

centreventure
development corporation

# 2021 REPORT

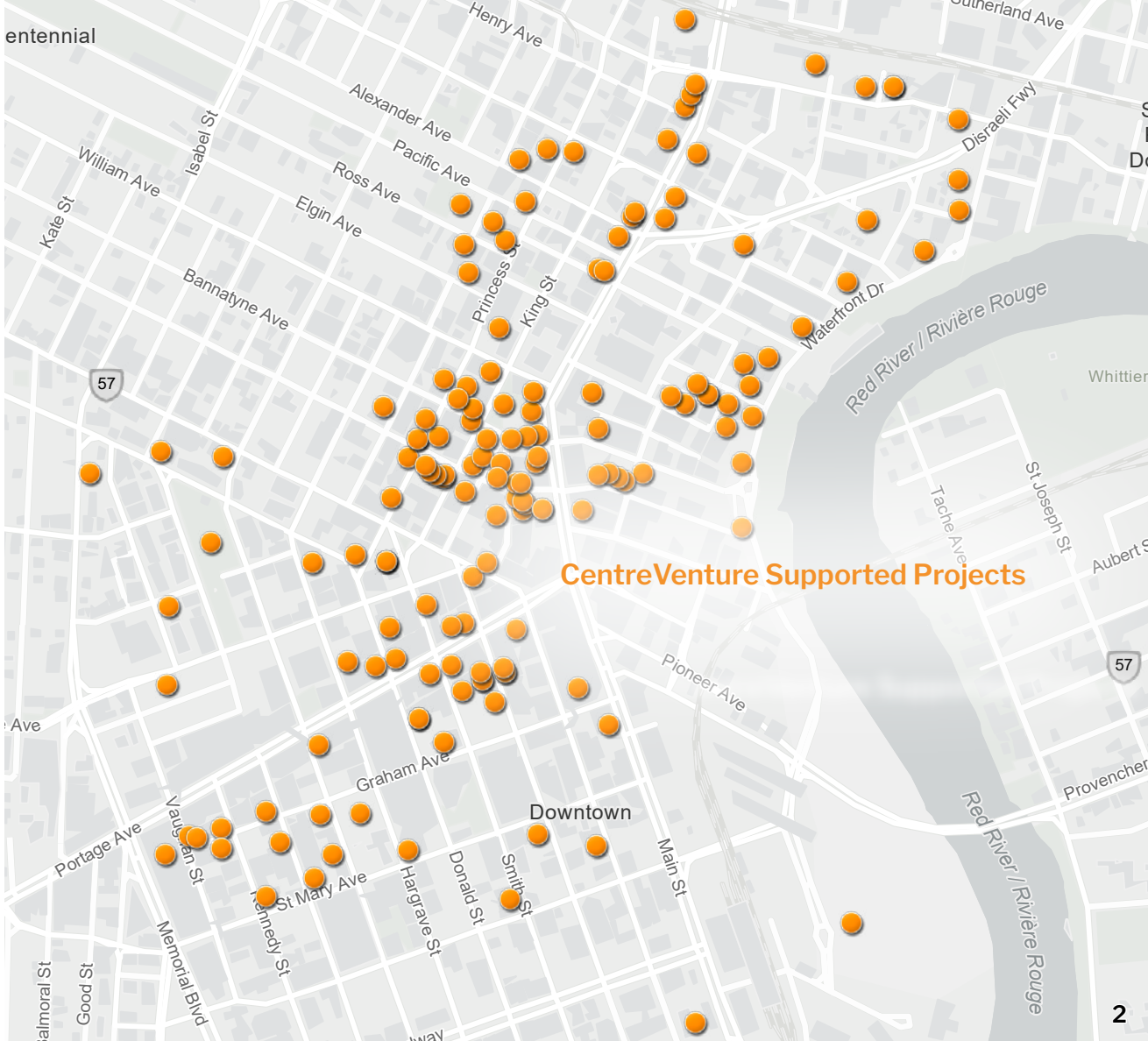
CentreVenture was established by the City of Winnipeg in 1999, in response to recommendations made by a *Downtown Task Force* of community and business leaders who identified an implementation gap in the City's downtown revitalization efforts.

It was felt that while the City had put in place strong visionary plans for the downtown (e.g. CentrePlan), the private sector was not responding with the investments required for the downtown to reach its full potential, such as vacant and heritage building restorations, new housing developments, destination retailers and business clusters.

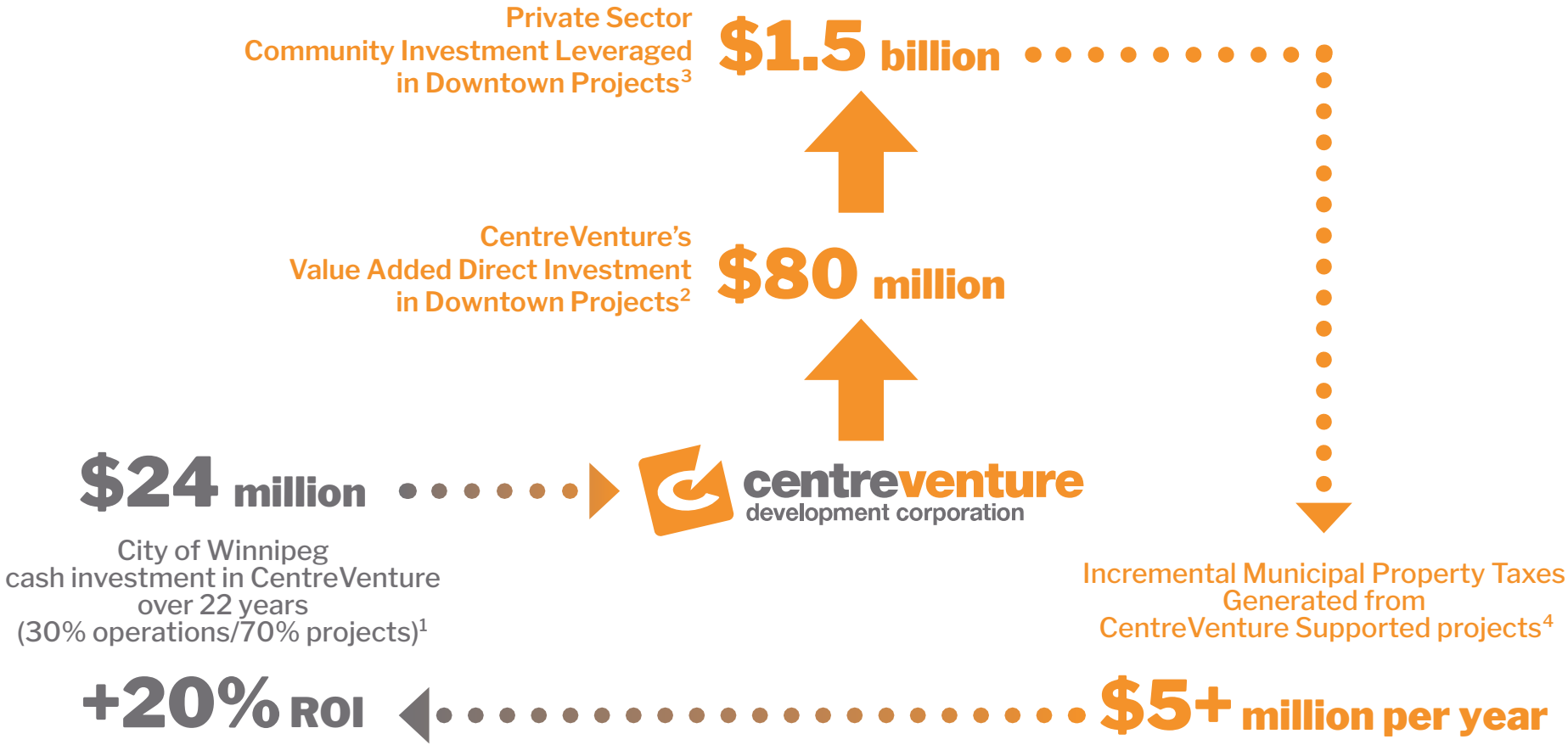
The task force recommended that, "a sustainable Downtown Development Authority be created to provide leadership in the planning, development, coordination, and implementation of projects and activities in the downtown; and that a public-private partnership approach is pursued to build on the expertise and innovation of the private sector and the political leadership and policy development capacity of the public sector".

Over the last 22 years the City of Winnipeg has invested $24 million in CentreVenture and made available surplus/tax-sale properties in the downtown. In turn, CentreVenture has leveraged those resources through agility and creative partnerships to directly invest more than $80 million in over 160 projects throughout the downtown. Those projects have resulted in more that $1.5 billion in private-sector community investment. And to date those projects have generated more than $32 million in incremental municipal taxes and will continue to return more than $5 million each year to the City of Winnipeg.

The City's financial investment in CentreVenture generates a 20% annual return, but more importantly it has resulted in a better downtown, benefiting all citizens of Winnipeg. The state of its downtown is a city's image to the world, and over the last 22 years, our community has grown stronger because of more people living, working, visiting, and taking pride in our downtown.



# Return on Investment




[1] Includes City of Winnipeg cash investment: $14.4 million (2000-2007) + $4.3 million (2008-2014) + $5.3 million (2015-2021)
[2] Includes CentreVenture audited expenditures + loan dispersals.
[3] Includes total capital investment in CentreVenture supported projects, but excludes spin-off/other developments estimated at a further +$500 million.
[4] Includes incremental municipal property taxes from CentreVenture supported projects, but excludes property tax increases in surrounding properties.

# NORTHWEST EXCHANGE AND CHINATOWN DISTRICT

Over the last 22 years CentreVenture has organized its activities primarily around District Strategies. This involves taking an asset-based approach to an underutilized area, establishing a visionary revitalization plan in consultation with area stakeholders, and then investing in strategic properties and activities to catalyze other spin-off developments in the area. This method has proven very successful with the Exchange Waterfront Strategy, Portage Avenue Development Strategy, and the Sports, Hospitality, and Entertainment District (SHED) Strategy, with more than $1.1 billion invested in these strategy areas.

The Northwest Exchange and Chinatown is CentreVenture's most recent district strategy. The corporation had invested sporadically in the neighbourhood over the years, but the development of the Market Lands, presented an opportunity to more fully reconnect and reinvigorate this neglected area with the rest of downtown. In 2017 a stakeholder committee was formed, planning and analysis was undertaken, and the Northwest Exchange and Chinatown Development Strategy was launched.

By 2021, the area is seeing a dramatic resurgence. Over $122 million in capital investment is either complete or announced in the area, with more than 580 new housing units coming on-stream. Further infill and rehabilitation projects are in the planning stages and Northwest Exchange and Chinatown area is emerging as another successful district strategy for downtown.




## Previous Projects

1. Peace Tower
2. Bag Factory Lofts
3. The Edge Apartments
4. Boyce Lofts
5. United Way Headquarters
6. WRHA Headquarters
7. Bell Hotel/Office Developments

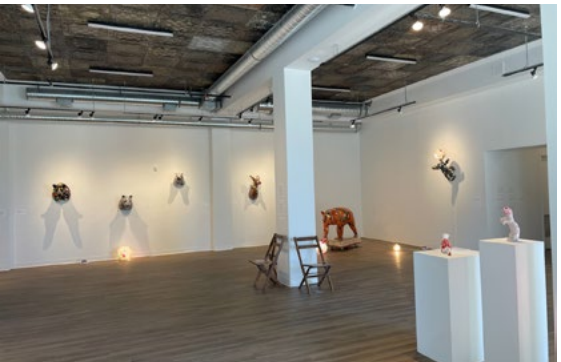
## Current Strategic Projects

8. Market Lands
9. The Carriage Works
10. 311 Ross Avenue
11. 346 Paulin Street
12. Former Shanghai
13. Soho Flats
14. 284 William Avenue

## Other Community Projects

15. RRC - Manitou a bi Bii daziigae
16. Siloam Mission Expansion
17. Main Street Amenity Plan







# THE CARRIAGE WORKS

This high-profile, but underutilized, block of Princess Street was identified as strategically important to the revitalization of the Northwest Exchange and Chinatown district. In 2018, CentreVenture approached the owner and purchased the vacant buildings. The Corporation then undertook the necessary technical, financial, and feasibility analysis to establish a program and business plan for the redevelopment, including designating the main floor for non-profit arts use.

CentreVenture raised $550,000 from federal and philanthropic grant programs to make the arts program feasible. As well, the City of Winnipeg supported the project by providing a 12-year heritage tax credit. To defray the development risk, Mark Buleziak was selected as the project partner through an EOI process to residential heritage developers.

The $17 million Carriage Works project will house 77 apartment lofts owned by Mark Buleziuk, with the main floor space owned by CentreVenture and anchored by aceartinc. Founded in 1983, aceartinc. is an artist-run centre dedicated to the support, exhibition, and dissemination of contemporary art. Their new 3,100 square foot storefront location at The Carriage Works will host five major exhibitions a year in their main gallery. The space will also house the organization's offices, members' resources, artists' talks, and programming for emerging artists. A further 850 square foot storefront space is being offered for lease to a non-profit or start-up retail organization.

In 2021, construction on site continued, with CentreVenture overseeing the title structuring, tenant fit-up, and assistance to aceartinc. in preparation for occupancy in 2022.

The Carriage Works is one of CentreVenture's most unique community partnerships, blending private and non-profit sector capacities. It is also a prime example how CentreVenture's approach to problem-solving and collaboration is an effective tool in revitalizing challenging downtown properties. The project will join other successful examples of the Corporation's complex work, including The Met, CentrePoint, the United Way Building, the Avenue Building, the Bell Hotel, the James Avenue Pumping Station, and many more.














## 284 WILLIAM AVENUE

In 2021, CentreVenture acquired 284 William Avenue, a heritage building also known as the Winnipeg Saddlery Building in the Exchange District National Historic site. This two story structure had fallen into a derelict state, after many decades of neglect, vacancy, and ignored City of Winnipeg building orders. Water infiltration into the basement caused significant heaving and structural damage to the building's west wall. This caused the City of Winnipeg to order that 284 William Avenue and an adjacent retail building be scaffolded and vacated. With concern for the future of the heritage building and the surrounding neighbourhood, CentreVenture stepped-in to mitigate further negative impacts. Through 2021 the Corporation worked with engineers and contractors to devise a solution to stabilize and renew the heritage structure. New footings were installed in the basement and new structure was carried up through the building. Significant hours were invested overseeing construction through the year. CentreVenture also worked to secure a long-term occupancy plan for the building, ensuring that it will be brought back to life as a contributor to the vibrancy and health of the Exchange District.



## SOHO FLATS

Construction of Soho Flats was active through 2021, with scheduled opening in 2022. This site assembled by CentreVenture was sold to a development consortium that saw the potential of the Northwest Exchange and Chinatown district strategy. With 64,000 square feet, Soho Flats consists of 88-apartments including studio, one-bedroom and two-bedroom residential floor plans. Enrolled in Efficiency Manitoba's New Buildings Program, it is designed to exceed in energy performance and greenhouse gas reduction and will be home to a Peg-City car share located directly on-site. CentreVenture provided mortgage financing for the purchase and assisted the developer through the development and planning process.

## ROSS AVENUE

In 2021, construction got underway on the first phase of the two-phase redevelopment of 311 Ross Avenue and 346 Paulin Street - the Paulin Street Village. These underutilized city-surplus properties were sold by CentreVenture in 2019 under a development agreement. The heritage building, the former Paulin Biscuit Factory, is being redeveloped into 105 apartment units and the surface parking lot will be developed into 115 apartment units with accessory structured parking. This $30 million project will bring further life and vitality to this part of the Northwest Exchange District, providing safe and attainable housing.





# THE MARKET LANDS

The Market Lands is the most ambitious project undertaken by CentreVenture in its twenty-two years. From 2017 through 2019, after comprehensive community consultation and design, an ambitious program for the site was established. A program with high impact social, environmental, and economic development objectives. Through 2020, a business plan was established and community partnerships were formed to make that program a reality. In 2021, major milestones in the project were achieved, while at the same time the pandemic and its market and inflationary impacts presented challenges to address.

In early 2021, Market Lands Inc. was incorporated to manage the construction and operation of the southern development parcel. This new entity is a working partnership of CentreVenture and UWCRC2.0, bringing the community mandates and skills of both organizations together in an effective way to implement the project.







In February, CentreVenture welcomed the announcement of $4 million in funding from Canadian Heritage toward the Creative Hub at Market Lands. This 20,000 square foot component of the project will be home to Urban Shaman Contemporary Aboriginal Art Gallery, Mentoring Artists for Women's Art, Video Pool Media Arts Centre, and Creative Manitoba. It will be the largest addition of long-term subsidized space for community arts organizations in the Exchange District since the development of Artspace in 1988.

In March, Winnipeg City Council approved the continuation of the property tax exemption on the southern development parcel for a further 25 years. This, along with similar support approved by the Province of Manitoba, will help service the project's mortgage financing.

In July, Canada Mortgage and Housing Corporation (CMHC) announced over $27.4 million in funding, through a combination of repayable and forgivable loans, through the National Housing Strategy. Federal Parliamentary Secretary Adam Vaughan called the Market Lands project, "one of the best and most innovative affordable housing projects funded by CMHC." The project will include102 rental-housing units, with 52 rented to low-income families, 32 units fully accessible, and all common areas will be barrier free.

In October, Peg City Car Co-Op celebrated its tenth anniversary on the site of the Market Lands and its long-standing relationship with both CentreVenture and UWCRC2.0. At the same time Market Lands Inc. announced that there will be a permanent Peg City car-share on the site for neighbourhood residents and employees.

Despite the challenges of the pandemic CentreVenture continued to work on the development of the public market building. This involved collaboration and planning with a consortium of companies selected through an EOI to establish a food product incubator in the market building. As well, CentreVenture worked through several proposals and options for further projects on the northern development parcel.

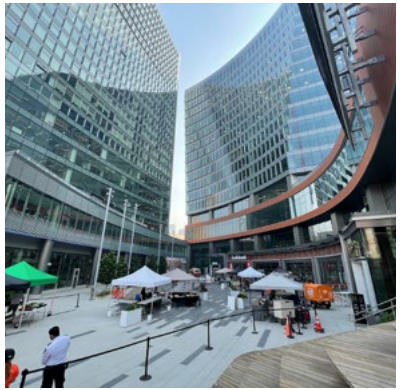
And through 2021, Market Lands Inc. worked with its integrated design, engineering, and construction team to respond to inflationary pressures, including a significant redesign of the net-zero engineering solution to deliver the same results in a more cost effective manner. This work continues through 2022, with final tendering now targeted for early 2023.



## SPORTS, HOSPITALITY, & ENTERTAINMENT DISTRICT

Despite the challenges of the pandemic, progress in the SHED continued. The construction of the Wawanesa Headquarters at True North Square was well underway in 2021. This 19 story, 300,000 square foot tower will be the new headquarters for Wawanesa, housing 1,100 employees. Since CentreVenture's launch of the Portage Avenue Development and SHED strategies $850 million has been invested or announced in the area, with 1,030 new housing units.





## OTHER HERITAGE BUILDING PROJECTS

**9**

In 2021, CentreVenture worked on nine other Exchange District heritage building projects at different stages of feasibility. This work included business-case analysis for potential investments by the Corporation in proposed adaptive re-use projects. As well, the Corporation pursued strategies for potential acquisition of derelict and vacant heritage buildings for marketing and redevelopment. It is anticipated that many of these projects will come to fruition in the next two years.





## EXCHANGE WATERFRONT DISTRICT

CentreVenture is nearing the end of its Waterfront Drive activities, with nearly all properties along the roadway being completed, under construction, or under development agreement. In 2021, the third phase of the James Avenue Pumping Station project got underway, the finale to this ambitious $26.5 million heritage redevelopment project, supported by CentreVenture through land assembly and mortgage financing. As well, the Corporation celebrated the start of construction at 90 Alexander Avenue, the former site of Great West Metal. This heritage redevelopment is the first of two projects led by RNDSQR, a innovative Calgary-based developer that CentreVenture was proud to attract to Winnipeg and assist through land assembly and heritage funding. Since the construction of Waterfront Drive and the launch of the Exchange Waterfront Strategy over $250 million has been invested or announced in the area, with 1,020 new housing units.





The COVID-19 pandemic has had an unprecedented impact on downtown Winnipeg. In 2021, only twenty percent of downtown's 70,000 office workers reported being back downtown full-time. Thousands of arts and entertainment events were canceled, leaving our key attractions empty. Eighty percent of Winnipeggers reported spending less money downtown during the pandemic. This resulted in storefront businesses losing an average of $2 million a week and more than 2,000 workers out of a job.

In February 2021, a Downtown Recovery Strategy working group sprung into action to assess and address the pandemic's impacts on downtown Winnipeg. The working group is comprised of the three downtown business improvement zone agencies, CentreVenture, Tourism Winnipeg, and City of Winnipeg planning staff.

In July 2021, the working group released a State of the Downtown report which captured the quantitative impacts of the pandemic to date. To establish a framework for action, from May to September, more than 20 round-table discussions were conducted, reaching 110 people from various downtown sectors including employers; community support agencies; restaurant and retail businesses; real estate professionals; tourism, entertainment, and arts organizations; educational institutions; and residents.

In October 2021, the working group released a Framework Report that sets the parameters for a medium-term recovery action plan. The working group was formalized as the 'Downtown Action Team' and expanded to include representatives from the poverty reduction and arts and cultural sectors. Winnipeg City Council unanimously endorsed and provided financial support for the Framework. CentreVenture is providing secretariat support to the Downtown Action Team and is leading the implementation of a number of the Framework actions.

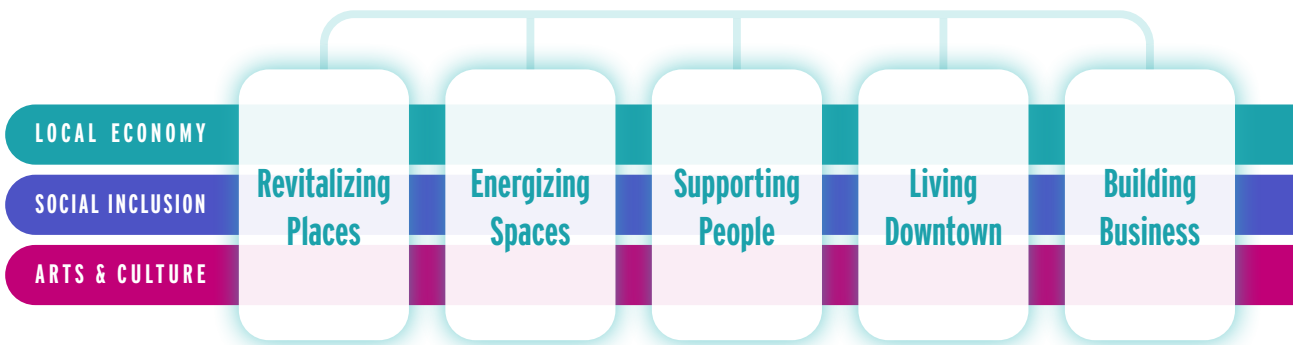




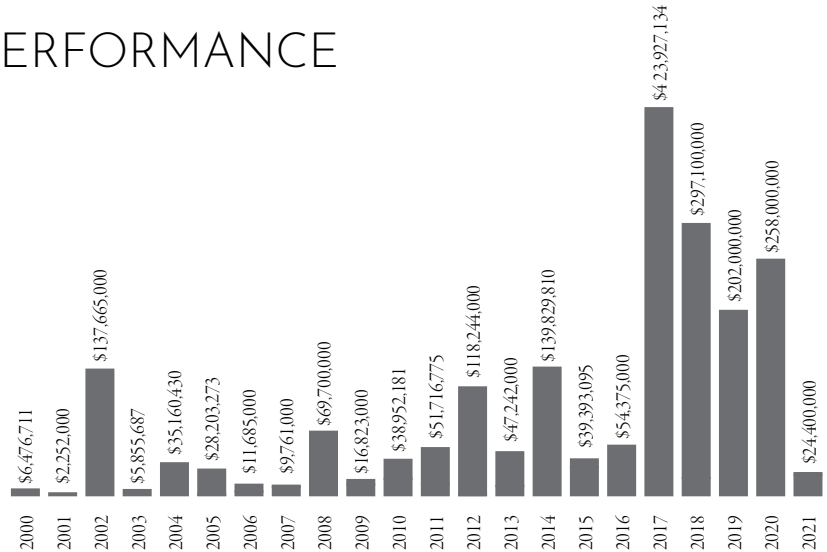
## Winnipeg's downtown recovery strategy framework

### STRATEGY STREAMS

**High impact strategic investments over 3 years, working in collaboration and complementary to achieve the highest return on investment.**

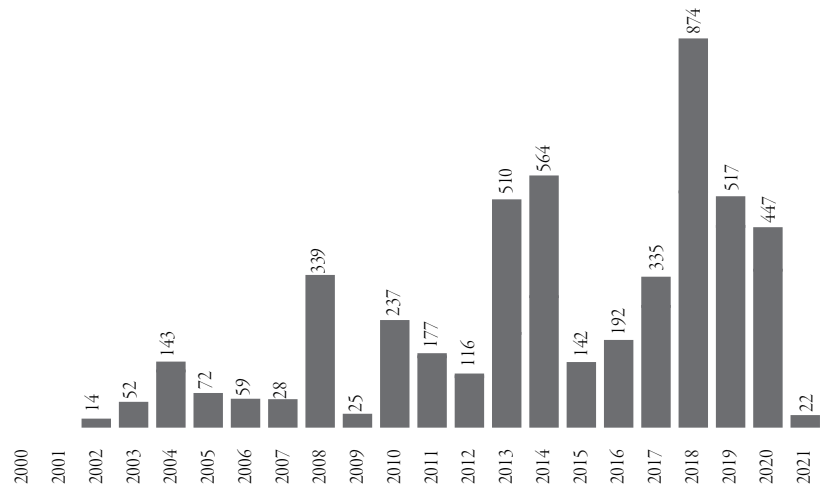


# PERFORMANCE




## PRIVATE AND NON-PROFIT CAPITAL INVESTMENT

Over the last 22 years there has been more than $2 billion in new private and non-profit sector investment in downtown Winnipeg, with more than 75% directly supported by CentreVenture's action and investment.




## HOUSING UNIT STARTS

Over the last 22 years nearly 5,000 new housing units have been developed in downtown Winnipeg, with 68% directly supported by CentreVenture's actions and investment, including 25% of those units benefiting from mortgage financing provided by the Corporation..

## HERITAGE BUILDING PROJECTS

# 91

Over the last 22 years CentreVenture has directly supported 91 heritage building projects, resulting in $410 million in capital investment and 1,289 new housing units.

## LAND ASSEMBLY AND MARKETING PROJECTS

# 41

Over the last 22 years CentreVenture has assembled and marketed lands resulting in 41 development projects, over $640 million in capital investment, and 1,829 new housing units.

# FINANCIAL FORECAST

Leading up to the completion of the Market Lands project in 2024, the future role of CentreVenture will need to be determined. After redeveloping the final City of Winnipeg surplus property in the downtown, and without a further injection of capital, CentreVenture will be unable to continue its activities moving forward, after nearly 25 years of work in the downtown.

Through 2023 the City of Winnipeg will formulate its first comprehensive Downtown Plan since the adoption of CentrePlan in 1995 and the CentrePlan Development Framework in 1999. CentreVenture was incorporated in 1999 to implement the vision and policies set out in CentrePlan, in close collaboration and partnership with the private sector and the City administration.

The new Downtown Plan - CentrePlan 2050 - will establish what Winnipeg's downtown requires now and into the future to continue to grow and flourish. Through this process the role or imperative for an arms-length downtown development corporation should be considered and determined.

| | 2020 AUDITED | 2021 AUDITED | 2022 FORECAST | 2023 FORECAST | 2024 FORECAST |
|---|---|---|---|---|---|
| Operating Grants | $ - | $ - | $ - | $ - | $ - |
| Mortgage Interest Revenue | $152,276 | $78,524 | $13,244 | $ - | $ - |
| Net Rental Properties | $176,557 | $5,417 | $- | $ - | $ - |
| Designated Grants | $389,658 | $307,579 | $1,224,000 | $1,725,000 | $1,130,949 |
| Commissions & Recoveries | $7,192 | $871,838 | $350,000 | $350,000 | $ - |
| Gain on Sale of Properties | $1,357,246 | $ - | $518,065 | $3,500,000 | $ - |
| REVENUE | $2,082,929 | $1,263,358 | $2,105,309 | $5,575,000 | $1,130,949 |
| General Operations | $731,730 | $697,200 | $800,488 | $793,401 | $796,068 |
| Grants Disbursed | $389,658 | $279,743 | $1,124,000 | $1,275,000 | $1,130,949 |
| Other Project Costs | $946,563 | $142,190 | $85,003 | $550,000 | $100,000 |
| Market Lands Project Investment | | | | $5,000,000 | $1,500,000 |
| EXPENSES | $2,067,951 | $1,119,133 | $2,009,491 | $7,618,401 | $3,527,017 |
| SURPLUS/DEFICIT | $14,978 | $144,225 | $95,818 | $(2,043,401) | $(2,396,068) |
| NET ASSETS | $6,491,876 | $6,636,287 | $6,732,105 | $ 4,688,704 | $ 2,292,636 |