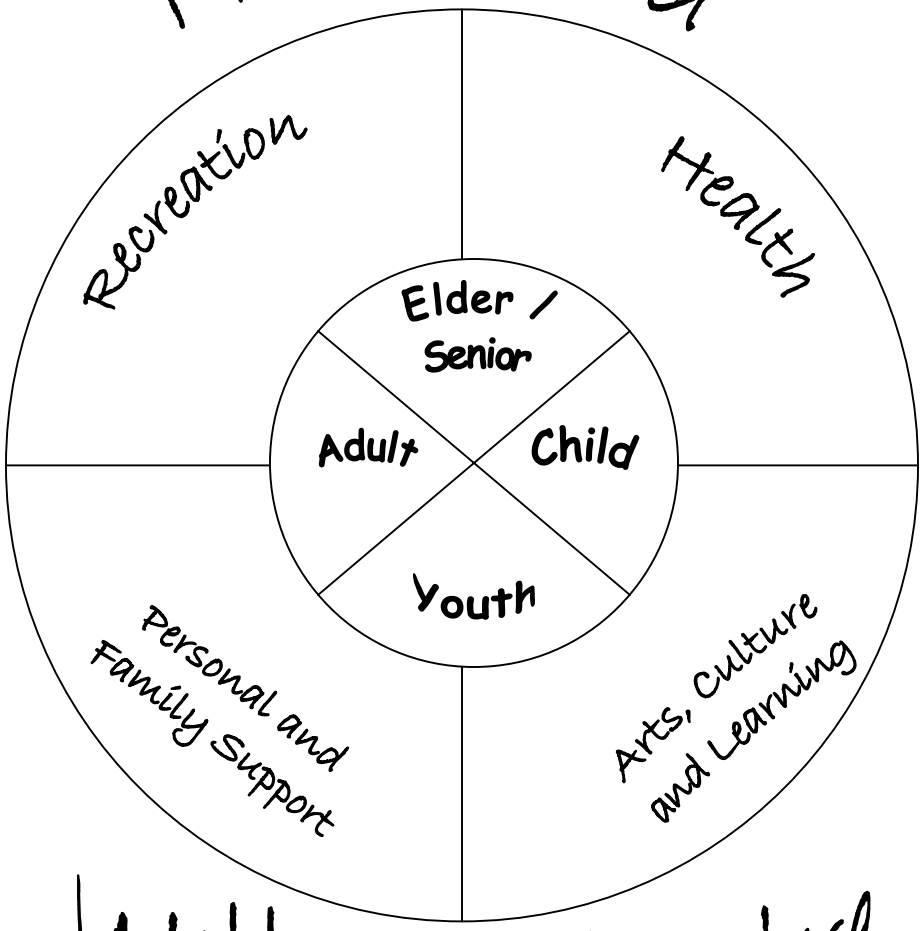
North End



Wellness Centre

Business Plan

November 2004

Preamble

The following presents a summary of the business plan for the North End Wellness Centre (NEWC). This plan follows from, and is an update of the original plan prepared by McGowan Design Group (McGowan / Russell) in 2002.

The information that is presented below reflects changes, adaptations and the current realities that have resulted from the past two years of negotiation and planning. While much of the original intent remains consistent, the concept and its sustainability has been strengthened through the efforts of the past two years.

The Concept

The North End Wellness Centre grew from the remains of a local recreational and developmental facility that was once a landmark within Winnipeg's North End. When the former 'North End Y' closed in 1995, a sense of loss was felt in many ways, and across many parts of the north end of the city. In response, a number of ideas for redevelopment were identified, assessed and pursued in some fashion or another. The North End Wellness Centre is the response that has taken form through strength of conviction and partnership, growing into an entity that is capable of meeting both current and future community expectations.

The Centre is a community-driven initiative, designed to reflect resident demands for a local gathering place, that focuses on wellness, operates according to community standards, and is inclusive and accessible to all. It is intended to serve as a source of pride and visibility to the strength, capacity and redevelopment of the North End.

While the neighbourhoods that are included within the definition of the 'North End' can be somewhat diverse, they share a number of common characteristics. The area represents many of the lowest income neighbourhoods in Winnipeg, yet, for many there is a strong sense of pride and connection to the neighbourhoods. There is also a strong desire to undertake the effort needed to improve quality of life for families, and to show the rest of the city that the 'North End' is a good place to live and work.

Planning for the NEWC has been ongoing for over four (4) years, continually being refined and adjusted to accommodate community preferences and operational realities, to arrive at the current content and partnership.

Within the current concept, several primary features are emphasized, including:

- Community organizing, development and support through the North End Community Renewal Corporation (NECRC) and Ma Mawi Wi Chi Itata Centre (Ma Mawi), with the commitment that the facility will hold and maintain an Aboriginal spirit through Ma Mawi;
- Recreation, particularly for children and youth through the YM/YWCA and Ma Mawi;
- A unique and state of the art child care centre, operated through SPLASH Child Care, Inc.; and,
- Increased access to health care supports by having the Winnipeg Regional Health Authority lease space for a cross-section of health care practitioners.

The Partnership

The North End Wellness Centre will be a wholly owned subsidiary of the North End Community Renewal Corporation (NECRC). The NECRC is in an ideal position to hold ownership of the facility, and the maintenance of the partnership by virtue of its mandate and presence in the community.

The mandate of the NECRC is the promotion of the social, economic and cultural renewal of the North End of Winnipeg. This is accomplished by improving the quality and accessibility of housing, upgrading commercial and industrial areas, implementing employment development programs, creating employment, reducing crime and improving the overall image of the community.

The NECRC provides coordination activities, and a strategic focus for many community improvement activities taking place in Winnipeg's North End. It's mandate is geographically defined by the boundaries of 11 City neighbourhoods: Primarily working in North Point Douglas, William Whyte and Lord Selkirk Park, but also St. John's, St. John's Park, Luxton, Inkster-Faraday, Robertson, Burrows Central, Dufferin, and Dufferin Industrial.

While the North End Community Renewal Corporation will hold the overall ownership of the facility, a managing group will be established to oversee the direction and operation of the Centre, and to support and extend its presence and resources.

Membership of this group will come from representatives of the primary partners (described below), as well as community representation, advisors and supporters of the overall project.

The primary partners that have committed themselves to lease space and deliver services in a collaborative and cooperative manner include: Ma Mawi Wi Chi Itata Centre, Inc., the YM/YWCA of Winnipeg, and SPLASH Child Care, Inc. Each organization and the gifts that they bring to the partnership are briefly described below.

Ma Mawi Wi Chi Itata Centre (Ma Mawi) was born in 1984 through the work of individuals that recognized the importance of working with families and their children. Since that time, the Centre has worked to provide culturally relevant, preventive and support services to Aboriginal children and families living in the city of Winnipeg.

Ma Mawi is a non-mandated, non-profit Aboriginal controlled and directed organization that offers a diverse array of culturally relevant services and programs. Since its inception, Ma Mawi has evolved from being an advocacy-based agency, to one that works to empower community members to practice self-care through preventive and supportive services for children and families.

Ma Mawi's philosophy is rooted in the belief that the entire community has responsibility for the healthy development of future generations. As an organization, it follows the principles within its name, "we all work together to help one another". As such, a commitment to the growth and development of the Aboriginal community underlies all program and service activities.

The community has repeatedly stated that services and programs with the most benefit to children and families are community driven. As such, Ma Mawi has committed to a community development approach that seeks to create opportunity for community to help themselves. In doing so, Ma Mawi has become much more than a social service agency, instead becoming a leader in community based care.

Ma Mawi will provide a combination of program supports within the North End Wellness Centre. Specifically, Ma Mawi is looking to establish elements of their Community Helper Teams that encourage the development of localized family supports and opportunities for local residents to become involved in caring for their neighbourhoods. In addition, Ma Mawi will ensure that there is a strong connection made to area youth through the Youth Leadership group that works through older youth serving as supports and models for younger children and youth.

Within all that will be done, Aboriginal values provide Ma Mawi with the principles that are central to the vision, design, planning and development of programs. These help to guide our relationships with each other, and are expressed in terms of:

Reciprocity * Respect * Inclusion * Learning *

Diversity * Caring * Kindness * Independence * Leadership.

It is this spirit and sense of values that Ma Mawi will hold within the North End Wellness Centre partnership, and that which will be maintained through the partnership.

The **YM/YWCA of Winnipeg** will bring creational and leadership support services to the partnership. The YM/YWCA offers the service capacity and experience from decades of operations across all parts of Winnipeg. Participation in the North End Wellness Centre provides children and youth in the north end the same opportunities as are available elsewhere in Winnipeg.

The 'Y' will establish nearly 7,000 square feet of recreational space that will focus on children and youth. The majority of the recreational activities that will be offered are those that are currently not available within the north end community. These include:

- Physical / sports oriented activities such as, climbing wall, skateboarding, weight room, 3 on 3 basketball court, floor hockey, gymnastics and tae kwon do;
- Arts / culture and fun activities including, jazz dance, day camps, teen dances;
- Youth leadership programming and supports; and,
- Youth Now, employment program and fine options program.

In addition, there is expected to be considerable mutual support and program encouragement through the combination of both Ma Mawi's and the YM/YWCA's youth leadership groups.

The state of the art child care will be operated under the organization and management of **SPLASH Child Care, Inc.**

The proposed child care centre within the NEWC would be organized and operated through SPLASH Child Care, Inc. SPLASH has been operating at a primary location within the neighbourhood for nearly 19 years. The organization is a strong proponent for the NEWC child care because of its history and commitment to the community. It has shown itself to be a vibrant and innovative child care, trusted and supported by the local community. SPLASH embraces the spirit of the North End and its residents.

As noted, the elements of the NEWC will have a strong Aboriginal sense of spirit and understanding. Increasingly, western society has begun to seek answers from Aboriginal people about their ways of connecting to land and environment, of achieving a better sense of community and respect for one another, and of living and working within a place that is fulfilling and meaningful. Overwhelmingly, it is our spirit and understanding that embodies a sense of connection and balance. By seeking balance and connection, wellness and strength can be achieved, shaping the individual and building capacity within the community in which they live. The proposed child care will seek to foster this balance, and will strive to succeed in its intentions towards inclusiveness *"…we are all one family under the same sky".*

It is this sense of balance and connection, and respect for self, others and community that will drive the direction of the child care. It is envisioned that the child care will serve as a way of instilling the importance of life's balance at an early age. Further, it will incorporate tradition, experience and innovation into a package that exemplifies ways to create and maintain balance and connection. At the present time, consideration is being given to the specific mix of child care spaces that will be developed. It is known that this nix will include infant, pre-school and school age children.

In addition to the primary partners that will have an ownership stake in the North End Wellness Centre, the **Winnipeg Regional Health Authority** will be a significant tenant and support within the facility. The Authority will be taking a long term lease on 3,200 square feet that will house a combination of home care, public health and community mental health staff.

Their presence will increase community access to such services and provide an additional set of opportunities to collaborate in service to the health and well being of north end residents. In addition, the long term lease will directly contribute to the viability of the facility, and establish the means for collaboration with the primary partners.

The Project

The current projections call for a facility to be developed of approximately 29,000 square feet. The details concerning the functional and site plans, and design drawings will be developed over the next several months. In accordance with the requirements of the Canada / Manitoba Infrastructure Program (major supporter, see below), a public tender has been developed for architectural services. The tender will close in the final week of October 2004, with selection of an architect of record immediately following.

Facility design and development will occur within a budget that has been set at $4.4 million. It is an expectation on the architect and the eventual contractors that the facility will be built to cost. This cost projection has been based on estimates developed in the original business plan, with adjustment for current prices and the site configuration that is presently desired. The current space requirements call for the following:

Site / Lower Level / Gymnasium

Renovation of existing gymnasium	4,800 @ $80/sq.ft.	$ 384,000
Renovation of existing basement space	4,400 @ $80/sq.ft	$ 352,000
Construction of new space includes circulation and exterior wall allowance	4,400 @ $120/sq.ft	$ 528,000
Deconstruction, asbestos removal		$ 200,000
Site work and landscaping		$ 180,000
Contingency @ 7%		$ 115,080
Professional fees/disbursements		$ 175,262
Subtotal – Site and Lower Level		$1,934,988

Upper Levels / Leased Space

YM / YWCA	6,900 @ $110/sq.ft.	$ 759,000
Ma Mawi	2,100 @ $130/sq.ft.	$ 273,000
SPLASH Child Care	4,100 @ $120/sq.ft	$ 492,000
Winnipeg Regional Health	3,200 @ $130/sq.ft	$ 416,000
Contingency @ 7%		$ 135,800
Professional fees/disbursements		$ 207,580
Subtotal – Upper Levels / Leased Space		$2,283,380
Projected Interim Financing Costs		$ 150,000
Total Development Costs		**$4,368,368**

Site planning that was developed within the original business plan called for a facility 'footprint' that exceeded the area of the former North End Y facility.[1] This would ,therefore, require expansion into adjacent residential or commercial properties.

Expansion into these properties is no longer seen to be desirable for a number of reasons:

- The current estimated cost of acquisition for all originally projected properties is approximately $500,000-600,000;

- Several of the residential properties have been recently renovated and their removal would, therefore, work against community development principles; and,

- Expansion into the residential properties would require rezoning to occur, a process that could add up to six (6) months onto the time frame of the project, putting its completion into jeopardy.

The current plans focus on the development of a viable facility that meets existing community expectations and can be constructed and sustained in a realistic manner. As noted above, the footprint of the currently planned facility will fit within the approximately 23,000 square feet of land space. As required, contingencies will be developed to acquire one or more of the deteriorated properties for either additional adjacent parking, or to develop a 'tot lot' for the child care and the neighbourhood.

Project Financing

Financing for the North End Wellness Centre will primarily be derived from capital grants (public and private), and mortgage funds secured against the Winnipeg Regional Health Authority lease.

To date, the following arrangements are being made with respect to the acquisition of capital costs (see notes below):

Canada / Manitoba Infrastructure Program	$2,000,000
Fund Raising Campaign	$2,000,000
Mortgage Financing	$ 400,000
Total Available Capital	**$4,400.000**

[1] The original development plans for the site called for a total of approximately 60,000 square feet (for committed partners and potential expansion through a second phase of development).

Notes to Capital Costs

- A formal commitment has been received from the Canada / Manitoba Infrastructure Program in the amount of $2.0 million. This commitment is contingent on the project being substantively complete by March 31, 2006, and subject to the raising of at least an additional $1.0 million.

- Mr. John Loewen has committed to leading a capital campaign. He projects that a minimum of $2.0 million will be secured through a combination of efforts. At the present time, a campaign team is being established including a cross section of individuals from across Winnipeg. In addition to the private fund raising campaign, assistance will be sought for leasehold improvements furniture and equipment. The YM/YWCA has committed to raising $250,000 for leaseholds for their space, while the Winnipeg Regional Health Authority will provide approximately $149,000 for leaseholds within their space.

- The presence of the Winnipeg Regional Health Authority provides the opportunity for mortgage financing in the amount of $400,000. The WRHA is committing to a 20 year lease at current market rates of $24.66 / square foot plus GST. This enables debt servicing as well as an allowance towards a significant portion of operating costs.

Operating costs have been projected from those developed in the original business plan by Stevenson Property Management Company for McGowan Design Group (2002) and have been updated in relation to 2004 costs.

In summary, operating cost projections are as follows:

Utilities	$69.600	$2.40 / sq ft
Maintenance / janitorial (common space)	14,000	0 .48
Mechanical	4,000	0.14
Administration (NECRC direct costs)	10,000	0.35
Est. realty tax [2]	10,000	0.35
Service contracts[3]	20,000	0.69
Mortgage service costs[4]	26,000	
Total Estimated Annual Operating Costs	**$165,200.**	

[2] The property is classified institutional with only City tax owing / school division exempt.
[3] Every effort will be made to have local resident labour involved in the provision of services within the Centre
[4] A $292,000 mortgage at 6.5% annual finance rate.

Operating revenues have been projected through base lease rates for each of the tenants. It should be noted that the rates have been set in relation to ability to pay / existing operating budgets, as well as the WRHA's standard lease rates. Accordingly, the child care is shown as paying a disproportionately smaller lease rate. This is common for child care, and considered acceptable to the partners in order to ensure that quality child care is a key element of the Centre.

Partners

Ma Mawi Wi Chi Itata Centre	2,100 sq ft @ $8.50	$ 17,850
YM/YWCA of Winnipeg	6,900 sq ft @ $8.50	$ 58,650
SPLASH Child Care	4,100 sq ft @ $3.50	$ 12,300

Commercial tenant

Winnipeg Regional Health	3,200 sq ft @ $24.66	$ 78,912

Total Annual Operating Revenues	**$169,762**
Net Operating Profit (Loss)	**$ 4,562.00**

The partners have committed themselves to ensuring that any operating profits in any given year are set against a reserve fund to cover unforeseen circumstances, extra-ordinary maintenance costs in subsequent years.

Conclusion

The lack of a good range of accessible services, particularly recreational and wellness supports, that has existed within the north end for may years can now be filled through a creative and workable partnership. Those that are committed to the success of the North End Wellness Centre come from various walks of life, serving in various capacities to make this project work. Each knows that investing in the redevelopment of the area, through this project will reap multiple benefits in years to come.

It is expected that the North End Wellness centre will serve as a tangible reminder that the area is worth developing and that there are strengths and assets that are worth investing in. As important as the services and amenities of the Centre will be to the neighbourhoods, the Centre will also serve as a symbol of cooperation and partnership towards the future.

So often, inner city residents and neighbourhoods are made to do with less, and as a result, to expect less. This attitude is often transferred to children as they grow. Building communities is made more difficult where residents' expectations and commitment to change have been continually weakened. Raising expectations, growing personal and neighbourhood strength, is a key requirement to re-investing in neighbourhoods. The North End Wellness Centre has been developed to meet these raised expectations.

At the same time, diligent effort has been taken to ensure that the project will be viable during its construction, and into its future. It is to be built on a foundation of stability, in both the groups that have taken a leadership role, as well as a history of service to the community.

Continued support, as illustrated in the business plan, will ensure that this undertaking becomes a solid reality that Winnipeg can truly be proud of.

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