Agenda - Council - July 21, 2010

Report - Executive Policy Committee - July 7, 2010

Item No. 8 Portage Avenue Action Strategy
eFile EP-1.2.3

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 7, 2010, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the Portage Avenue Action Strategy as prepared by the CentreVenture Development Corporation be endorsed in principle.

2. That the Winnipeg Public Service, together with the CentreVenture Development Corporation, develop a business case including timelines, deliverables and costing for the Strategy for Council's approval.

3. That a separate Master Plan be developed with affected stakeholders for the Sports, Hospitality and Entertainment District; including provisions for a Tax Increment Financing (TIF) zone or a similar financial tool.

4. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

Report - Executive Policy Committee - July 7, 2010

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 7, 2010, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Issue: **Endorsement of the Portage Avenue Action Strategy**

Critical Path: **Executive Policy Committee – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Thorgrimson	D. Joshi	J Ferrier	G Laubenstein

RECOMMENDATIONS

1. That Council endorse in principle the Portage Avenue Action Strategy as prepared by CentreVenture;
2. That the Public Service, together with CentreVenture, develop a business case including timelines, deliverables and costing for the Strategy for Council's approval;
3. That a separate Master Plan be developed with affected stakeholders for the Sports, Hospitality and Entertainment District; including provisions for a Tax Increment Financing (TIF) zone or a similar financial tool;
4. That the Proper Officers of the City do all things necessary to effect the intent of the foregoing.

REASON FOR THE REPORT

CentreVenture submitted the Portage Avenue Action Strategy for Council's consideration. Council direction is required for the Winnipeg Public Service to undertake the recommendations highlighted above.

IMPLICATIONS OF THE RECOMMENDATIONS

- Members from the Public Service, including Winnipeg Police Services and the Planning, Property and Development Department have participated with other Downtown stakeholders in developing the Portage Avenue Action Strategy;
- The Portage Avenue Action Strategy aligns with and complements the Call to Action initiative under the *OurWinnipeg* process;

- The strategy identifies 4 distinct districts along Portage Avenue with associated action items. Immediate attention will given to the Sports, Hospitality and Entertainment District (SHED) with the following action items being explored and/or implemented:
    - Develop a Master Plan for the SHED
    - Investigate Mall Management model for Portage Avenue;
    - With stakeholders; develop a plan and implement T.I.F. Zone or other applicable financial tool;
    - Explore expansion options for the Convention Centre;
    - Work closely with hotel/vendor owners and MLCC to resolve the impact of off-site liquor sales on/near Portage Avenue Action Strategy area;
- Implementation of the strategy may result in amendments to the Downtown Winnipeg Zoning By-Law, and/or Streets By-Law;
- Provincial support and participation as it relates to a possible TIF zone and other provincial related criteria is critical to ensure success of the strategy;
- If the strategy is endorsed by Council, a detailed business/economic plan together with specific recommendations for implementation will be presented for Council's consideration.

CentreVenture has spent the 2 ½ years focusing on Main Street revitalization which we believe has now reached its tipping point. While they will continue work on Main Street and other areas of Downtown, they are now 'turning the corner' onto Portage Avenue, Winnipeg's most significant street.
Over the past decade, significant public investment has been made on Portage Avenue with such initiatives as the Portagescape streetscaping project, MTS Centre, and the Manitoba Hydro building. While public investment is often the necessary catalyst to development, our real objective should be to attract and support private investment - the true indicator of economic success. In order to achieve this objective it is essential that a comprehensive plan be in place. This plan must articulate a vision, which encourages investment and most importantly, protects that investment. This fundamental principle of investment attraction and protection is the cornerstone of the Portage Avenue Action Strategy. The Portage Avenue strategy will provide focus for development downtown; it will encourage development of the core thereby increasing density which in turn supports a concentrated retail, commercial, residential and entertainment mix.

HISTORY

- In November 2009, CentreVenture and the City of Winnipeg, represented by the Manager of Economic Development, met with a developer regarding a potential business opportunity for a Portage Avenue development. The developer's main concern with developing on Portage Avenue was related to protecting their significant investment.
- In January 2010, CentreVenture assembled the Downtown Council to discuss issues surrounding our downtown and what needs to be done to protect private and public investment. The following Downtown Members participated and support the recommended strategy:
    - CentreVenture Development Corporation;
    - Forks North Portage Partnership;
    - Winnipeg Chamber of Commerce;
    - University of Winnipeg;

    - Economic Development Winnipeg Inc.;
    - Downtown BIZ;
    - Exchange District BIZ;
    - Winnipeg Convention Centre;
    - Province of Manitoba;
    - Planning, Property and Development Department; and
    - Winnipeg Police Services.
- In April 2010, all members of the Downtown Council approved the draft strategy and recommended that CentreVenture Development Corporation make a formal presentation to the Standing Policy Committee on Downtown Development for endorsement.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 25, 2010

Project Name:

Endorsement of the Portage Avenue Action Strategy

COMMENTS:

The recommendations contained in this report include that Council endorse the Portage Avenue Action Strategy, that the Public Service, together with CentreVenture, develop a business case including timelines, deliverables and costing for the Strategy for Council's approval, and that a separate Master Plan be developed with affected stakeholders for the Sports, Hospitality and Entertainment District; including provisions for a T.I.F. zone or a similar financial tool.

There are no financial implications associated with these recommendations.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

CentreVenture Development Corporation

SUBMITTED BY

Department:	Planning, Property and Development
Division:	Real Estate and Economic Development
Prepared by:	Barry Thorgrimson
Date:	
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PORTAGE AVENUE
development strategy

July 2010



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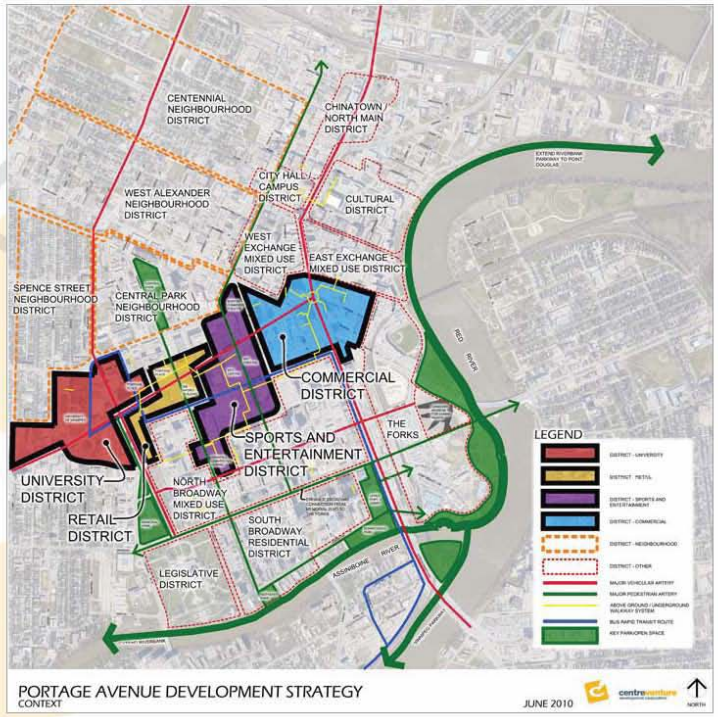
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INTRODUCTION

On behalf of the Downtown Council we are pleased to present the Portage Avenue Development Strategy. The Framework, prepared by CentreVenture in collaboration with the Downtown Council articulates a common vision for Portage Avenue and is intended to complement and support the Our Winnipeg planning process. Members of the Downtown Council include:

- CentreVenture Development Corporation - Ross McGowan, President and Chief Executive Officer
- The Province of Manitoba – Linda McFadyen, Deputy Minister of Local Government
- The City of Winnipeg – Deepak Joshi, Director of Planning, Property and Development
- Forks North Portage Partnership – Jim August, Chief Executive Officer
- Economic Development Winnipeg – Marina James, Chief Executive Officer
- Winnipeg Chamber of Commerce – Dave Angus, Chief Executive Officer
- Downtown Winnipeg BIZ – Stefano Grande, Executive Director
- Exchange District BIZ – Brian Timmerman, Executive Director
- Winnipeg Convention Centre – Klaus Lahr, Chief Executive Officer
- Winnipeg Police Service – Inspector Bruce Ormiston
- University of Winnipeg – Dr. Lloyd Axworthy, President



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CONTEXT

Over the past decade significant public investment has been made on Portage Avenue including such initiatives as the Portagescape streetscaping project, MTS Centre, and Manitoba Hydro. While public investment is often the necessary catalyst to development, the objective should be to attract and support private investment - the true indicator of economic success. In order to achieve this objective it is essential that a comprehensive plan be in place – one that articulates a vision, that encourages and supports such investment and most importantly protects that investment. This fundamental principle of investment attraction and protection is the cornerstone of the Portage Avenue Development Strategy.

The Portage Avenue plan refines the definition of downtown, provides focus for development, encourages increased density of development and supports a concentrated retail, commercial, residential and entertainment mix. The Portage Avenue plan acknowledges the social and economic context of Portage Avenue and introduces specific actions intended to support development within the context of a public/private investment strategy.

The mission is to make Portage Avenue a better place, unique to the city, giving residents and visitors a good reason to come, stay and invest in downtown.

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OBJECTIVES

The objectives of the Strategy are to:

- Focus development inward towards Portage Avenue thereby increasing development density and pedestrian traffic that in turn support existing attractions such as the retail district on Portage and Graham, the MTS Centre, Portage Place, The Bay, the University of Winnipeg and the Winnipeg Convention Centre;

- Identify and support a Sports and Entertainment District as a major downtown attraction;

- Develop a viable financial/business plan that reduces the impact on public funding by establishing a framework for private sector confidence and investment;

- Develop and commit to a comprehensive Investment Protection Strategy in support of further private and public development; and

- Encourage participation by all levels of government and the private sector in support of the plan.

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The following document provides an overview of the Portage Avenue Development Strategy and establishes a collaborative action plan that provides for a focused and comprehensive renewal of the social, physical and economic fabric of this most important area of downtown.

Portage Avenue can be characterized by a lack of connections - a melting pot of all that is good and bad in the downtown. And yet, it exhibits a strong sense of pride and renewal. To be effective, the plan must address the strengths and weaknesses of the area in a thoughtful, yet pragmatic and sustainable manner.

Portage Avenue, for the purposes of the development strategy, has been segmented into four distinct districts, each contributing in its own way to the character of the Avenue. Working together, these districts will strengthen the downtown in a lasting and meaningful way.

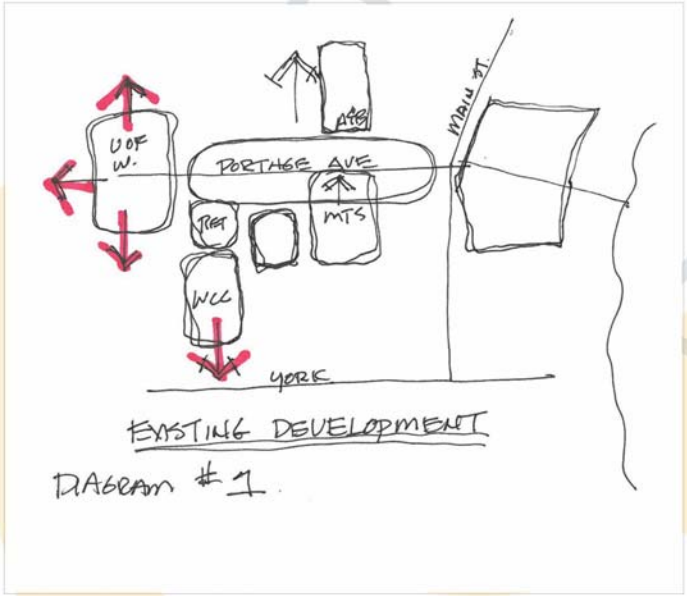
The Four Districts include:

The University District
The Retail District
The Sports and Entertainment District, and
The Commercial District.

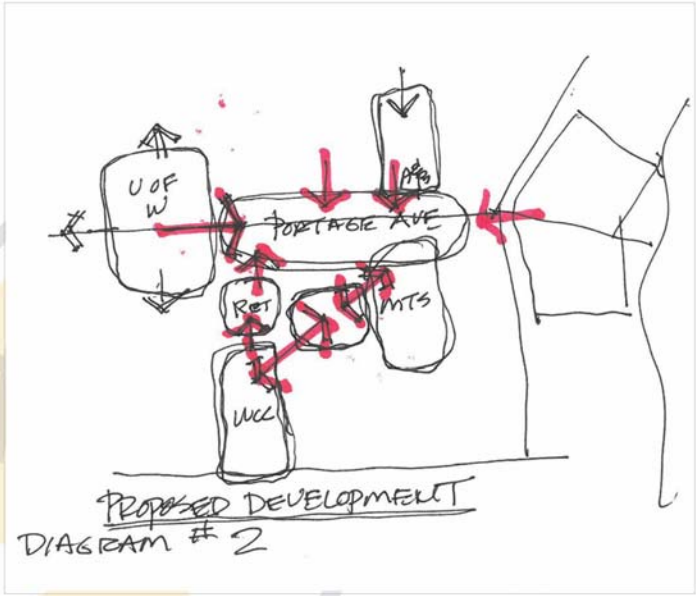
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CURRENT DEVELOPMENT patterns



Existing development patterns (Diagram #1) are moving outward from the focus of Portage Avenue, increasing the internal void, dispersing density and pedestrian traffic and generally contributing to an ever-enlarging, unsustainable downtown core.

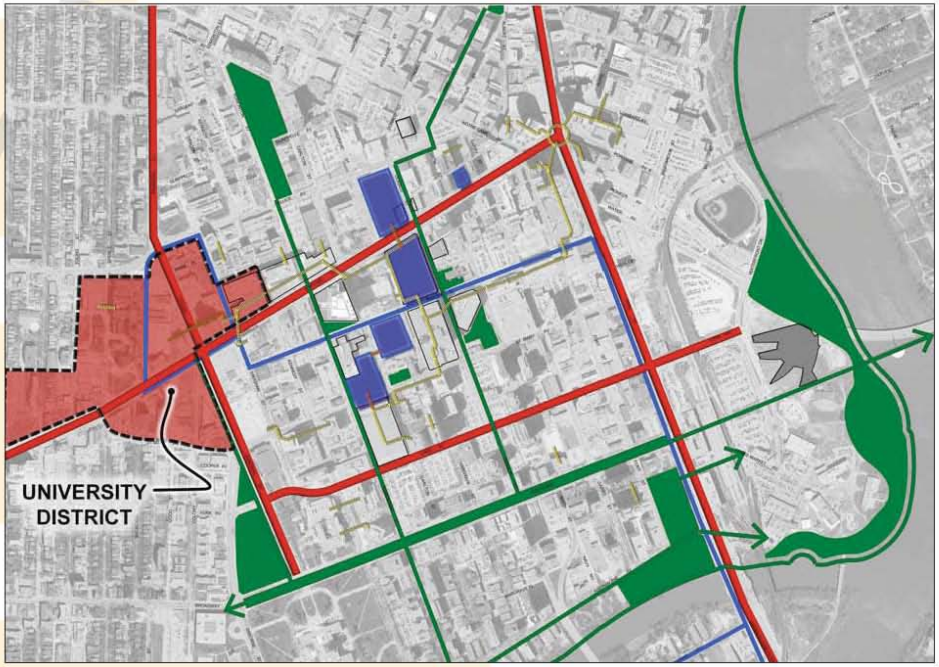


Proposed development patterns (Diagram #2) would focus development inward towards Portage Avenue thereby increasing density, pedestrian activity and complementary investment opportunities in support of a sustainable development strategy.

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UNIVERSITY district

The University of Winnipeg, the western anchor of the Portage Avenue Strategy, could emerge as the most significant contributor to future downtown growth and should be better connected to downtown. The Strategy suggests extending the weather protected walkway system from the University of Winnipeg across Balmoral Street to Portage Place. This single action would connect the University directly to Portage and Main and potentially add 16,000 people in support of retail, entertainment and residential development.



With the connection in place, a portion of Portage Place (west of

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Kennedy Street) could be converted to classroom or lab space, further reinforcing the link and inclusion of the University as a major driver of downtown revitalization. The expansion of the University of Winnipeg to Portage Place would enhance the viability and diversity of Portage Place, providing mall management the opportunity to focus retail uses east of Kennedy Street. The increase in use and density should encourage further consideration for the mixed use development of Portage Place's "pad sites" for commercial and/or residential use.



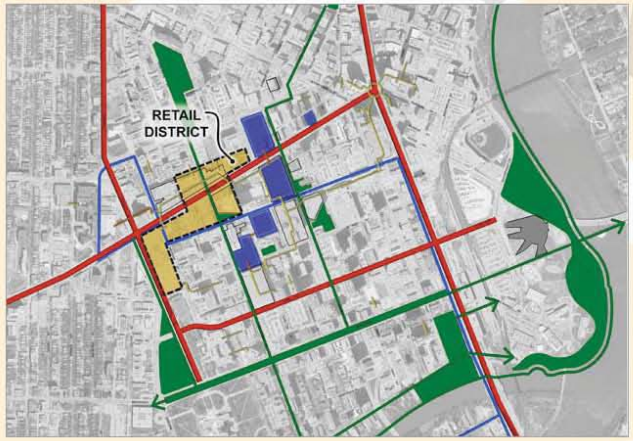


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RETAIL district

The Retail District, *long since reduced in size from the heyday of the 1950s and 60s, is essentially bounded by Graham Avenue to the south, Portage Place to the north, The Bay on the west and Hargrave Street to the east. The retail district could be one of the most significant beneficiaries of the inward focus of the Strategy. As change and development occurs, demand for retail uses in this area would likely increase, along with rental and property values, as a result of a shift in the demographic characteristics of Portage Avenue. Supporting redevelopment of The Bay – an integral part of the retail district – in collaboration with the private sector and all levels of government will be a priority of the Portage Avenue Development Strategy.*

In support of the Retail District, pedestrian comfort and safety, through an enhanced streetscape and lighting program, must be a priority in the focus area.





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SPORTS & ENTERTAINMENT district

Building on the success of the MTS Centre and in keeping with downtown revitalization efforts of other major North American cities, it is proposed that a concentrated effort be made to establish a Sports and Entertainment District as the focal point of the new Portage Avenue. While the boundaries may vary, depending on the marketplace, the essence is to create an area that capitalizes on the increased density of users and activities and forges a plan that capitalizes on the extraordinary and underutilized resources of the area. Having identified the general boundaries, the next step will be to prepare a detailed master plan and associated business plan for this district that clearly illustrates the elements of the development and the costs/benefits of further public and private investment in this area. At a minimum it is envisages that the A&B Sound site at the corner of Donald and Portage, currently owned by CentreVenture and the Forks North Portage Partnership, would be developed for hospitality and commercial uses. The private sector-led development of the A&B Sound site would not only add more "feet to the street" but would remove a blight from Portage Avenue, further reinforcing private sector confidence





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in the rejuvenation of Portage Avenue. To the south, we would expect to see greater synergies between the MTS Centre and the Winnipeg Convention Centre. Such collaboration would encourage the Convention Centre to explore expansion opportunities to orient towards the 'centre', with the redevelopment of the Cityplace parking lot considered for complementary hospitality, parking, meeting and perhaps commercial development in support of both the MTS Centre and Convention Centre. The pedestrian level in this zone, connected to the Retail District could well be the epicentre of the Sports and Entertainment District with bars, restaurants, and shops. A revitalized Metropolitan Theatre, currently being planned as a mixed use entertainment venue, would be a major draw to the area and a catalyst for further private investment in this important district.

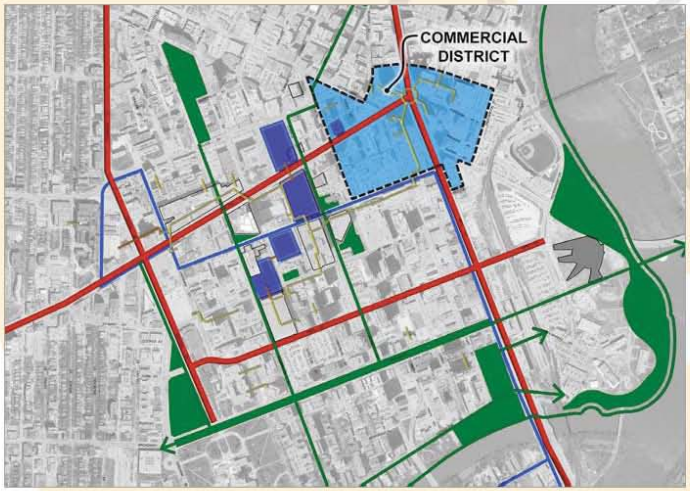




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COMMERCIAL district

As the principal anchor to the east, efforts to include this important revenue source should not be lost in the planning of Portage Avenue. With the recent announcement of the Avenue Building redevelopment, a renewed sense of confidence has emerged and private landowners are encouraged to play a role in fostering a sense of commitment to Portage Avenue. Initiatives such as the Portage Avenue Lighting Plan will be promoted with property owners given their extensive financial contribution to the BIZ and tax base, further private sector investment can be expected from this District.





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IMPLEMENTATION

The Framework - *making downtown smaller, increasing density and providing focus - must be supported by the private sector and all three levels of government in order to succeed. Resources must be used wisely in order to attract public and private investment. To attract public and private capital, an Investment Protection Strategy, that is predictable and vigorously defended, is required.*



Key elements of the Investment Protection Strategy include:

1. *Adopt a "mall management" approach to Portage Avenue, providing for visitor expectations and social responsibilities similar to what one would experience at a regional shopping centre;*
    a. *Increase public comfort by working closely with adjoining hotels and vendor owners, the Manitoba Liquor Control Commission, and Manitoba Lotteries to address and resolve the impact of offsite sales within and adjacent to Portage Avenue;*
    b. *Develop and adequately fund a sustainable and comprehensive safety strategy for the Portage Avenue "mall" as a whole;*

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c. *Develop and adequately fund a marketing strategy to increase public awareness and to attract private investment;*

d. *Support and adequately fund a retail and entertainment recruitment strategy.*

2. Complete the Business Plan for the Sports and Entertainment District Plan to clearly illustrate the components and context for development and investment;

3. Explore public and private funding opportunities to implement the Portage Avenue Lighting Plan as a major civic attraction;

4. Acknowledge the importance and influence that shoulder neighbourhoods such as Spence and Central Park have on Portage Avenue and continue support for residential, recreational and economic development in these neighbourhoods.

It is anticipated that detailed, complementary plans will be prepared for each of the above within the context of the overall Portage Avenue Development Strategy. It is expected that the appropriate members of the Downtown Council will lead the preparation of these critically important plans.

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FINANCIAL considerations

The fundamental premise of the Portage Avenue Development Strategy is that we can no longer look at governments as the primary source of revenue for revitalization efforts. However, a level of funding creativity, predictability and stability is required to guide both planning and development. The Strategy will therefore explore various financial models that will be of mutual benefit to the public and private sectors.

One model is the current Tax Increment Finance (TIF) program. The strategy will examine the notion of designating the Sports and Entertainment District as a TIF zone to act as the economic engine for the overall Portage Avenue Strategy. Utilising underperforming or underdeveloped sites within this District has the potential to generate significant incremental property and education taxes.

It is this predictable cash flow that is envisioned as a source of capital to fund such initiatives as pedestrian walkway connections, land acquisition, streetscaping, marketing and funding for other development initiatives that will no doubt emerge as the Strategy evolves.

Programs and new developments could be accelerated by borrowing against future cash flows from the TIF zone for a prescribed period. CentreVenture would be pleased to lead such a program on behalf of its shareholder and the downtown partners. It would be reasonable to assume that such a program would be time sensitive in order that the City and the Province realize tax gains after a prescribed number of years or until the initial debt is retired.

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Initial seed capital to kick-start the TIF could come from the sale of surplus Provincial and/or Civic properties or through CentreVenture's borrowing authority, with funds to be replaced as TIF funding materializes.

In addition, efforts will be made to engage the federal government in participating in downtown revitalization initiatives through GST rebates, program and capital funding, and/or tax credits for urban dwellers.

Other programs, including the Downtown Residential Development Grant Program will be harmonized with the Portage Avenue plan, particularly as they relate to expansion of student and market affordable housing and support for existing residential neighbourhoods including the Exchange and Broadway-Assiniboine Districts - neighbourhoods that will continue to be the feeder system for Portage Avenue.

Of critical importance to the revitalization effort is a commitment to public parking. The Downtown Council supports a downtown parking strategy as an economic tool to stimulate important development initiatives that rely on accessory parking. The parking strategy will be integrated into the Portage Avenue Development Strategy in a supporting role that promotes investment and in particular will be a key element of the business plan for the Sports and Entertainment District.

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IMPLEMENTATION priorities

Our priorities as *CentreVenture and in collaboration with the Downtown Council are to:*

1. *Complete the Master Plan and Business Plan for the Sports & Entertainment District by September, 2010 including the assignment of roles and responsibilities;*

2. *Initiate the Portage Avenue Mall Management Plan;*

3. *Secure development of the Avenue Building;*

4. *Complete Phase I of the A&B Sound Block redevelopment – Commencing in 2011;*

5. *Support redevelopment of The Hudson's Bay Co. building;*

6. *Support redevelopment of the Metropolitan Theatre;*

7. *Explore connecting the University of Winnipeg to Portage Place and encourage development of the pad sites atop Portage Place; and*

8. *Other priorities as confirmed in the business plan.*

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CONCLUSION

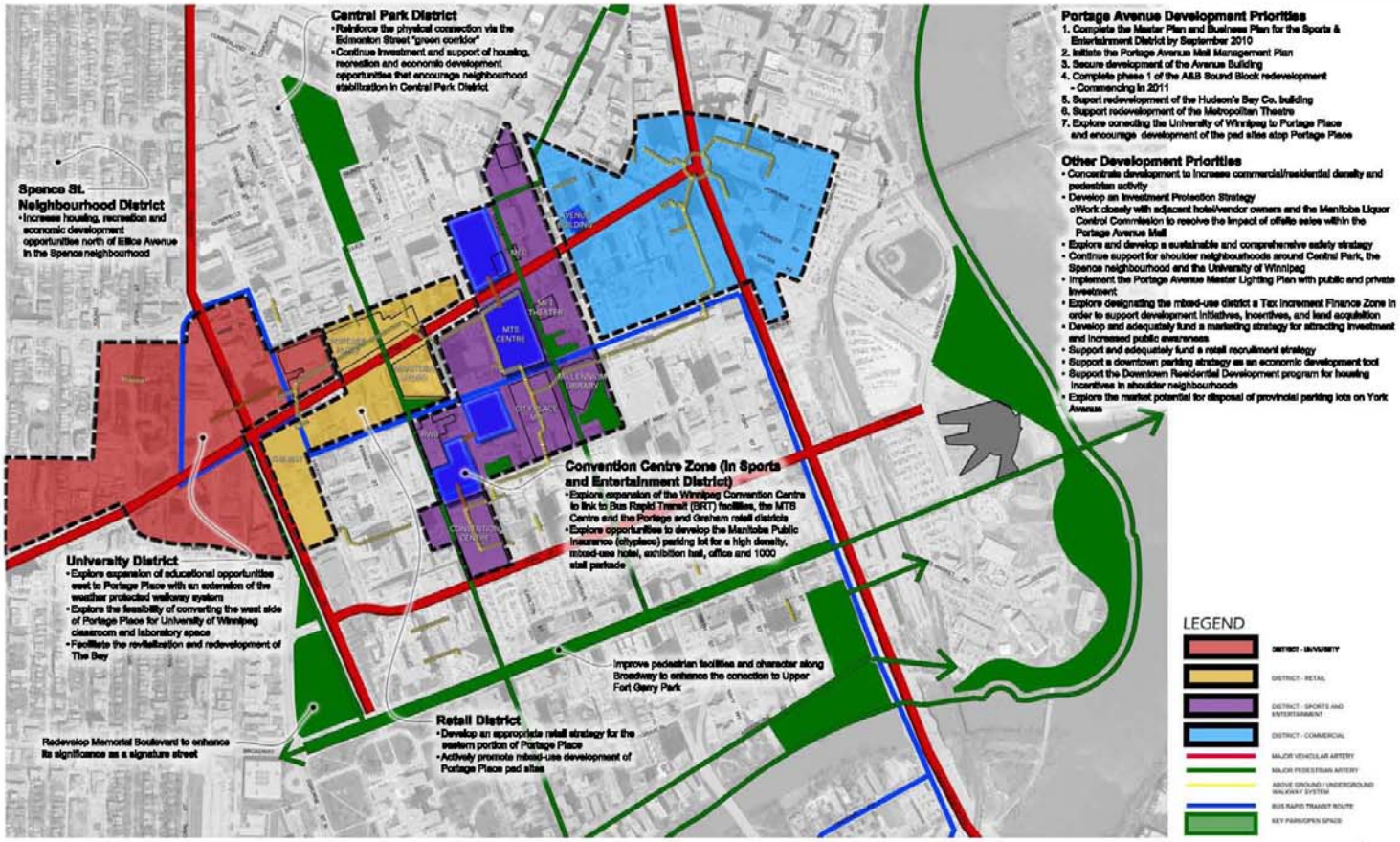
The Portage Avenue Development Strategy *represents an opportunity to revitalize Portage Avenue by establishing it as development priority. The Strategy reflects the dedication and shared vision of the Downtown Council and a sincere desire to bring renewed life and activity to Downtown Winnipeg's most prominent avenue.*

The Strategy is based on bricks and mortar initiatives that will result in increased densities and pedestrian activity, and programming initiatives that will enhance the desirability of the street. It establishes priorities that can be undertaken concurrently with CentreVenture's three-year business plan. In short, the Strategy provides context and certainty that can help direct resources and focus for both public and private sector investment on the street.

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SUMMARY



PORTAGE AVENUE DEVELOPMENT STRATEGY

JUNE 2010

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