



# Urban Renewal Planning in Winnipeg: Looking at the role of planners and stakeholders in the SHED

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## Abstract

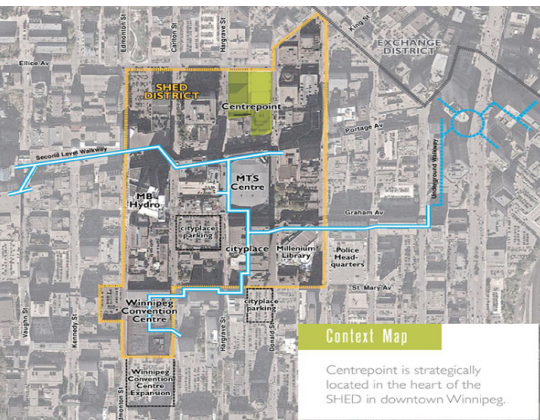
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Cities are like living organisms that need to be constantly refueled in order to keep their ever-beating hearts pumping. In order to take a stab at eternal life, cities must inject themselves with new development and fight off the contagious disease of blight by looking at creative forms of urban renewal and proven financial tools. Winnipeg, Manitoba is a city that has struggled in recent years to develop the downtown core into a vibrant hub not only for shopping, hospitality, and entertainment, but also a desired place to live. In 2009, Manitoba passed the Community Revitalization and Tax Increment Financing (TIF) Act as a tool to promote development (Knight, 2012). Since then, the city has seen the birth of the Shopping, Hospitality, and Entertainment District (SHED) in 2012 (Executive Policy Committee, 2012). The inter-relationship between entertainment districts and the implementation of tailored financial tools within the district, allows cities to compartmentalize development and focus urban renewal within a specific geographical area. Winnipeg's Centrepoint development is a strong example of positive urban renewal within an entertainment district where TIF is in place. This \$100 million dollar project originated from a unique development opportunity and has been driven by numerous stakeholders (Schlesinger, 2013). This project along with these stakeholders is striving to make the SHED an integral part of the city.

# Background

## Urban Renewal

Although Winnipeg is seen as a slow-growth city in comparison to many of its Canadian counterparts, the projected population increase in the next 25 years cannot be ignored. Cities are continuously evolving and developing through the use of urban renewal projects that provide four main benefits: physical infrastructure, economic stability, political gains, and cultural enrichment (Mehdipanah et al., 2013). Many cities have implemented urban renewal projects to regenerate depressed areas of their urban landscapes. These projects typically involve government funding, however this case-in-point looks at a project with predominantly private funding.



SHED in Winnipeg. Image retrieved from: [http://centrepointhewinnipeg.com/wp-content/uploads/2013/05/home\\_context\\_map2.jpg](http://centrepointhewinnipeg.com/wp-content/uploads/2013/05/home_context_map2.jpg)

## Entertainment Districts

Urban renewal projects of the 1960s and 1970s were largely financed by federal grants, led by city planning departments, and involved the widespread removal of old buildings (Mitchell, 2001).

The “new” urban renewal process is often self-financed by private stakeholders or public-private partnerships. This shift has birthed entertainment districts, or “business improvement districts,” which focus on a predetermined geographical area of a city – usually within the downtown core. These districts look at historical preservation, residential development, small-business development, new commercial centres, pedestrian access, and the cleanliness and safety of the streets as their top priorities (Mitchell, 2001).

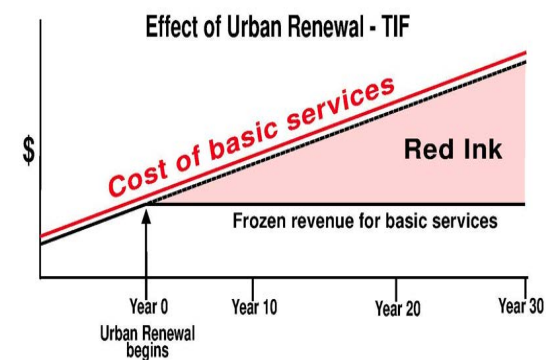
Roberta Brandes Gratz and Norman Mintz (1998) referred to the new-fashioned approach to downtown development as alternative ways “to reinvigorate and built on existing community assets in order to stimulate a place-based rejuvenation”(p.61).






Centrepoint is a prime example of a successful development within an entertainment district, that focuses on stimulating more growth in downtown Winnipeg. Furthermore, the development uses a unique form of TIF to fund the public space within the entertainment district – the SHED, that is.

## Tax Increment Finance

Tax Increment Financing (TIF) represents an economic development method used by municipal governments around the world in order to fund economic growth in specific areas. TIF is used when economic growth in a particular geographic area would otherwise not occur (Smith, 2006). When property is selected to be a

TIF district, the property tax collected by local taxing bodies is frozen at the assessed property value at the time of designation. As the properties in the TIF district are redeveloped and transformed over time, the assessed value of those properties increases, creating an incremental increase in the total amount of property tax revenue generated within the district (Smith, 2006).



-  Costs of basic services rises every year due to inflation, payroll costs, population growth, etc.
-  Revenue for basic services rises every year with increased property tax assessments.
-  When urban renewal begins, property tax revenue for basic services no longer increases as costs continue to rise.
-  Increasing property tax revenue gets taken, for decades, to retire the Urban Renewal debt.
-  For decades other tax revenue must replace what Urban Renewal has taken. Without new or higher fees and/or taxes, services must be cut.

Tax Increment Finance graph. Image retrieved from: <http://www.cooscountywatchdog.com/end-urban-renewal.html>

“When the debt assumed by the city expires, the total property tax revenue (baseline and incremental tax increases) is again shared by all the various taxing entities with an interest in the TIF district. It is this anticipated increase in the property tax that is then used to finance development in the TIF district. TIF designation ranges from 10 to as much as 27 years in Wisconsin” (Smith, 2006, p.23). In Winnipeg, the designation is in place for ten years.

# Facts/ Outcomes

Centrepoint has numerous stakeholders that are invested in the project at different magnitudes. The main group of stakeholders consists of: Longboat Development Corporation, Artis REIT, Province of Manitoba, City of Winnipeg, CentreVenture, The Germain Group, and Urban Capital. Legislation and policy will be discussed first, then how the development came to fruition and lastly details on the components of the development.



Rendering of future development within the SHED. Image retrieved from: <http://centrepointwinnipeg.com>

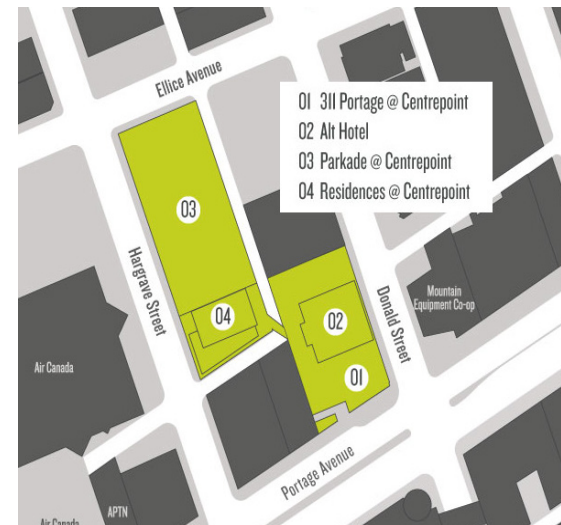
Legislation and Policy  
In May 2010, CentreVenture presented the Portage Avenue Development Strategy (PADS)

including the SHED concept to the Downtown Council stakeholder group. CentreVenture is a non-profit organization incorporated without share capital under the laws of Manitoba on July 9, 1999 (Executive Policy Committee, 2012). They are an arms-length agency of the City of Winnipeg and work towards the development and growth of downtown Winnipeg. In March 2011, CentreVenture submitted its 2011-2013 business plan to the Executive Policy Committee, which included PADS and SHED. The PADS focuses on the four Portage Avenue districts (university; retail; sports, hospitality and entertainment; and commercial). In April 2012, it was announced that the Province and City would provide tax increment financing to support the development of the (SHED) in an 11-block area between the MTS Centre and the Winnipeg Convention Centre (Executive Policy Committee, 2012). At this time, a joint Manitoba/Winnipeg/CentreVenture steering committee would adopt a master plan for SHED and identify projects and incentives that would enhance and stimulate private and public investment in the district. The Tax Increment Finance component is governed by CentreVenture, with funding of up to a total of \$25 million (Executive Policy Committee, 2012).

How did Centrepoint come to fruition?

Longboat Development Corporation purchased the land from CentreVenture at market value. They received their capital financing from a financial

institution of their choice, and put together their partnership with Artis REIT and the other private stakeholders. Barry Thorgrimson stated that “this is probably one of the first private-sector investments in downtown Winnipeg that wasn’t incentivized” (Kives, 2012).



Centrepoint development components. Image retrieved from: <http://centrepointwinnipeg.com/wp-content/uploads/2013/05/>

The Winnipeg Free Press stated that “the city is contributing almost \$5.7 million to the project: \$660,000 to preserve the Mitchell-Copp building’s facade and another \$5 million to the parkade as a recoupable investment” (Kives, 2012). Veronica Hicks, formerly of Longboat Development states that “they were given a loan, not a grant for the parkade from the city and they have to pay it back.” Many people think this project is publicly funded – but it’s not. The only public money that is being used is for the preservation of the façade – which is just a fraction of the cost since keeping the façade adds much more construction costs as it has to be constantly worked around throughout the entire development process (Personal communication, March 26, 2014).

Details of the Development Centrepont is a development that has used both SHED and TIF, as urban renewal tools. The development serves as a precedent illustrating a successful urban renewal project within Winnipeg's entertainment district. Centrepont is comprised of four developments in one. The podium of 311 Portage Avenue is comprised of five floors; the main floor hosts two restaurants – one local and one national chain. The major office tenants will be able to lease space on levels three, four and five. Funding for the podium is from Longboat and Artis REIT. The sixth floor is the location of the building mechanics. Floors seven to fifteen are the Alt Hotel; funded by The Germain Group out of Montreal. Glasshouse condominiums will stand twenty-one stories high, and will have its main entrance from Hargrave Street. The condominium development is funded by Urban Capital from Toronto. Lastly, the five and a half level parkade is located between the Alt Hotel and Glasshouse – which has been funded by a loan from the City of Winnipeg that will have to be paid back.

## Lessons Learned

When speaking with Veronica Hicks, she stated that planning professionals did not play a big role in Centrepont. This development was driven by an opportunity to purchase land from

CentreVenture, and then have the city support its development with SHED initiatives. Veronica's role at the time was Senior Development Manager at Longboat Development Corporation. She was responsible with liaising between the city and all of the financial and legal agreements and permitting processes. Veronica acted as the point in contact with architects, stakeholders, construction workers and other various parties (Personal communication, March 26, 2014).

One of the weaknesses from a planning perspective was that no community consultation was done. Even though this project is in the heart of the downtown core with very little community "feel," collaborating with members of the public can enrich the experience and educate all stakeholders.

Whatever way you wish to look at it, it's easier to develop in an area that less people care about – an area that isn't a true community with numerous residents. This is true for downtown Winnipeg, as it doesn't have a community feel due to the lack of residential options. However, with the Glasshouse development this will hopefully evolve and change during the next few years.

Veronica said that "understanding financially how this [Centrepont] happens and the limitations of getting funding are a real disconnect" (Personal communication, March 26, 2014). People don't understand that this is one of the first large-scale projects downtown Winnipeg that is all privately funded, except for



Historic Mitchell Copp facade. Image retrieved from: [http://farm8.staticflickr.com/7066/6978223089\\_c3b92571e1\\_o.jpg](http://farm8.staticflickr.com/7066/6978223089_c3b92571e1_o.jpg)

the SHED streetscaping aspect. On the flip side, it was the SHED that attracted some of the stakeholders to invest in Winnipeg because they were able to see the potential of the district. Having an entertainment district doesn't just serve as a geographical map of where development plans should occur, it shows that a City has put the time and money into planning the future of their downtown. This was the key component of getting the Centrepont stakeholders all on board for the project.

An interesting aspect to the development was with the use of TIF within the SHED. Since Glasshouse was originally within the SHED district, it was unable to receive the Residential Development Grant Program

(RGP), as this would be considered “double dipping” from both TIF and RGP. Therefore, the land that Glasshouse sits on was severed from the rest of the development and removed from the SHED in order to be eligible for the Grant Program. This grant gives developers a rebate on each unit constructed.



Mitchell Copp facade and construction underway of Centrepoint. Image retrieved from: <http://www.skyscrapercity.com/showthread.php?p=93254838>

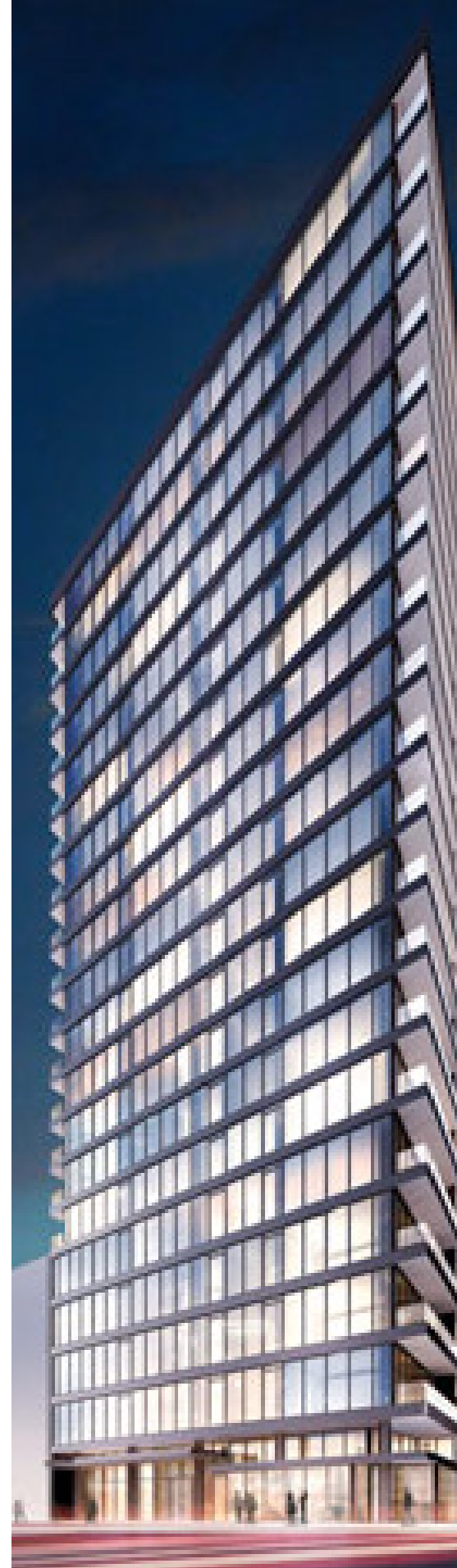
When asking Veronica what could have been done differently, she stated that “it’s a very complicated project and it’s easy to look back and say what I would have done differently. There are so many small components and it takes the right mix of these things being held together to make a project like this” (Personal communication, March 26, 2014). It would have been useful to have a planner involved sooner in the process because “it helps give a big picture between an idea that’s in discussion and shovels in the ground” (Personal Communication, March 26, 2014).

It also takes a planner who understands the process from paper to implementation – more of the tangible pieces and not just the policy aspects (Personal communication, March 26, 2014).

## Conclusion

The SHED vision is “to create a distinct and dynamic urban place that ignites downtown revitalization efforts and energizes the entire City” (Janzen, 2013). This vision is being implemented through 6 main initiatives: public realm enhancements; signage, lighting and façade improvements; safety and security; tenant recruitment and retention strategies; promotion of SHED as a destination; and connectivity within the district. Centrepoint development is anticipated to be completed later this year, with Glasshouse following close behind commencing occupancy in 2015.

Entertainment districts are a successful catalyst for growth. Winnipeg’s downtown area is geographically too large and sprawled out – that is why SHED serves such a strong role in focusing development and initiatives in one specific region. Hopefully this case in point will serve as a best practice and encourage more private and public partnerships to form and help change the face of Winnipeg’s downtown core.



Rendering of Glasshouse condominium development. Image retrieved from: <http://www.glasshousewinnipeg.com>

# Resources

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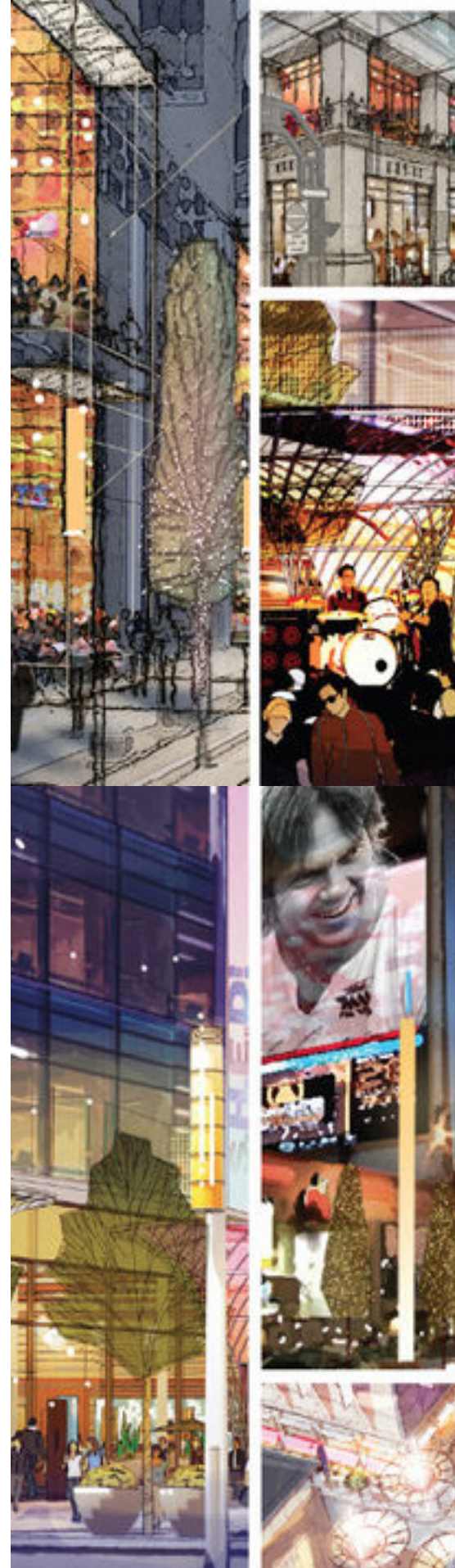
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Rendering of future developments in the SHED. Image retrieved from: <http://www.winnipegsun.com/2012/04/11/alt-tif-shed-a-ok-say-province-and-city>