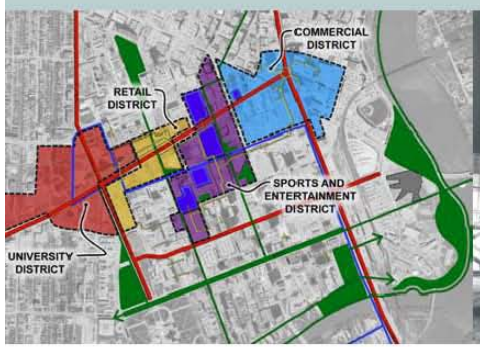
2011 – 2013 BUSINESS PLAN







Introduction

The 2011-2013 Business Plan will:

- Allow CV to continue to 'make downtown a better place';

- Maintain the current momentum of residential and commercial downtown development.





Introduction, continued

Business Activities will focus on:

- Broad based strategic planning such as the Portage Avenue Development Strategy;
- Increased residential development;
- Retail recruitment and retention;
- Attraction of high profile commercial tenants;
- Administration of Heritage Tax Credits and the Downtown Residential Development Grant programs;
- Development of strategic clusters as a catalyst for further private and public investment;
- Focus on strategic land assemblies; and
- Focus on facilitation of public/private investment opportunities.







A Look in the Rearview: 2008-2010

Between 2008 -2010, $250 million of development occurred:

- Union Bank Tower, Paterson GlobalFoods;
- Winnipeg Regional Health Authority;
- United Way;
- Youth for Christ, Centre for Youth Excellence;
- Bell Hotel;
- Avenue Building;
- Sky Waterfront Condominiums;
- youCUBE Condominiums;
- Centre Village Housing;
- Old Market Square Stage; and
- Central Park.













Investment and Annual Taxes Generated

Development in Progress

Project	Year	Project Value	Annual Municipal Tax *pre development*	Annual Provincial Tax pre *development*	Annual Municipal Taxes *post development* (some estimates)	Annual Provincial Taxes *post development* (some estimates)
Residential						
Ship Street Village	2005	4,500,000	0	0	34,256	39,087
Strand	2006	6,000,000	0	0	47,221	58,678
Excelsior	2005	17,500,000	0	0	142,478	136,700
161 Donald	2009	30,000,000	35,627	60,661	246,592	335,617
Sky Waterfront Phase I	2008	22,000,000	0	0	154,756	166,452
Sky Waterfront Phase II	2010/2011	8,080,000	0	0	19,337	29,180
youCUBE I	2009	5,000,000	0	0	18,680	19,210
youCUBE II	2010/2011	2,000,000	0	0	15,340	16,499
230 Princess	2009	6,500,000	2,068	3,606	32,338	42,636
Centre Village	2010	3,700,000	97	107	12,219	13,606
Bell Hotel	2010/2011	5,500,000	4,466	7,716	12,513	11,611
Avenue & Hample Building	2011	8,500,000	4,714	8,145	36,798	45,983
110 James	2011/2012	3,880,000	4,259	7,359	35,476	38,157
120/128 James	2011/2012	8,000,000	3,798	7,287	96,014	111,418
100 Princess	2011/2012	12,400,000	7,088	13,600	99,611	118,517
151/155 Higgins	2011/2012	3,200,000	14,922	16,050	25,914	27,872
Commercial						
United Way	2010	9,000,000.00	5,654	9,442	74,435	129,829
Winnipeg Regional Health Authority	2009	30,000,000.00	4,092	2,648	181,953	317,360
Kelly House	2010	450,000.00	214	235	3,474	6,059
Union Bank Tower/Red River College	2010/2011	27,000,000.00	2,481	4,287	145,664	207,267
Sport Manitoba	2010	5,000,000.00	13,034	22,520	49,624	86,553
Other						
104 King - Parking Structure	2010	10,000,000.00	11,678	20,176	41,353	72,127
Central Park	2010	5,500,000.00	0	0	0	0
Old Market Square	2010	1,500,000.00	0	0	0	0
Youth for Christ	2010/2011	12,700,000.00	16,690	33,260	105,036	183,203
TOTAL		247,910,000	130,884	217,099	1,631,081	2,213,622
			347,983		**3,844,703**	
TOTAL Municipal and Provincial Taxes Generated (post development - predevelopment)						**3,496,720**

These projects will generate **~$3,496,720** in incremental taxes annually, comprised of:

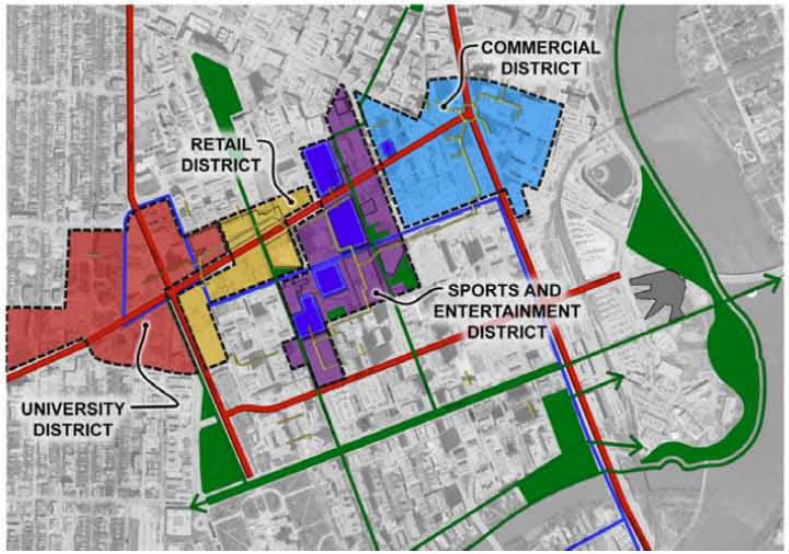
$1,500,197 in Municipal taxes

(1146% ↑ in pre-development municipal taxes)

$1,996,523 in Provincial taxes

(920% ↑ in pre-development provincial taxes)

Turning the Corner: 2010-2013



Portage Avenue Development Strategy:

- Comprehensive framework for addressing the social, physical and economic challenges of Portage Avenue;

- The plan provides focus for development, encourages increased density and supports a concentrated retail, commercial, residential and entertainment mix;

- The centrepiece of the strategy is the creation of the SHED (Sports, Hospitality and Entertainment District), which builds on the success of the MTS Centre;

-The objective of this plan, in addition to increasing the tax base, is to both shrink the downtown while creating an exciting and memorable reason for people to come to, and stay downtown;

-In addition, the plan provides a framework for future planning and development.

Turning the Corner: 2010-2013, continued

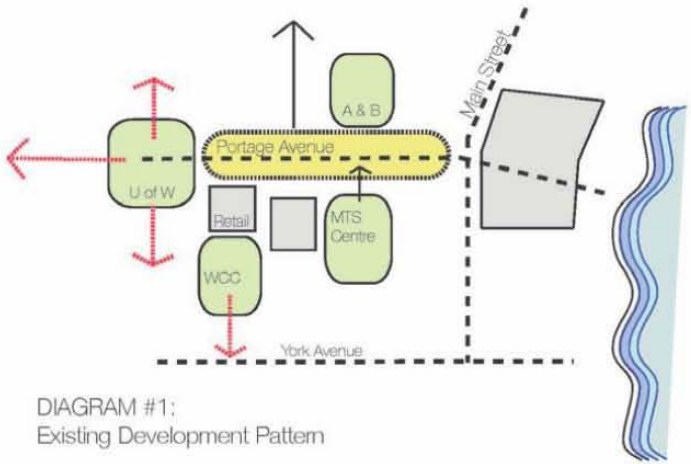


DIAGRAM #1:
Existing Development Pattern

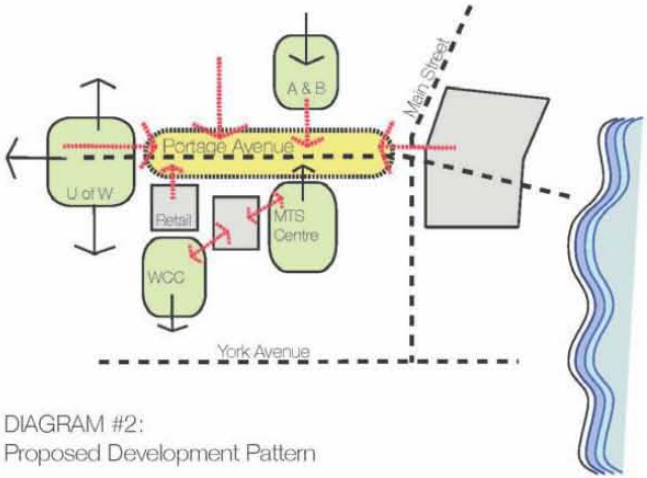


DIAGRAM #2:
Proposed Development Pattern

Existing development patterns moving outward from the focus of Portage Avenue – dispersing density, generally contributing to an enlarging, unsustainable downtown core.

Proposed development patterns focusing development inwards – increasing density, pedestrian activity and complimentary investment opportunities in support of a sustainable downtown.

Housing

- From 2008 to 2010, new downtown residential units have, on average, increased by 132 units/year;

- The Downtown Residential Development Grant Program (DRDG) expects to accelerate this growth to:

  277 units in 2011 (110% ↑ from '10)
  461 units in 2012 (249% ↑ from '10)

The following summarizes the DRDG uptake to date:

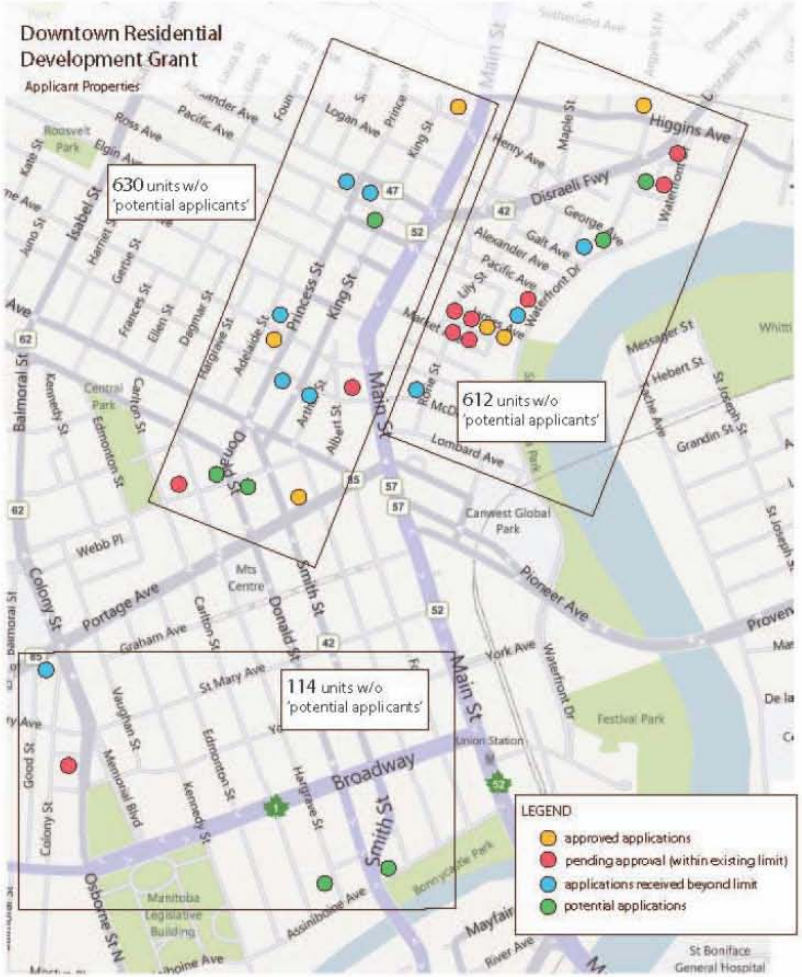
Applications to date	**25**
Proposed Condo. Units	**1,060**
Proposed rental units	**296**
Estimated program use to date	**$30.9 m**
(program currently maxes out at $20.0 m)	
Estimated private investment	**$95,000,000**







Housing, continued



25 applications have been received to date to build a total of **1,356 residential units in downtown Winnipeg;**

The current $20.0 m program will finance 741 of the 1,356 residential units;

CV has requested that the City of Winnipeg and the Province of Manitoba expand the program in order to capitalize on the momentum of this opportunity.

Retail Recruitment

CentreVenture, in collaboration with the Downtown Winnipeg BIZ and other downtown partners will develop appropriate retail strategies that compliment emerging residential neighborhoods.



To this end, a management plan will be prepared outlining:

- A retail recruitment and retention plan;
- Proposed incentives; and
- Implementation, timelines, staffing and costing.



Summary

- CV will continue the revitalization of Main Street;

- Continue to make the Cultural and Exchange District a priority;

- Implement the Portage Avenue Development Strategy;

- Deliver the Downtown Residential Development Grant Program;

- Prepare and implement a retail recruitment and retention strategy; and

- Manage our affairs in a prudent, responsible and professional manner within the resources available to the corporation.





Financial: Overview of CV's Financial Position

- CV's community investments, such as Central Park, have proven successful to the revitalization of our downtown;

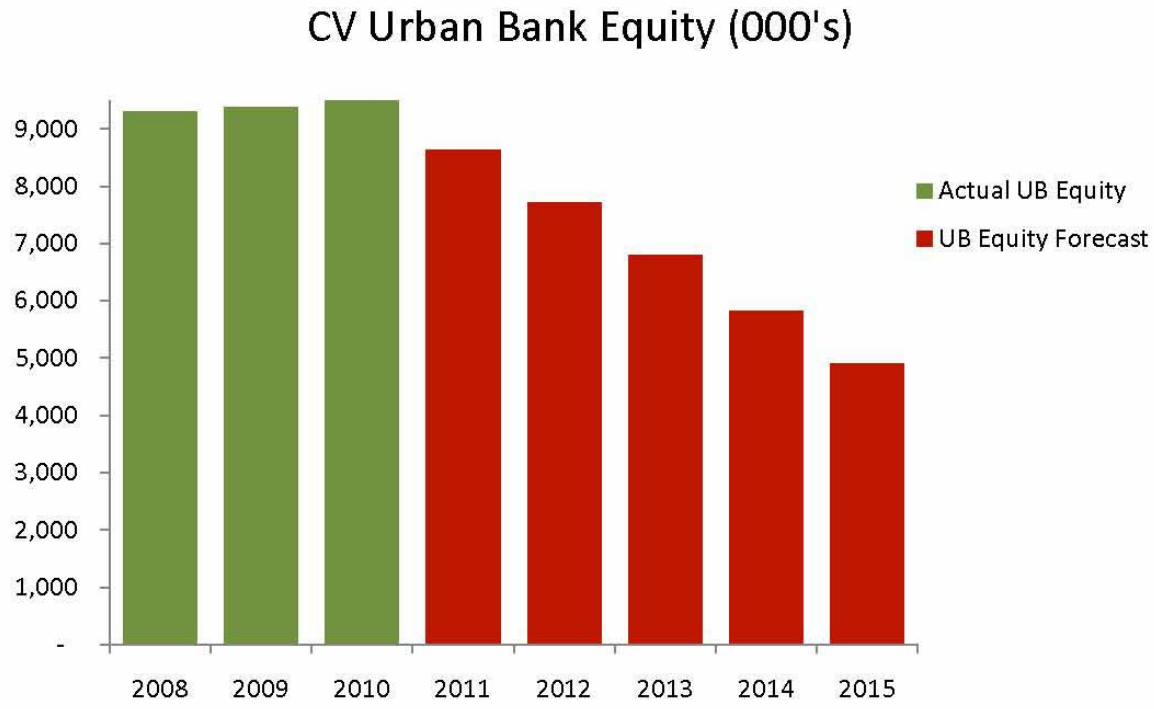
- CV has, however, virtually depleted it's surplus property assets and will soon be in the position of eroding its cash assets in order to continue its redevelopment activities;

- Without a new economic engine, CV's assets will continue to be exhausted and the organization will find itself incapable of fulfilling it's mandate.









With our current pattern of community investment and without a recapitalization strategy, it is forecasted that CV's assets will effectively be depleted by 2017.

Conclusion

Projecting CV's viability forward, options for a sustainable funding mechanism might include:

1. An infusion of new capital, Municipal, Provincial, and Federal;
2. Identify additional surplus properties (Provincial and Federal);
3. Utilize a tax increment finance model (TIF) as an economic development tool;
4. Bring in new shareholders;
5. Increase new income sources, such as:
    - Consulting and development fees,
    - Commissions on property sales,
    - Third-party project management,
    - Investment in revenue producing projects.





