centreventure development corporation

2019 REPORT TO
STANDING POLICY COMMITTEE ON INNOVATION AND ECONOMIC DEVELOPMENT

DISTRICT PLAN HIGHLIGHTS

NORTHWEST EXCHANGE & CHINATOWN

In May 2019, CentreVenture with Mayor Brian Bowman and Minister Jeff Wharton, released a new vision and development strategy for the Northwest Exchange & Chinatown area of the downtown.

The creation of the strategy document followed consultations with neighbourhood agencies, business owners, and property owners. Active participants in the process included organizations such as the Chinatown Development Corporation, Red River College, Artspace Inc., and Siloam Mission.

The strategy analyzes existing conditions in the neighbourhoods and establishes principles for future development with a focus on filling in vacant lots, enhancing the history of the area, creating affordable housing, and supporting local and independent businesses.

By the end of 2019, CentreVenture had made great progress on the strategy with three projects in varying stages of development:

265 Princess Street



This apartment building at the corner of Princess Street and Logan Avenue achieved zoning approvals from the City of Winnipeg in 2019. This property owned by CentreVenture was marketed and sold through RFP and development agreement with Aembit Development Group Inc. The project will consist of 88 rental apartment units, with quality landscaped street frontage. Construction is scheduled to begin in 2020.

The Carriage Works Project



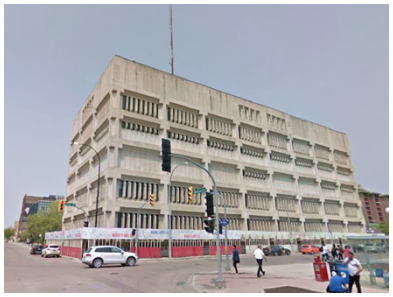
In 2017 CentreVenture purchased the underutilized heritage buildings at 204 to 210 Princess Street and created a redevelopment concept for their conversion into main floor arts spaces, with rental apartments above. The concept was marketed by CentreVenture and, in 2018, the Corporation entered into a development collaboration with local heritage developer Mark Buleziak. Construction on the project commenced in 2019 and is scheduled for completion in late 2020.

Paulin Street Village Development



In 2019, CentreVenture issued an RFP for the sale and redevelopment of 311 Ross Avenue (heritage building) and 346 Pacific Avenue (surface parking). By the end of 2019 a development agreement had been entered into with Mark Hofer, developer of The Edge on Princess and the Avenue Building on Portage. The redevelopment of these underutilized properties will include the creation of approximately 220 new rental apartments with accessory structured parking.

MARKET LANDS



In January 2017, CentreVenture was tasked by the City of Winnipeg to conduct a comprehensive public engagement process toward a redevelopment plan for the 2.4 acre site of the former Public Safety Building and Civic Parkade, now dubbed the “Market Lands”.

Following more than two and a half years of community consultations, in July 2019, City Council endorsed the redevelopment vision for the Market Lands to include a new mixed-use destination with housing, arts facilities, outdoor public spaces, and a public market.



CentreVenture worked closely with its design, engineering, and construction consulting team through 2019 to further refine and detail the project vision. Concurrently, financial and business modelling was conducted. That work is ongoing and anticipated for presentation to City Council in the spring of 2020.

Demolition of the buildings on the site commenced in 2019.

THE WATERFRONT

The Exchange District Waterfront strategy was launched by CentreVenture and the City of Winnipeg, beginning in 2000. At the time access to the Red River in the Exchange District was characterized by gravel parking lots, the backs of warehouses, and properties in a state of disrepair.

Many saw the untapped potential of this area and the benefits of turning The Exchange District back to the waterfront. It started a 20-year strategy, built on strong public-private collaboration, to create a neighborhood capable of supporting downtown living and a place that all Winnipeggers can enjoy.

Since launch of the strategy, CentreVenture has worked to redevelop nearly all the properties along Waterfront Drive, with the entire neighbourhood seeing over $369 million in private sector investment including new housing, derelict building conversions, and numerous new hospitality concepts.

In 2019, CentreVenture neared the end of its work in the district, with three redevelopment projects:

James Avenue Pumping Station



After more than 30 years sitting vacant, in 2019, the James Avenue Pumping Station heritage restoration was completed and welcomed its first tenants. Construction of the adjacent residential apartments also commenced. This development collaboration between CentreVenture and Alston Properties, when completed will include 3 commercial units and 93 rental apartment units.

Waterfront Drive and Galt Avenue



Through 2017 and 2018 CentreVenture conducted a land assembly initiative at Waterfront Drive and Galt Avenue. Working collaboratively with different private sector owners, 32,550 sq.ft. of underutilized land was assembled to create a prime development parcel on Waterfront Drive. The property was marketed through RFP and 2019 CentreVenture entered into a development agreement with RNDSQ, an innovative urban development company based in Calgary. This project will include 145 apartment units with main floor commercial space.

The development collaboration between RNDSQ and CentreVenture was also expanded in 2019 to another site at **Waterfront Drive and Alexander Avenue** where a further 160 apartments will be built around the adaptive re-use of a 4-story heritage building.



THE SHED

In 2010 CentreVenture released the Portage Avenue Development Strategy which conceptualized the Sports, Hospitality and Entertainment District (SHED), a newly defined focus for redevelopment around the MTS Centre and Convention Centre. By 2012 the City of Winnipeg and Province of Manitoba had put in place a SHED Tax Increment Financing Zone to support public realm enhancements in the district.

Since its inception CentreVenture has worked collaboratively with the private sector on numerous development projects in the SHED, resulting in more than $1.2 billion of private sector capital investment. Notable projects include the renovation of the MET and Burton Cummings Theatres, Centre Point, the ALT Hotel, Glasshouse Condominiums, True North Square and the Sutton Place Hotel.

Momentum in the SHED continued in 2019 with several projects in different stages of development:

225 Carlton Street and Harvard Street Market



The second tower at True North Square, 225 Carlton Street, opened its doors to new residents in 2019. This 195-unit luxury apartment building is a cornerstone of the live-work-play objective of the SHED.

In 2019, Winnipeggers also got to experience the newly opened Harvard Street Market, a culinary hospitality concept that will be a central destination in the SHED.

Wawanesa Headquarters



Wawanesa Mutual Insurance Company announced it is partnering with True North Real Estate Development (TNRED) to build a fifth tower at True North Square. Constructed on the current site of the Royal Winnipeg Ballet residence and former site of Hull's Bookstore on Graham Avenue, it will house Wawanesa's 1,100 Winnipeg-based employees.

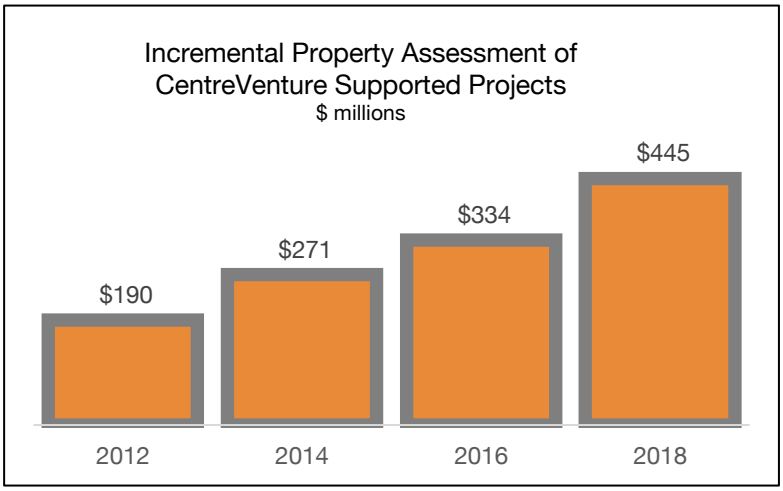
Other Portage Avenue Development Strategy Highlights

- Demolition of the St. Regis Hotel started with hazardous materials abatement currently underway.
- Starlight Investments revealed it plans for the retrofit of Portage Place mall.
- Artis REIT's 300 Main Street reached the 9th floor, with 31 more to go.
- Conversion of the Medical Arts Building into apartments was well underway.
- The vacant 185 Smith Street tower began its renovation into new apartments.
- The University of Winnipeg commenced construction of 2 mixed-income apartment buildings.

PERFORMANCE HIGHLIGHTS

In 2019, after 20 years of operations, CentreVenture is pleased to report that the incremental assessed value of its direct investment projects has reached $445 million.

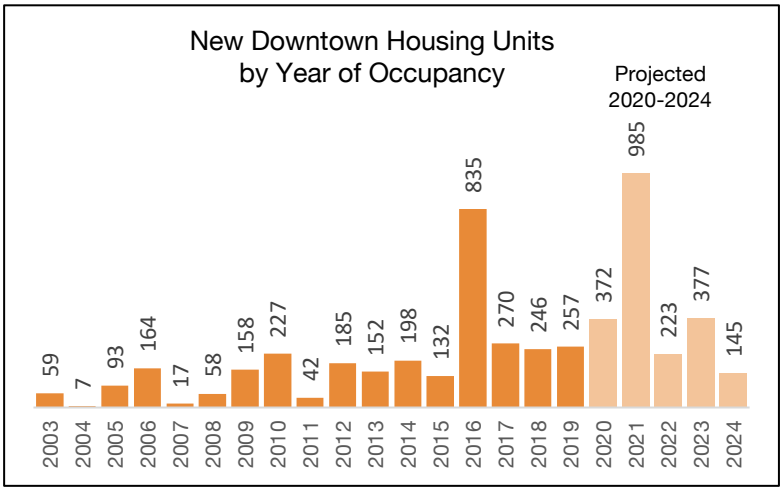
This generates positive annual financial returns to the City of Winnipeg through new property tax revenue directly from those projects and from resulting spin-off developments.



Source: City of Winnipeg Property Assessment Data

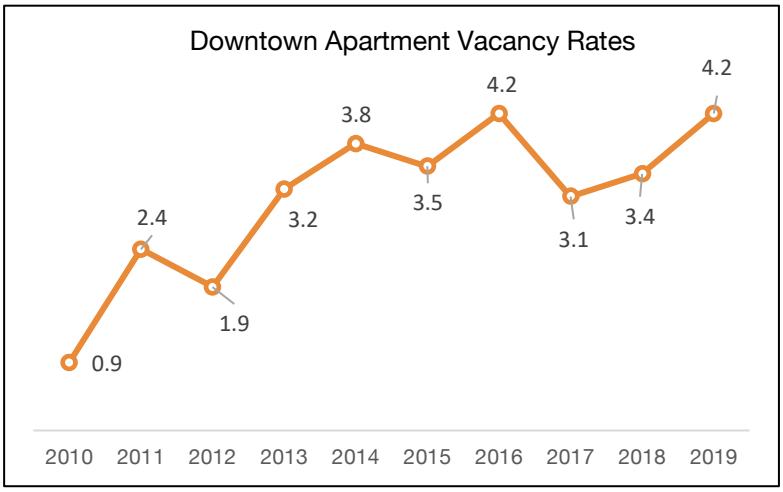
Also notable is the continued market confidence of investors in downtown housing and those wanting to live downtown.

Over the last 20 years over 3,100 new housing units have been built, representing nearly $1 billion in capital investment.



Source: CentreVenture Housing Database

Apartment vacancy rates have remained consistent in the 3-4% range over the last 5 years (2015-2019), despite added supply of 1,740 units in the downtown over that period.

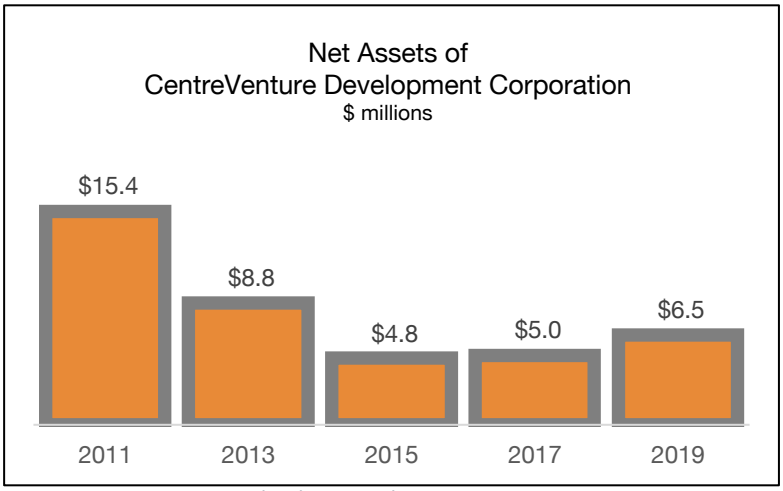


Source: CMHC Rental Market Survey

CORPORATE FINANCIAL HIGHLIGHTS

CentreVenture continues its strategy over the last five years to stabilize and build the net assets of the corporation through prudent project management and fiscal planning.

Since 2015, annual general operating expenditures have been reduced by 27%, or $260,000 a year, and total staff complement is now stabilized at 5 FTEs.



Source: CentreVenture Audited Financial Statements

Over the next 3 years CentreVenture will be sustained through the proceeds of contributed City of Winnipeg surplus properties and through investment in project activities pursuant to its 3-year business plan approved by City Council on May 7, 2018. The following provides a 3-year forecast of CentreVenture's anticipated results.

	Actual 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenue				
Rental properties & misc	488,394	412,579	393,679	397,616
Interest	111,093	107,497	48,692	12,796
SHED project	264,628	246,182	225,336	201,859
Designated grants	100,000	1,175,775	234,225	
Commissions	88,500	174,581	180,000	248,543
Gain on disposal of properties held for resale	4,049,260	3,476,000	3,000,000	
	5,101,876	5,592,614	4,081,932	860,814
Expenditures				
General operations	706,183	765,007	758,447	766,518
Rental properties	345,421	301,350	306,143	309,204
SHED project	264,628	246,182	225,336	201,859
Grants	100,000	1,175,775	234,225	
Projects	1,096,578	3,033,754	150,000	
	2,512,810	5,522,068	1,674,151	1,277,581
Excess (deficiency) of revenue over expenditures before:	2,589,066	70,546	2,407,780	(416,767)
Write-down of property held for resale	(600,000)			
Amortization	(279,926)	(277,573)	(276,407)	(276,407)
Amortization of deferred contributions	412,722	225,001	236,342	236,342
Excess (deficiency) of revenue over expenditures	$2,121,862	$17,974	$2,367,715	$(456,832)
Net Assets	$6,476,898	$6,671,419	$9,413,519	$9,333,094