives and in identifying needed new efforts, 3) promote, by the example of its Board and staff, an enthusiastic participation in activities taking place in the Heart of Gold.

2. Public Destinations

   CentreVenture has demonstrated competence and a track record of success in facilitating the creation of public amenities of the character of the Plaza Skate Board at the Forks; to enhance the quality of life in the Focus Area, in the broader downtown, and in the City as a whole ("Public Destinations" or "PD"). This is also a citizen responsibility and an opportunity. The Public Destinations are expected to 'open the heart' of Winnipeg. As stated in the 'PUBLIC DESTINATIONS INITIATIVE attached as Appendix A, the Vision is ***To make downtown***

Winnipeg 'a family place' by creating niche destination parks that draw citizens and visitors while strengthening the social fabric of the immediate neighbourhood.

A number of sites have been identified that would be suitable locations for such Public Destinations. (see map attached) The exact number, nature, and location of the Public Destinations will be a function of land availability, and of the desires of the private sector sponsors. However, the general framework of the projects will be: 1) principal capital funding by public spirited private donors (as in Plaza Skate Board at the Forks), 2) project co-ordination and some financial assistance by CentreVenture in establishing the PD, 3) financial contributions by the City and the Province, to an extent determined by the history and the nature of the PD, and 4) on-going management and maintenance of the PD by a variety of means.

Target	**Create 9 Public Destinations**
CentreVenture Cost	**$5,680,000**
Potential Partners	**Private Philanthropists, Charitable Foundations, FNPP City, Province**
Time Frame	**3 years**

3. Special Safety Wardens

CentreVenture intends to immediately begin negotiations with relevant parties concerning the establishment of a system whereby specially trained individuals, ("Special Safety Wardens" or "SSW") are on duty, during designated times, at every selected intersections along Portage Avenue and Main Street, The Special Safety Wardens would guide pedestrians in obeying the traffic lights. As well, they would be available to refer inquiries, from citizens in distress, to the proper service providers (police, fire, ambulance, other), and to field less urgent inquiries. The Special Safety Wardens would be uniformed to relate to existing figures of authority, such as the Downtown Biz's Watch patrols.

CentreVenture believes that, in addition to the high profile that the SSW program would bring to the downtown, the knowledge that a figure of authority can be always be found in a specific spot, during specific times, would come to be an important component in creating the reality, and the perception, of security in the Heart of Gold. It is important to note that the SSW program does not replace the crucial need for an appropriate police presence, nor does it substitute for any existing program such as the Downtown Watch. But it would make an important, highly visible, and reasonably inexpensive contribution to the overall campaign for safety.

CentreVenture has access to outside experts who are in a position to assess the practicality of the SSW program and to suggest alternatives, as required.

Best Place to Do Business

The Heart of Gold area will only realize its potential if market forces are allowed to operate as freely as is consistent with the public good. At present, securing approval for development or redevelopment in the Heart of Gold area is difficult, perhaps more difficult than elsewhere in the City. And it is by no means a simple process anywhere. As well, owners or developers operating in the Heart of Gold presently have difficulty in predicting the effect of contemplated changes upon future property taxes. Planning and taxation challenges, as well as other factors, conspire to make the Heart of Gold one of the most difficult areas in which to do business. Because of the centrality (in all senses) of the Heart of Gold to the overall success of the downtown and the entire City, CentreVenture will work to make the area the best place to do business, unleashing the power of the market – to the benefit of everyone. Several regulatory and structural changes that could be expected to improve the situation in the longer term are described in "FUNDAMENTALS – LONGER TERM GOALS' below.

Priming the Pump

1. Legacy/Housing

Notwithstanding the potential success of the any initiatives described in this Plan, a long history of difficulty and disappointment, surrounding the development and ownership of property in the Heart of Gold, has left a legacy, amongst many members of the local, national, and even international development community, of cynicism - at best. At worst, the notion of development in downtown Winnipeg, particularly in the Heart of Gold, has simply disappeared from their thoughts. This is a parallel with the disappearance of the notion of 'downtown' at all, from the minds of many Winnipeggers. Certainly, there had been serious activity in recent years, particularly in the area of housing. However, respecting the Heart of Gold, there has been almost no housing development; and restricted activity in other segments, mainly involving 'one off', large projects. Of particular importance, the commercial development that is crucially important (as an attraction in its own right, and as an essential support to the residential sector), has been almost entirely absent.

CentreVenture cannot and will not attempt to solve the 'chicken and egg' riddle of whether locating a critical mass of residency downtown will engender retail development or vice versa. Rather, the report takes the view that both elements need to be vigorously promoted, by a variety of means – well thought through means, that are constantly adjusted to prevailing circumstances. As will be discussed later, CentreVenture is of the view that it can best promote housing, at this time, by continuing to utilize existing and new tax credit programs to facilitate housing development throughout its mandate area, with a pro-active emphasis on identifying housing opportunities in the Heart of Gold.

As well, CentreVenture believes that retail and mixed use development needs to be 'primed' into existence in the Heart of Gold, by whatever means are most efficacious; ranging from equity investment by CentreVenture, alone or with public and/or private partners, through financing of all kinds, using both market based and preferential terms, right the way through to outright grants, if needed. Given that 'There is no time to lose'. CentreVenture has already commenced activity as if the Heart of Gold Plan were in place, always in ways consistent with its original mandate.

An important element of the Plan is positive publicity, formal or informal (a 'buzz'). The purchase of the Avenue Building and the active discussions with potential partners concerning redevelopment are meant to send, and have sent, a signal - that something new and important has begun. Notwithstanding this early and hopefully continuing boldness, it is an extremely important element of the Heart of Gold Plan, that CentreVenture, and all its partners of various kinds, continue to maintain humility regarding their knowledge versus the market's wisdom. ***CentreVenture does not know how the Heart of Gold will look in detail, when the Heart of Gold Plan and other efforts are completed.*** CentreVenture only knows that, after decades of disadvantage, the playing field should be tilted back in favor of the smooth working of market forces, while attending to the public interest, as seen from the widest perspective.

2. Clusters

Downtown redevelopment experience points to the need to concentrate efforts on the achievement of a visual and psychological critical mass of results, at important places in the redevelopment geographic. In the case of the Heart of Gold, there are sections of visually uninspiring (or worse), under-improved properties located along both Main Street and Portage Avenue. These sections will be identified, and resources (time, energy, money) will be directed at efforts to deal with each section, as much as possible, as a whole. If an entire blighted stretch of either street can be resurrected in total, the impact on the Heart of Gold will be much greater than if the equivalent redevelopment were disbursed more broadly. The sight of a stretch of vibrant street makes more of an impact than the prospect of a few nice buildings,

scattered here and there along an otherwise dreary panorama. CentreVenture calls these strategic groupings "Clusters". (see map attached)

Factors that go into the identification of a Cluster include the following:

- Individual buildings can be Clusters – the Bay store is 'gateway' to the Heart of Gold, and is a pivot for pedestrian traffic flow pivot; 100 Main Street is a gateway to downtown and is located in an area proposed to be part of a refurbished Upper Fort Garry.
- Clusters tend to be co-extensive with city blocks.
- Cluster can have an awkward relationship to large scale projects (MTS Centre, Portage Place, office buildings at Portage and Main) – the problem of scale and isolation
- CentreVenture's experience over the last few years suggests that the gap to market is larger along Portage Avenue, versus Main Street, and increases with proximity to Main Street. However, on Portage Avenue, a developments importance to creating a psychological Tipping Point, and the impact of its success, are inversely proportional to the market gap.
- For Clusters on Portage Avenue, proximity to Main Street is a visual and functional factor – the pedestrian access problem, and the potential impact of success
- CentreVenture's experience over the last few years suggests that development along Main Street will proceed North to South from Higgins Avenue
- For Clusters on Main Street, proximity to Higgins Avenue increases significance. This is the gateway to downtown form the north. Fortunately, the financial gap to market is smallest near Higgins.

Factors that go into whether a potential Cluster can be targeted by CentreVenture include the following:

- The ownership profile can be decisive. Amongst other factors, the owners/developers willingness and ability to inject new equity into the project is critical. In the past, CentreVenture has been able to lever its own investment in projects at a ratio of approximately 9:1 on Heritage properties. On new developments, counting the entire public sector investment, an estimated 7.5 times leveraging has been achieved. ***This Plan has assumed that the private sector will, on average, invest 5.0 times the amount invested by the public sector. in non-Public Destination projects. Conservatively, no private dollars are assumed to be leveraged by public investment in PD.***
- The physical condition and economic functionality of the structures materially affects potential cost.
- Redevelopment options affect revenue potential.
- The availability of potential partners affects the resources CentreVenture requires.

The decision as to which particular city blocks or buildings are targeted by CentreVenture will be determined on a case by case basis over the period of the Heart of Gold Plan. At this point, the following have been identified as potential Clusters:

- Bay Building at Portage Avenue and Memorial Boulevard
- City of Winnipeg owned building at 100 Main Street
- North side of Portage Avenue, between Hargrave and Donald Streets (Dayton's Building, Mitchell Copp Building, A&B Sound Building)
- North side of Portage Avenue, between Smith and Garry Streets (Kensington Building, 271 Portage Avenue, Avenue Building)
- South side of Portage Avenue, between Smith and Garry Streets (Birks Building, Chocolate Shop, Dominion News)

- West side of Main Street between Portage and McDermot Avenues (TD Centre, parking lots, Empire Cabaret)
- West side of Main Street, between Disraeli and Logan Avenues (586 Main Street, Neon Factory, 594 – 618 Main Street)
- West side of Main Street, between Logan and Higgins Avenues (Starland Theatre, Epic Theatre, Bell Hotel, Toronto Bank)
- East side of Main Street, between Logan and Henry Avenues (Mitchell Fabrics, Manwin Hotel, Lighthouse Mission)

During the term of the Heart of Gold Plan, a continuing process of analysis will identify Clusters, determine potential redevelopment outcomes, and take appropriate investment steps, regarding each property located in each Cluster. Where appropriate and possible, properties will be purchased, or optioned for purchase, or owners approached about potential redevelopment. Potential partners will be sounded out on forms of involvement.

In some cases, CentreVenture will take the lead. In some cases, another agency or a private developer may supervise the project. Redevelopment may, in some circumstances, simply be a matter or a refreshment of a façade, with CentreVenture perhaps contributing to the cost of the 'facelift', on its own, or via public sector programs. In some circumstances, CentreVenture can best aid a redevelopment by facilitating the proponent's access to existing or new property tax credit programs, or other incentives or grants in aid.

Financing by CentreVenture of future tax credit proceeds is, and will continue to be an important tool available to developers in the Heart of Gold or elsewhere in the downtown. To facilitate numerical analysis, the large variety of potential investment forms have been simplified and grouped into the few meaningful categories described below.

Target	***Redevelop 3 Clusters***
CentreVenture Cost	***$8,000,000 (total of Profile Investments, Profile Tenants, and Parking/Service Projects)***
Potential Partners	***Private developers, public agencies (e.g. Forks North Portage) City, Province***
Time Frame	***3 years***

3. Profile Investments

This type of investment, as the name suggest, is intended to create high visibility and interest, to raise the flag – in circumstances where it is difficult for the private marketplace to appreciate the potential for profitable investment. In this category is the outright, unconditional purchase of a troubled property whose rehabilitation will anchor the resurrection of a Cluster. The Avenue Building purchase is a perfect example. The Avenue has been empty for years, and has been left to deteriorate badly. However, it is structurally sound, has a handsome exterior, and sits prominently on Portage Avenue, in the middle of one of the potential Clusters described above.

In fact, Clusters between Smith and Garry Streets may be the Clusters most visually and psychologically important to the success of the Heart of Gold Plan. The south side Cluster may be a low cost 'facelift' situation. The Avenue Building is a more expensive proposition. Until recently it was not readily available for purchase. When it became available, CentreVenture, via trusted intermediaries, and latterly, directly, was able to negotiate a price, and to close on the purchase - within a short period of time. The Executive and the Board of Directors demonstrated the nimbleness, the flexibility, and the vision in this matter that will continue to be critical to the success of the Heart of Gold Plan.

CentreVenture is working with potential partners, towards the definition of an appropriate use for (or elimination of) the Avenue Building, in the context of the entire Cluster. In due course, CentreVenture hopes to begin discussions with the owner of the balance of the properties contained in this Cluster, towards a unified, highest and best use revamp of the

block. Conservatively, the Plan assumes that the project will attract a public sector investment partner, and that it will be sold for a price equivalent to the total costs to the time of sale. This is all expected to transpire by the end of 2007.

The Heart of Gold Plan model postulates two more such Profile Investments, involving investment of several millions of dollars of CentreVenture funds, with partnerships in both cases, but without an end sale occurring. The second Profile investment is estimated to occur in June of 2007. The third is modeled to happen in 2008. For purposes of this Plan, the two additional Profile investments are shown as continuing assets of CentreVenture.

In the event, all outcomes are possible. It is important to remember that, notwithstanding any aggressive approach to investing employed, ***Profile Investments will always be made after adequate analysis reveals that there is a reasonable prospect that the investment will be viable, if not necessarily highly profitable to CentreVenture and any agency partners.***

Target	***Make 3 Profile Investments***
CentreVenture Cost	***$2,000,000 ($0 net for Avenue,$1.0M per other Project)***
Potential Partners	***Private developers, Forks North Portage, City, Province***
Time Frame	***3 years***

4. Profile Tenants

This type of investment, again as the name suggest, is intended to create high visibility and interest, perhaps on an even higher plane. It is expected that Profile Investments will be made in mainly existing, but occasionally new properties, probably as part of redevelopments about which one can speculate fairly easily. That is, that the use expected is some fairly normal extrapolation from present knowledge, however ambitious (e.g. a New York style upscale condo on north Portage Avenue).

Potential investments in Profile Tenants require a larger imagination. This report works with the PRINCIPLES that; the downtown needs to be somewhere to go to get something available nowhere else, and that, ultimately, the market will decide what sort of downtown Winnipeg's comes to be. However, the gap to market viability is perhaps largest, and the market's ability to make an economic judgment is most obscured, precisely in those cases where the end product, if successful, would have the most impact in terms of profile and excitement, and in terms of drawing people downtown in large numbers.

The disinclination of rational business people to take a leadership position is strongly at work here. The need for a critical mass of destination tenancies – is acute. It is the view of CentreVenture that the most effective and targeted way for the public sector to intervene in the marketplace is in the circumstances that presently prevail with respect to the Heart of Gold – particularly as regards imaginative retail, entertainment, and mixed use developments at or near the heart of the Heart of Gold - Portage and Main.

CentreVenture will, using its own personnel as much as necessary, and networking with and employing the services of Realtors, developers, and specialty tenant representatives as much as possible, to: 1) identify Profile Tenants, 2) assess the market for them in the Heart of Gold (in a Cluster or otherwise), 3) quantify any market gap, and 4) find ways to bridge it.

This Plan assumes that three Profile Tenants can be secured, and that substantial capital will be required to be provided (to the tenant or the developer as the circumstances dictate) to secure viable Profile Tenants in the Heart of Gold. Two of these investments are expected to be made in 2007, and the last in 2008. CentreVenture's cash outlay is expected not to return, nor to result in a valuable asset being retained.

Target	***Secure 3 Profile Tenants***
CentreVenture Cost	***$3,000,000 ($1.0M per Project)***
Potential Partners	***Private developers, Forks North Portage, City, Province***
Time Frame	***3 years***

5. Housing/Tax Credit Programs

In THE PRESENT SITUATION, it was contended that there has been a significant improvement in the functioning of the marketplace, and of civil society, in CentreVenture's mandate area, other than in the Heart of Gold. Notwithstanding this fact, there still remain elements of weakness that prevent the private market from completely thriving on its own.

It is widely understood that a key component of a prosperous downtown is a population that is large in number, and diverse in make-up. Efforts to address Winnipeg's too small downtown population have been ongoing, for many years. In recent years, public sector intervention in the marketplace had taken the form of programs to help fill the so called 'market gap', being the difference between the actual cost of residential construction or conversion, and the amount of investment that could be economically justified by prevailing market rents or purchase prices.

CentreVenture has been active in administering, or directing developers to the City's administration of, such programs, including; the Heritage Tax Credit Program ("HTCP"), and the Gail Parvin Hammerquist Fund ("GPH"). These programs flow funds to Heritage Buildings, as so designated by the City's Heritage Buildings Committee. City Administration has advised that there are funds in a reserve for the Heritage Tax Program that can be allocated by Council for grants to heritage projects. Regardless of the final form of the Heart of Gold Plan, CentreVenture will aggressively seek suitable projects to which these funds can be allocated.

The 2006 allocation for the GPH is $290,000, with the amount to be allocated to CentreVenture yet to be determined. It is estimated that the GPH amount to be allocated will be approximately $300,000 per year during the Heart of Gold period. There is also an approximate $1.5M Heritage investment Reserve, that can be used towards a proposed "Saving Faces" (façade upgrades on heritage buildings), or otherwise. This Plan assumes that all available GPH funds will be allocated to CentreVenture and invested in full.

CentreVenture has also, in the past, exploited the City's now expired Multiple-Family Dwelling Grant Program ("MFDW"), obtaining grants in excess of $1.0M. Discussions are underway with City officials regarding the institution of a new MFDW program, with a large downtown component, or a separate Downtown Housing Tax Incentive Program. The criteria for such a program are in development. The specific targeting of credits or enhanced credits to the Heart of Gold area is a strong possibility, one which has already had a sympathetic hearing by the City.

CentreVenture has registered it's opinion that any tax credit programs include the following features:

- In the best case, that tax credits be available to all types of development or redevelopment, including new or non-heritage structures, and including non-residential uses. That is, that the best case is an Urban Tax Credit
- That, failing any of the above, that mixed-use facilities be allowed to qualify, and that tax credits be calculated on non-residential components also, including retail

- That the credits be for a meaningful duration, for instance 15 years.
- That tax credits be for the full amount of expected tax, rather than the incremental taxes.
- That the provincial portion of taxes be included, provided that there are no compensatory increases in the property taxes of other payers.
- That, with respect to any new or existing programs that continue to be restricted to Heritage situations, the definition of 'Heritage' be as broad as possible, including, for instance, new structures and landscaping in historical locations, or in any way including historical references (plaques, statues, interpretive walks, etc.)

The City's Property, Planning and Development Department will soon make recommendations to EPC respecting tax credit programs. CentreVenture assumes that such recommendations will be made in full light of what is approved by City Council in respect of CentreVenture's mandate. Exploitation of tax credit programs for properties in the Heart of Gold area will materially aid progress – particularly if special incentives are created specifically for the area.

Whatever programs continue or are created, the only available means whereby a developer or owner can convert an entitlement to future tax credits (up to 10 years at present) into presently available capital, is by having CentreVenture approve a loan against the future revenue stream, under our Gap Financing Program. CentreVenture has been very successful, in the past, in promoting development by providing Gap financing, but now faces capacity limits. Unlike the GPH, there may be no budgetary limit to the amount of (minimally) incremental taxes forgiven. Therefore, there would be no limit to the amount that CentreVenture could be called upon to provide. This situation will be aggravated if the Province should be prevailed upon to include the provincial portion of property taxes in any tax credit programs.

In theory, CentreVenture can decline to do a Gap Loan, but, in practice, the developer/owner has nowhere else to turn. Theoretically, CentreVenture's tax revenue stream can be securitized, but, at present, certain regulations of the programs make this impossible. CentreVenture will continue to be deeply involved in the process of developing suitable criteria. CentreVenture will also be the leader of an effort to persuade the Province that tax increment financing is a cost effective way to participate in the Heart of Gold Plan, and to otherwise energize Winnipeg's development.

Notwithstanding the suggested targeting of time and effort on the Heart of Gold, it is critically important to continue to directly support residential development in surrounding precincts of the downtown – both for its own sake, and as the most important indirect component of the success of the Heart of Gold Plan. Because of the uncertainty of programming and of future demand, it is difficult to predict CentreVenture's resource requirements in the matter of housing. However, based on past experience and market knowledge, this Plan has made the assumption that the funds held by CentreVenture with respect to past GPH allocations ($325,320), and the entire 2006 allocation ($288,000) will be granted by CentreVenture in 2007, and has established the targets set out below. The GPH grants are forgiven, and therefore do not become assets of CentreVenture. Any Gap loans made by CentreVenture would remain on CentreVenture's balance sheet.

Target	***Invest Past and 2006 GPH allocations***
CentreVenture Cost	***$600,000***
Potential Partners	***private owners/developers, other agencies***
Time Frame:	***by end of 2007***
Target	***Invest in Gap loans on properties not in the Heart of Gold area***
CentreVenture Cost	***$3,000,000 ($1.0M per year)***
Potential Partners	***private owners/developer, Forks North Portage***
Time Frame	***3 years***

6. Parking and Services

The existing tax credit and other programs and initiatives designed to spur residential development in the downtown, in the main, speak to the supply side of the equation. That is, they attempt to make it economically feasible to create units, by new construction or adaptation, by means of 'bridging the gap'. Of course, the creation of supply engenders demand to some extent. However, there are other factors influencing a prospective resident's decision to live downtown. The issue of security is most often (and most emphatically) raised. As discussed above, if enough people eventually come to live downtown, and if there is otherwise enough commercial activity, and resulting visits by other Winnipeggers and visitors, the problem will self-correct, as described in SECURITY above. But, as is also outlined above, in the meantime, someone must take a lead in working on the chicken and egg riddle.

CentreVenture's contribution to the improvement of the reality and perception of security must be, and can be, many-fold. All the initiatives listed in this Heart of Gold plan are part of the remedy. However, it is possible to make another contribution by addressing two other identified problems - obstacles standing between the downtown and a decision to live their. These problems; 1) the lack of immediate proximate parking that several condominium projects suffer, and 2) the absence of basic services in locations that are seen to be convenient and safe.

There are a number of locations whereon the construction of parking structures of suitable capacity would; 1) firm up the demand for condominium units nearby, 2) allow for the inclusion of retail units as part of the development – adding to the critical mass of retail in the area, and 3) provide light and activity where it is sorely needed – making a serious contribution to the perception of security in the area.

A number of strategically located sites have been identified, upon which parking structures could be constructed if the economics could be made to work.

With respect to services, discussions are underway with prospective developers and operators of grocery stores, broadly defined, concerning the feasibility of developing service retail facilities, in various configurations. The issue of site selection is not as developed in these talks, and confidentiality is more than normally important in this case. However, the concept would be the same as for parking; CentreVenture should identify a number of key sites (and developer/operators in this case), and make them happen.

It is difficult to predict the exact number, nature, and timing of such developments, or the consequent amount of CentreVenture investment required. Based upon knowledge in hand, and upon resources available vis a vis other elements of the Heart of Gold Plan, the report establishes the targets set out below. Owing to the tight economics of parkade investments, only the 2008 project is expected to be able to show any return, and hence to be an asset on CentreVenture's books.

Target	***Invest in 3 Parking and Services Projects***
CentreVenture Cost	***$3,000,000 ($1.0M per Project)***
Potential Partners	***Private Developers, Winnipeg Parking Authority, Forks North Portage***
Time Frame	***2 Projects in 2007, 1 in 2008***

RESOURCES

Human

CentreVenture has taken an aggressive approach to achieving the GOAL. Therefore, the model of CentreVenture's projected operations during the Heart of Gold period, from January 1, 2007 to December 31, 2009, was premised upon achievement of the Targets described above. Achievement of the level of transactions anticipated is expected to require a staff complement that includes two persons in leadership positions, respecting the two main areas of endeavour; work resurrecting the Focus Area, and work bringing the Public Destinations into existence.

The job of **President, Heart of Gold Plan**, **Focus Area** is expected to be a full time position. Reporting to this President will be a full time **Director of Development**, for the Focus Area and for CentreVenture matters in general.

The job of **President, Heart of Gold Plan, Public Destinations** is expected to be an approximately half-time position. Reporting to this President will be a full time **Project Manager, Public Destinations.** The Presidents will report to the present Executive Committee of the present Board of Directors. A **Senior Administrator** will support both arms of CentreVenture, assisted by an **Administrator.** Unless significant additional resources are made available to CentreVenture, this staff complement should be sufficient for the three year period of the Heart of Gold Plan.

Financial

CentreVenture is projected to be in possession of approximately **$14.7M** of assets, as at December 31, 2006, including cash, property, and debt instruments. The carrying out of the Heart of Gold Plan described in this report would absorb more or less all of the cash held by CentreVenture by year end 2007.

Without the introduction of new resources, it would be necessary to begin to dispose of other assets in order to fund the balance of the transactions contemplated. By the end of the third year, again absent external funding, CentreVenture would have drawn down its assets, such that its total available resources would then be approximately **$7.6M**

The financial projections used to develop this Plan are premised, amongst many very speculative assumptions, upon reinstitution of the City of Winnipeg's annual $250K grant for the period 2007 to 2009, upon the continuance of the Province of Manitoba's annual project specific grant of $238K per year, and upon the investment and leverage assumptions shown on SUMMARY OF INVESTMENTS – CENTREVENTURE NET, and on SUMMARY OF INVESTMENTS LEVERAGED, below.

OUTCOMES

Quantitative

Completion of the entire Heart of Gold Plan would result in the creation of up to **9** Public Destinations, attracting the substantial estimated public and private investment shown above. The economic spin-off benefits cannot readily be calculated. However, substantial associated development has occurred in other jurisdiction, when similar Public Destinations have been introduced.

On full completion of the Focus Area part of the Heart of Gold Plan, up to **3** Clusters will have been redeveloped, plus **3** Parkade/Service Facilities, attracting the substantial public and private investment shown above.

The public sector's return resulting from creation of the Public Destinations, from rehabilitation of the Focus Area, and from empowerment of the market in the balance of CentreVenture's mandate area - will be immense. By only one measure, increases in property tax attributable to properties directly involved, based upon CentreVenture's past achievements, the Heart of Gold related investments should result in an increase in property tax receipts, of approximately **$2.5M** per year by the City of Winnipeg, and **$4.2M** by the Province of Manitoba, an on-going basis – without regard to the associated increases in the assessed values of neighbouring developments.

Other highlights include:

Total Investment in Public Destinations: $ 34,150,000

CentreVenture	$ 5,680,000
Private Donors	$21,500,000
City of Winnipeg	$ 2,795,000
Province of Manitoba	$ 4,175,000

Total Investment in Focus Area: $141,000,000

CentreVenture	$ 8,000,000
Public Partners	$ 6,000,000
Private Partners	$119,000,000
City of Winnipeg	$ 6,000,000
Province of Manitoba	$ 2,000,000

Total Investment in non-Focus Area: $ 18,600,000

CentreVenture	$3,600,000
Public Partners	$0
Private Partners	$15,000,000
City of Winnipeg	$0

Total Heart of Gold Plan Investment: $193, 750,000

CentreVenture	$ 17,280,000
Public	$ 20,970,000
Private	$155,500,000

Increase in Assessed Value	$159,600,000
Increase in Municipal Tax (per year)	$ 2,436,900
Increase in Provincial Tax (per year)	$ 4,160,868

Qualitative

The GOAL will have been accomplished. That is, ***Visible improvement, and an atmosphere of change and momentum, will have been generated sufficient to achieve a 'tipping point' in people's perception of the downtown. They will believe that Winnipeg's Heart of Gold is on the rise, that it is an exciting and vital place - and that it is getting better.***

PARTNERS

City of Winnipeg

CentreVenture's main partner has been, and will continue to be, the City of Winnipeg, both politically and administratively, with respect to; 1) reinstated operational funding, 2) supporting the investigation of longer term systemic changes 3) working together on design and administration of crucial incentive programs, 4) co-operative efforts to facilitate rather than hinder development, 4) working together to secure more substantial involvement and financial support from the Province, and, as required, 4) rewarding CentreVenture's success by replacing

CentreVenture's working capital, by some means – **replenishing capital expended in the worthwhile effort to bear down, and to achieve a 'tipping point'.**

Province of Manitoba

CentreVenture's other original, and continuing, partner is the Province of Manitoba, both politically and administratively, with respect to; 1) continued project specific funding, 2) participating on a case by case basis in the redevelopment of some of the Clusters, including, in particular, the Bay Building, 3) investigating the possibility of making the provincial portion of property taxes part of tax credit programs, 4) substantially participating financially in certain Public Destinations, 5) supporting the investigation of systemic changes, and, as required, 6) rewarding CentreVenture's success by replacing CentreVenture's working capital, by some means – **replenishing capital expended in the worthwhile effort to bear down, and to achieve a 'tipping point'.**

Other Agencies

Reference is made in this Plan to other agencies, directly or indirectly involved in downtown redevelopment. This Plan speaks only for itself, and not for others. It is the hope of CentreVenture that other agencies will be motivated to become involved in the purpose of achieving the GOAL, with or without supporting any particular element of the Heart of Gold Plan. It is further hoped that arrangements can be made for specific agencies to work together directly with CentreVenture, on projects advancing all mandates.

Social Consensus

In order for the Heart of Gold Plan to succeed, it is critical that the 'resource' of public opinion become available to the project. CentreVenture is firmly of the belief that a social consensus must develop, a consensus that supports the PRINCIPLES, if not necessarily any particular approach. This social consensus will begin with the staff and Board of Directors, who will be missionaries for the Focus Area and the Public Destinations – ambassadors for the Heart of Gold. The network of supporters will be expanded to include; City of Winnipeg and Province of Manitoba political and administrative figures, the staff and Directors of other downtown agencies, and other interested parties, including influential persons involved with such organizations as the Winnipeg Chamber of Commerce, the Manitoba Business Council, and others. Ultimately, the generality of the citizens of Winnipeg should come to believe that ***'Failure is not an option. There is no time to lose.'***

THE FUTURE

At any point, up to and including successful completion of the Heart of Gold Plan, or thereafter, CentreVenture can address the question first posed in PRESENT SITUATION above, **"What role, if any remains for CentreVenture?"** The options include, amongst others; 1) carrying on the good work begun seven years ago, and, hopefully, reinvigorated by the results of the Heart of Gold Plan, 2) keeping the governance and operational model used so successfully by CentreVenture, but moving its mandate to a different geographic (Point Douglas? West-End?), 3) merging with another agency operating in a related space (Forks North Portage? Biz?), or winding up operations, almost certainly on the high note of successful completion of the Heart of Gold Plan. In all scenarios, the endowment of CentreVenture's residual assets, for purposes of establishing and/or funding a foundation to manage Public Destinations – is a possibility.

SUMMARY OF TARGETS

Public Destination Investment

Target	Create 9 Public Destinations
CentreVenture Cost	$5,680,000
Potential Partners	Private Philanthropists, Charitable Foundations, City, Province
Time Frame	3 years

Focus Area Investment

Target	Make 3 Profile Investments
CentreVenture Cost	$2,000,000
Potential Partners	Private Developers, Forks North Portage, City, Province
Time Frame	3 years
Target	Secure 3 Profile Tenants
CentreVenture Cost	$3,000,000 ($1.0M per Project)
Potential Partners	Private Developers, Forks North Portage, City, Province
Time Frame	3 years
Target	Invest in 3 Parking and Services Projects
CentreVenture Cost	$3,000,000 ($1.0M per Project)
Potential Partners	Private Developers, Winnipeg Parking Authority, Forks North Portage
Time Frame	2 Projects in 2007, 1 in 2008
Target	Redevelop 3 Clusters
CentreVenture Cost	$8,000,000 (total of Profile Investments, Profile Tenants, and Parking/Service Projects)
Potential Partners	Private Developers, public agencies (e.g. Forks North Portage) City, Province
Time Frame	3 years

Supporting, Non-Focus Area Investment

Target	Invest Past and 2006 GPH allocations
CentreVenture Cost	$600,000
Potential Partners	Private Owners/Developers, other agencies
Time Frame:	by end of 2007
Target	Invest in Gap loans on properties not in the Heart of Gold area
CentreVenture Cost	$3,000,000 ($1.0M per year)
Potential Partners	Private Owners/Developer, Forks North Portage
Time Frame	3 years

Net Cost of Investments

Approximately $17,280,000

SUMMARY OF INVESTMENTS - CENTREVENTURE NET

Overall Heart of Gold Plan		**Cost**
Create 9 Public Destinations:		5,800,000
Redevelop 3 Clusters		
Make 3 Profile Investments	2,750,000	
Attract 3 Profile Tenants	3,000,000	
Develop 3 parking/Service Projects	3,000,000	
		8,750,000
Non-Focus Area Gap Loans		3,000,000
Existing GHP		600,000
Total Cash Investment		$18,150,000
Cash back from Avenue Building, 7 Argyle		$ (870,000)
Net HGP Cash Investment		$17,280,000

By Investment Type and Time

Focus Area Cash Invested:	**2006**	**2007**	**2008**	**2009**	
Avenue Building Renovations	750,000		0	0	
Profile Investment #2	0	1,000,000	0	0	
Profile Investment #3	0	0	1,000,000	0	
Profile Tenant #1	0	1,000,000	0	0	
Profile Tenant #2	0	1,000,000	0	0	
Profile Tenant #3	0	0	1,000,000	0	
Parking/Service Project #1	0	1,000,000	0	0	
Parking/Service Project #2	0	1,000,000	0	0	
Parking/Service Project #3	0	0	1,000,000	0	
	750,000	5,000,000	3,000,000	0	8,750,000
Cash Back:					
Avenue Building	0	(750,000)	0	0	(750,000)
Net Focus Area Investment					$ 8,000,000

Public Destinations Cash Invested:					
7 Argyle	820,000	0	0	0	
Other Public Destinations	0	1,660,000	1,660,000	1,660,000	
	820,000	1,660,000	1,660,000	1,660,000	$ 5,800,000
Cash back:					
7 Argyle	(3,000)	(117,000)	0	0	(120,000)
Net Public Destinations Investment					$ 5,680,000
Non-Focus Area GAP	0	1,000,000	1,000,000	1,000,000	3,000,000
GHP Existing	300,000	300,000	0	0	600,000
Cash Back:	0	0	0	0	0
Net Non-Focus Area GAP					$ 3,600,000
Net HGP Cash Investment					$17,280,000

SUMMARY OF INVESTMENTS - LEVERAGED

	Focus Area			Non-Focus Area			
Initiative	**Profile Investments**	**Profile Tenants**	**Parking/ Service Projects**	**Grants**	**New New GAP Financing**	**Public Destinations**	**Total**
Finish Avenue Bldg	9,000,000						9,000,000
2 Projects	24,000,000						24,000,000
3 Projects		54,000,000					54,000,000
3 Projects			54,000,000				54,000,000
Existing GPH funds				600,000			600,000
Non-HGP GAP					18,000,000		18,000,000
Complete 9 Public Destinations						34,150,000	34,150,000
	33,000,000	54,000,000	54,000,000	600,000	18,000,000	34,150,000	193,750,000
Sources of Funding							
Argyle Refund						120,000	120,000
Sale of Avenue Building	1,500,000						1,500,000
	1,500,000	0	0	0	0	120,000	1,620,000
CentreVenture	2,000,000	3,000,000	3,000,000	600,000	3,000,000	5,680,000	17,280,000
Public Agency Partner - Other		3,000,000	3,000,000				6,000,000
Total Agencies	2,000,000	6,000,000	6,000,000	600,000	3,000,000	5,680,000	23,280,000
City of Winnipeg (75% of 1:1)	1,500,000	2,250,000	2,250,000				6,000,000
Province of Manitoba (25% of 1:1)	500,000	750,000	750,000				2,000,000
	2,000,000	3,000,000	3,000,000	0	0	0	8,000,000
Total Public Sector b/4 PD	4,000,000	9,000,000	9,000,000	600,000	3,000,000	5,680,000	31,280,000
City of Winnipeg - PD						2,675,000	2,675,000
Province of Manitoba - PD						4,175,000	4,175,000
Total Public PD	0	0	0	0	0	6,850,000	6,850,000
Total Public Sector	4,000,000	9,000,000	9,000,000	600,000	3,000,000	12,530,000	38,130,000
Total Non-Private	5,500,000	9,000,000	9,000,000	600,000	3,000,000	12,650,000	39,750,000
leverage: 5							
Private Partners - Avenue	7,500,000						7,500,000
Private Partners - Other	20,000,000	45,000,000	45,000,000		15,000,000		125,000,000
Donors						21,500,000	21,500,000
Total Private	27,500,000	45,000,000	45,000,000	0	15,000,000	21,500,000	154,000,000
Total Sources	33,000,000	54,000,000	54,000,000	600,000	18,000,000	34,150,000	193,750,000

Total Assessed Value			193,750,000	Total City of Winnipeg Investment	8,675,000
Public Destinations			(34,150,000)	Total Province of Manitoba Investment	6,175,000
			$159,600,000		$ 14,850,000
Apportioned Assessed Value:					
Commercial	75%	65%	77,805,000		
Residential	25%	45%	17,955,000		
			$ 95,760,000		
Municipal Tax	0.025		$ 2,436,900	***City Recapture Period (years)***	***3.56***
Provincial Tax	0.043		4,160,868	***Province Recapture Period***	***1.48***
			$ 6,597,768		

PRO-FORMA ASSET SUMMARY

Pro-Forma Dec.31, 2006:			
Cash		5,561,508	
Mortgages		1,579,977	
Loans		1,511,536	
Property (CV owned)	4,635,500		
Property (Asset Agreement)	1,429,782		
		6,065,282	
		14,718,303	
Pro-Forma Dec.31, 2007:			
Cash		(10,000)	
Mortgages		1,085,637	
Loans		3,226,251	
Property (CV owned)	5,307,500		
Property (Asset Agreement)	848,782	6,156,282	
		10,458,170	
Pro-Forma Dec.31, 2008:			
Cash		(5,090,000)	
Mortgages		739,485	
Loans		4,560,416	
Property (CV owned)	7,307,500		
Property (Asset Agreement)	848,782		
		8,156,282	
		8,366,183	
Pro-Forma Dec.31, 2009:			
Cash		(7,110,000)	
Mortgages		722,531	
Loans		5,894,581	
Property (CV owned)	7,307,500		
Property (Asset Agreement)	848,782	8,156,282	
		7,663,394	52.07%

FUNDAMENTALS - LONGER TERM GOALS

CentreVenture believes that, in the longer term, the comprehensive success of the Heart of Gold Plan can only be ensured and maintained if the legal, and regulatory frame-work in which business operates, is rationalized. Making substantial improvements to the legal and regulatory platform, along the lines descried below, will help to insure that the Heart of Gold becomes the Best Place to Do Business, and continues to be so in the longer term.

1. Special Planning Authority

   The process by which owners and developers secure approval for the development or re-development of property in the Heart of Gold is long, uncertain, and frustrating. Initiatives to improve the planning process, for the downtown and for the City in general, are on-going. In due course, improvement may or may not flow from these efforts. However, CentreVenture contends that, as THE PRINCIPLES state, 'There is no time to lose.' CentreVenture will continue to support and participate in the methodical processes of re-working the present planning regime. However, CentreVenture recommends that serious consideration be given to the early creation, in co-operation with the Downtown Standing Committee, of a Special Planning Authority ("SPA") for the Heart of Gold. In essence, the SPA would be an arms length agency of the City of Winnipeg, with a one time delegated sovereignty with respect to the all aspects of the planning and approval process.

   This would mean, in practice, that an owner or developer wishing to build or re-build in the Heart of Gold area would have one entity with which to deal, and that such entity would have full authority to approve (or otherwise) a proposed project, within a known time frame, and without appeal to any higher authority. The SPA could, for instance, be comprised of a small committee (1 to 3 individuals), backed by a small secretariat of technical experts. The process could be as informal as the committee sitting down with a project proponent, discussing what is proposed, mutually agreeing on a set of deal parameters, and moving forward. The SPA would be established for a fixed period of time, perhaps 5 years.

   The City administration and Council can consider the SPA as an experiment in a radically simplified process, from which lessons can be learned, and following which some version of the SPA could be more widely applied in the City. CentreVenture has access to outside experts who are in a position to assess the practicality of establishing a Special Planning Authority, and to recommend alternative structures.

2. Special Property Tax Regime

   Prospective developers or redevelopers in the Heart of Gold face the daunting task of coping with a complex, sometimes difficult to understand, lengthy and expensive assessment process. Again, it is by no means a straightforward issue elsewhere in the City. But the Heart of Gold area faces additional challenges, because the area was commercially stronger in the past, and has had several swings of fortune within the last decades. Given the time delay of assessment base years versus present taxation years, the property taxation facing an owner or would-be developer is opaque – to say the least. CentreVenture recommends that serious consideration be given to the investigation of the prospects for the eventual institution of a Special Property Tax Regime ("SPTR"). The SPTR, when and if ultimately instituted, would be an entirely new, radically simplified system for determining property taxes applicable to properties in the Heart of Gold.

   In simple terms, it has been suggested that the municipal portion of the property taxes of a property be taxed based upon a percentage of that property's annual net rental revenue before property taxes ("Net Rental Revenue"), such percentage hereinafter referred to as the "Percentage". The Percentage, for properties forming part of the Portage Group, would be determined by dividing the total municipal taxes received from all properties in the Portage Group in a base year (say 2006) (the "Base Taxes") by the total of all Net Rental Revenues generated in the Portage Group during the base year. Similarly, the percentage for properties in

the Main Group would be determined using the same formula, but using totals applicable to the Main Group.

For illustration only; if the total Net Rental Revenue for the Main Group in 2006 was $50 million, and the total Base Taxes were $7.5 million, then the Percentage applicable to the Main Group would be 15% (7.5/50). Beginning in 2007, any property in the Main Group would pay municipal property taxes equal to 15% of its Net Rental Revenue. Owner occupied properties would have an implied Net Rental Revenue assigned to them by a small group of experts, perhaps working in conjunction with, or as part of the secretariat attached to the special Planning Authority.

As can be seen, the formula would produce taxation levels that were initially revenue neutral, and that would rise and fall automatically with increasing or decreasing rental success. Simplicity, clarity, predictability, and ability to pay would be at their utmost in this type of property taxation regime. As well, substantial savings could be realized in the costs to the City of assessing properties, contesting assessments, and collecting taxes. The SPTR would, of course, be become even more productive and beneficial if the Education and Provincial portions of property taxes could be eventually included. The SPTR would be established for a fixed period of time, perhaps 5 years.

If it is found that an SPTR is possible, at some point in the future, after eventual institution of the SOTR, the City administration and Council could consider the SPTR as an experiment in a radically simplified process, from which lessons could be learned, and following which some version of the SPTR could be more widely applied in the City and the Province. Deloittes is in the process of beginning the process of reviewing the practicality of the Special Property Tax Regime, and of recommending alternatives.

3. Portage and Main

Winnipeg, as far as can be determined, is the only city in the developed world (or perhaps in the undeveloped world as well), that, while having a developed underground walkway system, does not allow pedestrians to cross the streets above, at grade level. The anomaly of this situation has, in CentreVenture's opinion, caused incalculable damage to the well being of the Heart of Gold, of the entire downtown, and of the city as a whole. Opening the Portage And Main intersection to pedestrian traffic would ultimately benefit the merchants and the building owners located under and near the corner of Portage and Main. Further, no plan designed concerning, or set of actions taken with respect to, the creation of a Heart of Gold for the City, will comprehensively succeed unless the intersection is open to walking traffic.

Accordingly, CentreVenture recommends that a high level committee be struck, including a representative of the Mayor of Winnipeg, members of the Board of CentreVenture and the other downtown agencies, senior City administrators, and other dignitaries, with a mandate to design and implement a program to approach the owners of the properties located at Portage and Main, at the highest levels, and ***to convince them that it is in their interest to agree to the opening of the intersection of Portage Avenue and Main Street to pedestrian traffic.***

CentreVenture does not advocate opening the corner without agreement. It advocates getting that agreement.

As well, CentreVenture recommends that serious consideration be given to the early instigation of traffic control, during designated hours (perhaps the two rush hours and the time in between) at Portage and Main, by specially trained individuals ("Special Safety Wardens" or "SSW"), in lieu of the existing or any replacement system of traffic lights. CentreVenture contends that there would be no material negative affects on vehicular traffic flow, should the corner be freed for pedestrians. Rather, the institution of a system of traffic control by Special Safety Wardens, would, if anything, result in increased efficiency of traffic flow.

CentreVenture has access to outside experts who are in a position to assess the practicality of opening the intersection to pedestrians, and to describe the consequences of such opening, as well as to access the practicality of traffic control by SSW, and to suggest alternatives.

APPENDIX A

CENTREVENTURE DEVELOPMENT CORPORATION

HEART OF GOLD PLAN

PUBLIC DESTINATIONS INITIATIVE

THE VISION

To make downtown Winnipeg 'a family place'
by creating niche public destination parks that draw citizens and visitors while strengthening
the social fabric of the immediate neighbourhood.

THE BACKGROUND

Early in 2005, CentreVenture was approached by the Burns Family Foundation to consider partnership funding on a private sector lend initiative - to build a world class destination skate board park in downtown Winnipeg.

The Burns Family Foundation had been leading the initiative. A feasibility study had been commissioned, a site had been negotiated, and the initial budget for hard construction costs had been committed. CentreVenture was asked to consider directing its annual $250,000 provincial funding allocation to the project, to assist with the soft costs of final design and landscaping. Although public private partnerships fit within CentreVenture's downtown development mandate, the Board's unanimous approval to support this private initiative represented a creative new interpretation of the CentreVenture mandate.

Since its inception in 1999, CentreVenture had been financially assisting the private sector's efforts concerning private investments in the downtown area. It had not yet supported private investments in public projects. The concept of using CentreVenture's resources to fund this public park initiative was discussed as a pilot project. The skate board park's success could perhaps leverage other private sector led park projects.

The Burns Family Foundation had also invited a third partner to join in their initiative. The Forks North Portage Partnership ("FNPP"), with the combined support of all three levels of government, had agreed to provide the site for the park. However, in accepting its ownership, the FNPP also accepted the liability and the responsibility for ongoing operational costs, including maintenance. As the skate park design elements required for world class status became better defined and the limitations on the Forks site better understood, a more accurate estimate of costs was finalized. The Burns Family Foundation and CentreVenture shared such costs proportionally (approximately 80/20 respectively), to ensure that no compromises would be necessary.

The Plaza Skate Park opened to great fanfare with an all-star cast of skate boarders, on June 30th, 2006. The reviews since opening have been exceptional. Within three months of opening the park has been featured on several local and national newspapers and newscasts including the hip specialty channel ***Much Music***. The park was featured in numerous skate magazines including ***Skateboarder*** and ***Concrete***. The local newspapers have given front page coverage to skate park stories. The pinnacle of endorsements of the Plaza's world-class status was reached recently, when Tony Hawk's made a surprise visit in September. The Plaza was the only Canadian destination in Mr. Hawk's Secret Skate Park World Tour. In Mr. Hawk's words, the Winnipeg facility was "*...the best (skate board park) I have seen*". The Plaza Skate Park was very popular before Mr. Hawk's visit. It was reported at the FNPP's recent annual general meeting that the Plaza received over 100,000 visitors between June 30th and August 31st of this year. Skate tourism is an emerging niche market. With word now spreading around the globe, particularly via the Internet, it is anyone's guess what next year's visitor numbers will look like.

In retrospect, it is evident that, not only was there a pent-up need for a proper skate boarding facility in Winnipeg, but the adage "*that if you build it they will come*" though a cliché, is appropriate.

CentreVenture's pilot project was successful! The challenge now is to leverage this success and ensure that the Plaza story happens again and again and again....

THE PLAN

CentreVenture is perfectly positioned to lead, and to work with, its downtown partners (The Forks North Portage, Destination Winnipeg, the Downtown Biz and Exchange Biz, and the University of Winnipeg Renewal Corporation, amongst others), as well as with all three levels of government, foundations and private corporations and citizens - to develop more world-class destination parks ("Public Destinations" or "PD") in the downtown area. CentreVenture can accomplish this by enhancing and redirecting some of its resources to this initiative; to invest the seed capital, and to provide the coordination required to build and maintain the new facilities.

Although the number of Public Destinations required to enhance the profile, perception and livability of downtown is open to debate; one cannot debate the premise that each additional PD will, if planned, built and operated correctly - make its impact felt. The aim, however, is to build the right number and mix of world class PD's, in conjunction and coordination with the Focus Area initiatives described elsewhere in this Heart of Gold Plan. Taken together, all the elements of the Plan are expected to spur private sector led investments in retail, housing and offices, and to generate the consequent human traffic - to create the 'Tipping Point' in the perception of our City's Heart of Gold.

At Winnipeg's recent City Summit, ***'downtown stewardship and leadership'*** was repeatedly demanded. Participants were impatient for results. Summarized in four broad themes, All the summit's conclusions can be seen to related to downtown, and, directly, to CentreVenture's existing mandate:

1. Improve the livability of Winnipeg's neighborhoods, especially the downtown."
2. Fix the City and invest in its appearance "
3. Create more opportunity for business and economic development "
4. Leaders must work together on key issues."

Daphne Bramham, a Vancouver Sun columnist, recently wrote an interesting piece, providing a perspective on why the City of Vancouver is ranked as one of the most livable cities in the world. She spoke, of course, of Vancouver's spectacular setting, high-density design, and mixed use development. But she also spoke, very specifically, about parks and green space.

> ***"What makes Vancouver work is green space starting with Stanley Park and connecting it with a series of parks and walkways that flank the waterfront for nearly the entire city. There are parks exclusively for dogs, some mainly for children, quiet parks with lots of benches and formal gardens."***

Therefore, in keeping with the theme of the Vancouver model, and starting with one of downtown's most challenged corner, we hereafter consider nine potential Public Destinations.

THE CONCEPTS

7 Argyle

This site is a 58,000 square foot parcel of land at the northern entrance to Waterfront Drive (accessible off Higgins Avenue). CentreVenture recently acquired 7 Argyle. 7 Argyle was the former home of Gateway Soap, and, with CentreVenture's stewardship, will soon be the home of a Community Park and Argyle School Outdoor Activity Facility.

With cooperation from the City of Winnipeg, Winnipeg School Division #1, and Argyle School, the overall site for this facility would encompass approximately three acres that enjoy an enviable view of Winnipeg's newly blossoming waterfront. The concept is of a 'one of a kind' park and outdoor activity facility, one that enhances both the high school experience of Argyle School students, and the lifestyle of the residents of this emerging neighborhood.

The grounds may include; outdoor classrooms, a garden, a track and winter skating oval, soccer or baseball fields, and/or basketball courts - all within a park like setting. Although a private sector donor or private foundation would lead the actual design, unique elements will be considered, including specialized lighting and sound, and tailored landscaping. As well, street art could play a special role at 7 Argyle. The site is a stone's throw from the well-reputed Graffiti Gallery. Wanda Coop, a recent recipient of the Order of Canada, has her studio nearby.

Preliminary Budget: **$3,000,000**

Potential Partners:
Private donor or Foundation
CentreVenture
City of Winnipeg
Communities Alive (Province of Manitoba)
Winnipeg School Division #1
Winnipeg Foundation
United Way

East Yard's Dog Park

The East Yards is an approximate seven-acre riverfront parcel that is currently owned by the FNPP and the City of Winnipeg. The FNPP is interested in working with CentreVenture to develop the site into a world-class dog park. The park would attract dog owners from across the City, and perhaps beyond; because of its coveted setting, and because of the enhanced elements that could be included within it. These include; agility training, dog fountains and showers, a dog pond, and other play structures. Development of 'off-leash' dog parks has been burgeoning across North America. They are extremely popular with dog owners and spectators alike. Off lease parks are segregated, double fenced areas where dogs are free to roam - off leash. Given the nascent nature of the development of these parks, Winnipeg has an opportunity to deliver a world-class facility like the Plaza Skate Board Park – one that is extremely popular, and attracts both many visitors and considerable media attention.

There are several commercial spin-offs possible with a world class dog park. If structured properly, the rental revenues from the park could be directed to the operation and maintenance of the park. A dog hotel and spa, complete with daycare, training, and photography is one example.

The concept of dog hotels is relatively new, but rapidly gaining acceptance. 4 and 5-Star dog hotels have recently opened in Minneapolis, Chicago and Vancouver.

Preliminary Budget: $3,000,000

Potential Partners: Private donor, corporation, or Foundation
CentreVenture
FNNP
City of Winnipeg

The Forks Water Sculpture Garden Park

A unique water and sculpture park for all ages, this park would be located at The Forks. The water sculpture park would be the perfect complement to the Plaza Skate Park. Fountain elements could be set to music and could be designed to reflect our City's heritage.

The most famous of such parks is the Crown Fountain located in Millennium Park in downtown Chicago. This park was designed by Spanish artist Jaime Plensa and was inspired by the people of Chicago. The fountain consists of two 50-foot glass block towers, at each end of a shallow reflecting pool. The towers project video images, showing and watched by a broad social spectrum of Chicago citizens. They draw upon the traditional use of gargoyles in fountains, where faces of mythological beings were sculpted with open mouths to allow water, a symbol of life, to flow out.

Preliminary Budget: $3,000,000

Potential Partners: Private donor or Foundation
CentreVenture
FNNP
Manitoba Hydro

McFadyen Playground, Fort Rouge Park and The World's "Greenest" Bridge

McFadyen Playground is located on Assiniboine Avenue, between Carlton and Edmonton Streets. It is approximately one acre in size and currently consists of a wading pool, tennis courts, a slide, and some bench seating. It appears that a play structure may have existed at an earlier time. The park, which is in dire need of an overhaul and enhanced maintenance, is nestled in a very high-density residential area. Fort Rouge Park is located directly across the Assiniboine River. It is a much larger park, covering perhaps three to four acres, and is well used, despite the poor conditions of its limited amenities. It too is located in a high-density residential neighbourhood.

The plan would be to enhance both parks, with different but complementary amenities based upon themes. The plan, importantly, would be to connect the parks via an environmentally friendly pedestrian bridge - the greenest in the world. Strategic development partners for this Public Destination could include ISIS Canada (Intelligent Sensing for Innovative Structures), located at the University of Manitoba, and Manitoba Hydro. Connecting the two parks would not only connect two high-density neighborhoods but would also fill in a missing link in the Canada Trails Network.

Preliminary Budget: $5,000,000

Potential Partners: Private donors (1 to 3)
CentreVenture
City of Winnipeg
ISIS/Manitoba Hydro

Memorial Park

Memorial Park was the former home of the University of Manitoba. It was created in 1962 to honor Canadian veterans of the world wars and the Korean conflict. The park was dedicated by former Premier Duff Roblin and was funded by Winnipeg Hydro. A large memorial fountain was once the centerpiece of the park. However, given ongoing maintenance problems, the fountain has recently only functioned intermittently. The park is about three acres in size, with a coveted setting directly in front of the Legislative Building, and across from Manitoba's Law Courts.

The Legislative Building and Memorial Park border the northwestern most corner of downtown. The plan would be to redevelop this park as a ceremonial gateway into our downtown, complete with a state of the art 'victory' fountain. Other ideas for features include; a forest, simulated wartime trenches, a floating stage, a 'civilian' plaza, sentinels, and 'freedom' markers.

Preliminary Budget: $6,000,000

Potential Partners:
Province of Manitoba
CentreVenture
Military Regiments
Manitoba Hydro
Private Corporation
Private Citizens

Central Park

Central Park represents a great opportunity to provide a playground for a very large population base in one of Winnipeg's oldest downtown parks. Three nearby elementary schools lack sufficient play areas on their immediate grounds. This generally neglected piece of urban green space can serve to remedy this deficiency.

Also within the immediate vicinity of the park are two senior citizen facilities and a community of approximately 10,000 - primarily Somalian, immigrants and refugees.

Using precedents from some of the more engaging and exciting playgrounds around the world, this park will draw inspiration from the history of the site, and from the people that use it, to give a dynamic new look to this ideal urban setting.

Using a variety of new ideas in playground design, this park will provide imaginative and engaging play opportunities for people of all ages. Seasonal features will include winter skating on undulating ice trails, ice sculpture, and dancing lights that will bring activity to the park throughout the winter months.

Preliminary Budget: $4,000,000

Potential Partners:
Private donor
CentreVenture
Province of Manitoba
City of Winnipeg
FNNP
Manitoba Hydro

Old Market Square

The successful transformation, in 1976, of this parcel of land into the modern equivalent of a Central Market was met with great enthusiasm. The site is now showing the impact of 30 years of continuous use, and needs to be given a fresh look and a new focus. During the 44 days of programmed activity throughout the year, close to 100,000 users claim this "Square" as their downtown activity centre.

The proposed reconfiguration of the park envisages a square designed as an interactive public space, flexible in use, and changing during the day and the year. The design emphasizes the importance of the open space that offers views of the City skyline and the intricate profiles of surrounding heritage buildings. The design brings to life all of the ingredients that have always been present. By raising the surface of the grassed area and integrating the park and streetscape, the open space is expanded, and the "City's stage" created.

The redevelopment of the existing stage, reconfiguration of the entire plaza and new integration and focus on the window to Main Street serve to support the original intent of creating a central gathering space at the heart of the Exchange District. Through the use of planting, a new stage, water elements, seating and a dynamic digital projection panel, the site will be re-activated with life. This will strengthen the popularity of Old Market Square.

Preliminary Budget: $3,000,000

Potential Partners:
Private Corporations
CentreVenture
Exchange Biz
City of Winnipeg

Broadway Promenade

Broadway was the only city street in Winnipeg modeled after 5th Ave in New York City. Although some stately residential apartment complexes still remain; the median of Broadway, flanked by the historic Union Station on the east end and by the Legislative Building further west, can be redeveloped as a stately promenade - with walking path, landscaping, benches and enhanced lighting.

Preliminary Budget: $2,000,000

Potential Partners:
Private Businesses
Downtown Biz
CentreVenture
Province of Manitoba
City of Winnipeg

Portage Avenue "Midway"

Portage Avenue is the artery to our central business district and is an avenue in need of much tender loving attention. The plan would be to light up the Avenue to lend it a "Midway" feel. The street, lit from Memorial to the CanWest Ballpark, would be a year-round evening attraction in itself.

Preliminary Budget:	$3,000,000
Potential Partners:	Private Businesses CentreVenture Downtown Biz Manitoba Hydro City of Winnipeg Province of Manitoba

The Operating Budget

1. Concept Drawings

Initial concept drawings funded by CentreVenture budgeted at $25,000, with $12,500 already committed. The balance is budgeted and would be required if we choose to concept all parks. These monies have and will be funded by CentreVenture as part of the cost of establishing its business plan. It will be up to CentreVenture's Board to determine the number of and which parks it chooses to concept and up to CentreVenture's other partners, particularly private corporations, private citizens and foundations, which parks get funded and built.

2. Master Plan

We may also want to consider an additional $25,000 in funding to establish a master plan for all park concepts in the downtown area, linking each park to one another and to other public amenities within the downtown area.

3. Second Phase Drawings

Second Phase drawings may be required once an interested donor has been sourced. The donor, though interested, may have some additional questions and concerns before proceeding. CentreVenture should budget an additional $7,500 per park to further develop an individual park concept and/or to create the sales tool required to secure the required private sector commitment. The budget for second phase drawings is $ 45,000 which would allow for up to six park concepts being further developed.

4. Architectural Drawings and Cost Estimates

The final architectural drawings would only be commissioned once the donor(s) are committed and could be funded by the Gail Hammerquist Fund, and/or CentreVenture and/or the donor. It is CentreVenture's intention not to proceed with this level of architectural drawings and costing until such time as a potential donor is committed. Board approval would be required on a case-by-case basis with respect to proceeding in the event that additional funding is required.

Currently the criteria for funding parks using Gail Hammerquist funding, does not allow for parks funding other than for heritage elements and/or within heritage districts. CentreVenture will be applying to City Council as part of our Heart of Gold Plan to have the current criteria for Gail Hammerquist funding expanded to include downtown park renewal and projects within the 'Focus Area'. The City of Winnipeg has already set aside $300,000 of Gail Hammerquist Funding from the 2005 annual allocation towards the repair of the Waddel Fountain at Central Park. CentreVenture expects that additional funds for repairing the Waddel Fountain will be requested and allocated from the 2006 funds.

The budget for final architectural drawing and costing is $800,000, which, based on the relevant costs to design and build the skate park, would allow for about 5 to 6 parks being completed. Traditionally the costs for this detail of drawing and costing runs about ten to fifteen percent of total capital costs. This detail of drawing and project management costing is necessary when tendering is required. The recommendation is that CentreVenture adopt the design build model used to construct the skateboard park. In the case of the skateboard park, a builder (PCL) was chosen along with the architects and participated in the design process.

5. Project Capital Costs

The project capital cost estimates are only estimates and only the parks approved by the board and fully funded will proceed. Moreover, after Board approval to proceed is granted, no park project will proceed without firm signed construction contracts in place. Construction contracts will be based on the finalized donor and CentreVenture having approved architect's renderings.

It is anticipated that CentreVenture will enter into a partnership with The Forks North Portage Partnership (FNPP) to coordinate the administration and project management of some of the Board approved parks. This will be relatively easy with respect to the parks planned for sites where the FNPP controls the land, such as the proposed Dog Park and the Water Sculpture Garden Park. Arrangements to proceed in this manner with respect to the other parks will require further negotiations with:

a) the City of Winnipeg for Central Park, McFadyen Playground and Old Market Square;
b) the Province of Manitoba with respect to Memorial Park; and
c) Winnipeg School Division #1 in the event that we are successful in linking the existing Argyle School field to the 7 Argyle site.

The successful partnership model developed for the Plaza Skate Park should be followed whereby CentreVenture's role is to concept, market, secure and manage the donor(s) for each individual park and existing infrastructure is used to manage all aspects of construction, accounting, administration and, when possible, ongoing maintenance and programming.

6. Land Assembly

Land assembly is only required on 7 Argyle. The offer has been made and accepted by CentreVenture Development Corporation. The vendor has been given an 8-month lease by CentreVenture to allow the vendor time to relocate his existing building. The cost to acquire 7 Argyle is budgeted as a CentreVenture expense and as CentreVenture's contribution to establishing a park on this site.

7. Administrative Overhead (marketing, advocacy, research)

A total of $933,000 has been budgeted for operations of the Public Destinations division of CentreVenture, based on all parks being considered and up to nine being delivered over a three-year period commencing February 2007; once approval has been granted by the CentreVenture Board and City Council.

This amount has been allocated over nine parks. This is the administrative amount to conceptualize parks, source donors, source locations and oversee the construction of the parks. The amount also includes an allowance for marketing, advocacy and research expenses for each park.

CentreVenture Development Corporation Inc. will fund a portion of the capital costs of each park with the exception of Memorial Park and Old Market Square. Each project will be funded on a case-by-case basis with the level approved by the Board based on full information relative to final design, total park costs, and other public sector and donor contributions.

The City of Winnipeg will be approached to fund the project capital costs of Old Market Square due to its proximity to and influence on City Hall. CentreVenture's contribution will be limited to concept and preliminary design, advocacy and marketing until such time as the City's commitment to proceed is confirmed. CentreVenture would also assist with securing a private donor if necessary.

It is envisioned that Memorial Park will be the 'beacon' park for downtown. Although private sector donors will be sought, it is assumed that the Province of Manitoba will be approached to fund a significant portion of the project capital costs due to the proximity to and influence on the Legislative Building. Additional private and public fundraising efforts will be assisted directly by Manitoba's network of Military Regiments.

CentreVenture's contribution will be limited to concept and preliminary design, advocacy and marketing until such time that firm funding commitments have been confirmed. It is envisioned that private sector donors will be canvassed to provide the private sector contribution to the other park projects. The current strategy, with the exception of the Broadway Promenade and the Portage Avenue Midway, is to secure one major donor for each park and, in turn, dedicate the park to the donor or donor family.

The plan to finance and maintain both the Broadway Promenade and the Portage Avenue Midway is to approach individual businesses on the respective streets to participate in the proposed enhancements.

It is possible that several destination parks will be operational downtown within three to four years. As these parks will require increased maintenance, CentreVenture will need to ensure that the increased maintenance is negotiated with the City, FNPP and the Province with respect to each park, and/or provided for otherwise.