



CENTREVENTURE DEVELOPMENT CORPORATION REPORT TO EXECUTIVE POLICY COMMITTEE

HEART OF GOLD PLAN JANUARY 2007

EXECUTIVE SUMMARY

THE GOAL

To create enough visible improvement, and enough atmosphere of change and momentum, to achieve a 'Tipping Point' in people's perception of the downtown.

THE BACKGROUND

CentreVenture was created in May, 1999, by Winnipeg City Council to spearhead the revitalization of downtown Winnipeg.

THE PRESENT SITUATION

There has been a marked improvement in the condition of Winnipeg's downtown since CentreVenture's creation in 1999. Arguably, the private marketplace is performing adequately in many parts of CV's mandate area. ***"What role, if any, still remains for Centre Venture?"***

THE EXCEPTION

The market is not yet functioning adequately with respect to the properties in two related areas; being the properties fronting on both sides of Portage Avenue, in the section from Memorial Boulevard to Main Street and the properties fronting both sides of Main Street, in the section from Assiniboine to Higgins Avenues. ("Focus Area").

THE PRINCIPLES

Everything must be done to improve the Focus Area, Every citizen must contribute to the solution, in a manner consistent with their circumstances. The entire downtown, and the entire City, will be immeasurably improved by success in revitalizing the Focus Area. Failure is not an option

THE ISSUE

Why does this matter? Because they have been so long without a real downtown, the citizens of Winnipeg, particularly those under fifty years of age, have lost touch with an important truth – the heart of a city matters a great deal. The downtown of any city is a snapshot of the real health, even the real meaning of a city. For better or worse, the most visible and vital section of Winnipeg's downtown is the Focus Area.

THE PRESCRIPTION

The Focus Area will only be viable if it features destinations, atmosphere, and attitudes that cannot be found elsewhere. It must be a classic 'downtown'. Only the market can determine how such a downtown would look. CV, and others, can only create conditions that allow the market to function efficiently. As well, the strengthening of civil society in the downtown must be supported. In aid of this goal,

THE HEART OF GOLD

At the end of the period described in this report, the Focus Area will become Winnipeg's "Heart of Gold" – its geographic centre, its psychological home, its economic pump - its heart. ***With a Heart of Gold to see, feel, and think about, the Tipping Point can be reached.***

THE INGREDIENTS

Best Place to Do Business

The Heart of Gold must, and can become the Best Place to Do Business. Initial investigation should begin on measures support this goal in the long term.

Security

1. People

Centre Venture will continue to; 1) support strongly all existing security initiatives, 2) work with the Winnipeg Police Service and other agencies in refining existing initiatives and in identifying needed new efforts, and 3) promote, by the example of its Board and staff, an enthusiastic participation in activities taking place in the Heart of Gold.

2. Public Destinations

CV has demonstrated competence and a track record of success in facilitating the creation of public amenities of the character of the Plaza Skate Board at the Forks; to enhance the quality of life in the Focus Area, in the broader downtown, and in the City as a whole ("Public Destinations" or "PD"). This is also a citizen responsibility and an opportunity. The Public Destinations are expected to 'open the heart' of Winnipeg. CV will facilitate the creation of public amenities of the character of the Plaza Skate Board at the Forks. ("Public Destinations")

The general framework of the projects will be: 1) principal capital funding by public spirited private donors, 2) project co-ordination and some financial

assistance by Centre Venture in establishing the PD's,, 3) financial contributions by the City and the Province, to an extent determined by the history and the nature of the PD, and 4) on-going management and maintenance of the PD's by a variety of means.

3. Special Safety Wardens

Serious consideration should also be given to the establishment of a system whereby Special Safety Wardens are on duty, during designated times, at strategic corners along Portage Avenue and Main Street – assisting pedestrians and available to refer citizens in distress to the proper service providers.

Priming the Pump

1. Legacy

A long history of difficulty and disappointment, surrounding the development and ownership of property in the Heart of Gold, has left a negative legacy, amongst many members of the development community, and amongst the citizenry at large. Accordingly; notwithstanding the measures described in the report, and other efforts to facilitate the market's operation, new development, particularly retail and mixed use development, needs to be 'primed' into existence in the Heart of Gold, The intent is to tilt the playing field back in favor of the smooth working of market forces, while attending to the public interest, as seen from the widest perspective.

2. Clusters

Downtown redevelopment experience points to the need to concentrate efforts on the achievement of a visual and psychological critical mass of results, at important places in the redevelopment geographic. In the case of the Heart of Gold, there are sections of visually uninspiring, under-improved properties located along both Main Street and Portage Avenue. Resources should be directed at efforts to deal with each section, as much as possible, as a whole. ("Clusters"). Centre Venture, over a three year period, is projected to redevelop up to 3 Clusters partnering with the private sector, with other downtown agencies, and with the City and the Province.

3. Profile Investments

This type of investment is intended to create high visibility and interest, to raise the flag – in circumstances where it is difficult for the private marketplace to appreciate the potential for profitable investment. . In this category is the outright, unconditional purchase of a troubled property whose rehabilitation will anchor the resurrection of a Cluster, and other types of equity and other investment. Centre Venture, over a three year period, is projected to make up to 3 Profile Investments, partnering as described in Clusters above.

4. Profile Tenants

This type of investment, is intended to create high visibility and interest, perhaps even more than for Profile Investments. Potential investments in Profile Tenants may require a larger imagination. Centre Venture should ; 1) identify Profile Tenants, 2) assess the market for them in the Heart of Gold (in a Centre Venture Cluster or otherwise), 3) quantify any market gap, and 4) find ways to

bridge it. Centre Venture, over a three year period, is projected to attract up to **3** Profile tenants, partnering as described in Clusters above.

5. Housing/Tax Credit Programs

A key component of a prosperous downtown is a downtown population that is large in number, and diverse in make-up. Centre Venture has been active in administering tax credit programs intended to promote residential construction in the downtown. Discussions are underway with City officials regarding the institution of new programs. The specific targeting of enhanced credits to the Heart of Gold area is a strong possibility. CV will continue to be deeply involved in the process of developing suitable criteria for tax credit programs.

However, the only available means, whereby a developer or owner can convert an entitlement to future tax into presently available capital, is by having CV approve a loan against the future revenue stream, under our Gap Financing Program. The demand for Gap Financing already exceeds supply. More resources must be found for this program.. Centre Venture will be the leader of an effort to persuade the Province that making the Provincial portion of property taxes part of tax credit programs would be a cost effective way to energize Winnipeg's development.

6. Parking and Services

The demand for housing in the downtown is not only affected by supply, but by perception of security. CV's contribution to the improvement of perception of security must be, and can be, many-fold. All the initiatives listed in this Heart of Gold Plan are part of the remedy. However, it is possible to make another contribution by addressing two other identified problems - obstacles standing between the downtown and a decision to live there. These problems are, 1) the shortage of immediate proximate parking, and, 2) the absence of basic services in locations that are seen to be convenient and safe. Centre Venture, over a three year period, will invest in up to **3** strategically located, Parking/Service facilities.

RESOURCES

Financial

Centre Venture is projected to make a investment over the three year period of the Heart of Gold Plan, comprised of investments in the Focus Area, investments in projects not located in the Focus Area, and Public Destinations.

OUTCOMES

Quantitative

Completion of the Heart of Gold Plan would result in the creation of up to **9** Public Destinations, up to **3** Cluster redevelopments, and up to **3** Parking/Service facilities. CV's investment is expected to attract parallel investment by the City of Winnipeg, by the Province of Manitoba, and by other public sector agencies. Based upon CV's historic performance, the investment of CV and other public sector monies should attract investment or donations by the private sector. This highly visible, substantial level of activity will undoubtedly catalyze a substantial increase in economic activity in the Heart of Gold, and elsewhere.

The public sector's return resulting from the success of the Heart of Gold Plan will be immense. By only one measure, increases in property tax revenues attributable to properties directly involved. based upon CV's past achievements, the Heart of Gold related investments should result in an increase in property tax receipts by the City of Winnipeg, and by the Province of Manitoba, on on-going basis – without regard to the associated increases in the assessed values of neighbouring developments.

Qualitative

The GOAL will have been accomplished.

PARTNERS

City of Winnipeg

Centre Venture's main partner has been, and will continue to be, the City of Winnipeg. The City can reward Centre Venture's success in this Heart of Gold effort by replacing CV's working capital, by some means.

Province of Manitoba

Centre Venture's other original, and continuing, partner is the Province of Manitoba. The Province can reward Centre Venture's success in this Heart of Gold effort by replacing CV's working capital, by some means.

Other Agencies

It is anticipated that other agencies will be motivated to become involved in the purpose of achieving the GOAL, with or without supporting any particular element of the Heart of Gold Plan.

Social Consensus

In order for the Heart of Gold Plan to succeed, a social consensus must develop, a consensus that supports the PRINCIPLES, if not necessarily any particular approach.

THE FUTURE

At the end of the Heart of Gold period, "**What role, if any remains for Centre Venture?**" The options include, amongst others; 1) carrying on as presently constituted, 2) keeping the present governance and operational model, but moving it's mandate to a different geographic, 3) merging with another agency operating in a related space, or 4) winding up operations, almost certainly on the high note of successful completion of the Heart of Gold Plan..