



Institute of Urban Studies
THE UNIVERSITY OF WINNIPEG

UPDATE

DOWNTOWN WINNIPEG:

Developments and Investments, 2005-2015



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WINNIPEG

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DOWNTOWN WINNIPEG: *Developments and Investments, 2005-2015* UPDATE

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The Institute of Urban Studies (IUS) is an independent research arm of the University of Winnipeg. Since 1969, the IUS has been both an academic and an applied research centre, committed to examining urban development issues in a broad, non partisan manner. The Institute examines inner city, environmental, Aboriginal and community development issues. In addition to its ongoing involvement in research, IUS brings in visiting scholars, hosts workshops, seminars and conferences, and acts in partnership with other organizations in the community to effect positive change.

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Foreword:

In 2013, the Institute of Urban Studies examined the significant development occurring in Winnipeg's downtown in three separate publications: *Downtown Winnipeg: Developments and Investments 2005-2013*, the *Downtown Winnipeg Development Map*, and, *Revitalization in Downtown Winnipeg: Current Successes and Lessons Learned* (published in Plan Canada). These documents catalogued and mapped the upswing in development activity occurring in downtown Winnipeg, especially compared to the slow-growth of previous decades. These reports explored the reasons *why* development was occurring by identifying the holistic strategies and policies that have increased the downtown resident population, while also improving amenities, focusing development into critical clusters, and leveraging the capital construction investments of educational institutions.

This **UPDATE** revisits our previous downtown Winnipeg work, bringing the analysis to 2015. We have re-catalogued and mapped developments with improved information, taking note of new development planned while removing a few tentative or stalled projects. This **UPDATE** also refocuses the emphasis of the analysis, to the *Drivers of Change* in the downtown, bringing light to one additional driver — the impact of Provincial Government spending in downtown Winnipeg.

As this current work presents updates to our previous analysis of Winnipeg's downtown, it should be read in conjunction with the original documents.

Intro:

With over \$2.4 billion in major investments over the last 10 years, Winnipeg's downtown has experienced a substantive level of development, investment and overall improvement. This stands in contrast to the period of 1980-2004 when the downtown endured a sustained period of low to modest investment, with several less than successful one-off projects touted as 'saving' the downtown. What has changed? Revitalization efforts have shifted to encompass more holistic responses, with development focused strategically, while leveraging innovative 'Drivers of Growth'. This briefing underscores these changes by examining the drivers, cataloguing the changes downtown between 2005 and 2015, and gauging the impact of government interventions.

Drivers of Change:

We identify *EIGHT* important drivers of change in downtown Winnipeg:

1. **RESIDENTIAL DEVELOPMENT**; Re-focusing efforts to **increase residential development** has contributed significantly to a downtown population turnaround.
 - This was enabled in late 2004 by **changes to the Downtown Zoning Bylaw** by the City of Winnipeg. These changes made redevelopment of heritage buildings easier and faster and initiated a flurry of building conversions to condominiums and rental units.
 - Residential development has been **supported by Tax Increment Financing (TIF)**. TIF funded initiative costs are split between the City and the Provincial government with more than \$100 million invested in in three major initiatives.
 - **TIF supported housing initiatives have helped support the development of 1100 residential units** in the downtown through the Downtown Residential Development Grant Program, the Live Downtown Program, and the University of Winnipeg Commons Housing Project.
2. **POPULATION GROWTH**; Population of the downtown has rebounded from a low of 9000 people to over 16,000. This growing population is driving the physical and economic growth of the downtown. This has included supporting a stabilizing and diversifying marketplace, remaining a global welcome place for new Canadians, and contributing to the strengthening of the housing market for both rental and ownership.
3. **DOWNTOWN AMENITIES**; A focus on **improving downtown amenities**, rather than the “big retail” mall strategies of the 1970s and 80s is helping support and sustain growth. New and redeveloped entertainment/cultural/sporting facilities are helping to **bring Winnipeggers back into the downtown**, especially during the critical evening period when office workers leave. This has focused on:
 - The Sports, Hospitality and Entertainment District (SHED) – begun in 2010
 - Canadian Museum for Human Rights
 - The MTS Centre –completed in November 2004
 - Waterfront Drive – begun in 2004. Parks, hotel, restaurants, some commercial.
 - The Metropolitan Entertainment Centre – 2011
 - Convention Centre Expansion – 2016
 - Parks including the Central Park redevelopment, Old Market Square redevelopment, and the Upper Fort Garry Heritage Park
 - Sports related investments such as the Centre for Youth Excellence, the Sports for Life Centre, and the University of Winnipeg United Heath and RecPlex
 - **Two TIF funded neighbourhood development programs**, the Exchange Waterfront Neighbourhood Development Program, and the Sports, Hospitality and Entertainment District Initiative have invested \$33 million in downtown street improvements.

4. **PRIORITY SETTING; Strategically Focusing Development** that include multiple projects clustered together have had a higher impact, with particular evidence in the SHED district and the East Exchange District which both represent an important shift in this approach. The SHED has fourteen developments built or planned including three massive anchor projects, totaling well over a billion dollars, including: the Convention Centre Expansion, the Centre-Point Development, and the planned True North Development. Surrounding this core of SHED developments are further large-scale projects strengthening the area including:
- The recently announced and the Liquor and Lotteries Head office
 - Millennium Library and Park
 - Manitoba Hydro Place
 - Winnipeg Police headquarters (Canada Post Bldg.)
 - The Avenue & Hample Building Conversions
 - Residences on York (conversion of Sheraton Hotel)
 - Place Louis Riel Hotel conversion to residential
 - Proposed Sky City Development on Graham

The East Exchange has seen a focus on heritage building conversions to residential with sixteen completed residential developments and four planned including continued efforts to develop the James Ave Pumping Station with a residential component. Again, many of these developments have been supported by **TIF housing initiatives**.

5. **INVESTING IN EDUCATION; Educational institutions are emerging as catalysts for growth.** There has been a huge investment by educational institutions into the downtown, with more than \$190 million in capital investments by the University of Winnipeg, and \$35 million by Red River College. **Provincial investments are a significant component of all of these educational capital developments.** Along with this significant investment, the U of W's student population is over 11,000. Add to this number Red River College's students, and a dozen other smaller for-profit and non-profit professional schools, and the total number of students in the downtown totals over 24,000; a substantial economic force in the downtown that has more than double over the last 15 years.
6. **PROMOTING DIVERSITY; An increasing shift toward mixed-use developments is changing the character of projects.** Many of the heritage-building conversions in the Exchange include commercial spaces, and new developments are also increasingly mixed-use. The \$100 million CentrePoint development is an excellent example of a mixed-use approach and proposals for the True-North Development, the Sky-City Development, and the Forks project at Parcel Four and Rainside are also mixed-use. Mixed use projects have a greater impact on the downtown because each is bringing a diversity of uses including residential to the downtown, further strengthening the area, as well as providing a range of amenities. These developments have also benefited from TIF financing.

7. **GOVERNMENT AS TENANT:** The use of long-term leases for Provincial and Municipal Government offices has been **effective as a stabilizing mechanism** for downtown buildings, especially for heritage buildings. Developers have spoken of the strong effect such leases have. Long-term government office leases are serving as anchor tenants, allowing developers to invest in capital improvements in a building while attracting other tenants. This is an effective tool, with little cost to the government.
8. **'PARKING LOTS'; Redevelopment of surface parking lots.** Downtown Winnipeg has a high number of surface parking lots, numbering about 150, or 20% of the land area. Again, after decades of dis-investment, **redevelopment of surface parking lots** is finally occurring. In fact, seven surface lots have been developed to higher uses in the last decade, with three more currently proposed to be developed (Raiside, Parcel Four, 225 Carlton – True North). In addition to these three, the Province has proposed to develop some of its downtown surface parking lots.

The Results:

After a period of population loss in the 1990s, the downtown is again growing strongly. **Growth in the downtown between 2006 and 2011 Census was 2.8% per year... nearly double the City of Winnipeg average of 1.5% per year.** Current population growth is estimated at 2.2% per year cumulative.

- **The current population of the downtown is above 16,400 people.** Two estimates for the population are provided below:
 - Growth continuing at 2.2% per year from the 2011 Census results in a current population of 16,446 for 2015. (Institute of Urban Studies)
 - Population based on the additional housing units built since 2011 Census results in a 2015 population of 16,525. (CentreVenture & IUS)
 - In addition, strong provincial migration (topping an estimated 125,000 during the 2005-2015 period) has also contributed to a stronger housing market in the city, with many newcomers locating in the downtown and the city feeling the effects of a tighter rental market.
- Investments in the Downtown 2005-2015:
 - **126 Significant Developments** / Investments in the Downtown (Residential, Commercial, and Civic)
 - **18 New Projects** currently planned (Residential, Commercial, and Civic)
 - **Over \$2.4 Billion Invested** in downtown buildings and key infrastructure.
 - **Over \$1 Billion proposed new development**
 - More than **2500 new residential units built** or under construction (Includes some student Housing)
 - **Over 700 more residential units** in the planning stage

- **Population growth in Census Tract 0024 = 52%** (the East Exchange and surrounding area, 2006-2011)
- Commercial / Office / Retail Developed: 2.6 million sq.ft. (includes new Winnipeg Police Service Headquarters)
- Educational space developed: 500,000 sq.ft
- Museum space developed: 260,000 sq.ft.
- **New Hotels: 2; rooms 221**
- **Planned new hotel: 1, approximately 400 rooms**
- Hotels converted to rental apartments: 2 (**more than 500 units**)
- **6 New Parkades built; 2 Proposed**
- **7 surface parking lots developed**
- **3 surface parking lots proposed** to be developed (Raiside, Parcel Four, 225 Carlton – True North, plus other provincially owned lots).

Long-term initiatives by multiple levels of government are paying off. These began with the Core Area Initiatives of 1981 and 1986 (\$200 million), followed by the Winnipeg Development Agreement, the Forks Renewal Corporation, the Winnipeg Development Agreement, the North Portage Development Corporation, CentrePlan, the Downtown Winnipeg Task Force, and CentreVenture in 1999. To date, CentreVenture has assisted more than 120 projects to develop in the downtown including redeveloping 40 vacant or derelict properties. CentreVenture has leveraged more than \$700 million of private investment through their development tools.

Additionally, over the last decade Winnipeg’s economy and that of the downtown, have benefited from a number of broader trends that have strengthened and reshaped our city. Manitoba’s diversified economy has continued to grow steadily, and critically, was stable during the 2008 recession. Winnipeg’s downtown was well positioned to benefit from the resultant climate of low interest rates. **The current landscape of population growth, downtown neighbourhood improvements, a supportive regulatory environment, along with government programs supporting development, has created opportunities for developers that would not normally exist in Winnipeg. Buildings and sites previously deemed marginal are now worth investing in, and these opportunities are attracting developers from outside of the province.**

Provincial Impact in the Downtown:

Provincial investment in the downtown has been extensive and through a broad range of departments, programs, and capital investments.

- **Capital Investments in the downtown exceed \$265 million** for 2005-2015. (This figure only includes investments involving the Department of Municipal Government, and does not include spending from other departments, nor on infrastructure.)
- Provincial commitments to **TIF supported initiatives downtown exceed \$52 million.**

- Development supported for 1100 residential units in 22 projects. Additional projects are planned.
- **Five current TIF initiatives** support residential development and neighbourhood improvements.
- **Total Provincial Government investment in the downtown exceeds \$319 million.** (This figure only includes investments involving the Department of Municipal Government.)

Provincial government investments in the downtown number over 130 capital projects ranging from dozens of smaller contributions for building improvements, to multi-million dollar investments in:

- The Canadian Museum for Human Rights
- Winnipeg Convention Centre Expansion
- Peace Tower Housing
- Upper Fort Garry Heritage Park
- Sports for Life Centre, Phase I
- The United Way Building
- The University of Winnipeg, Richardson College for the Environment
- The University of Winnipeg, McFeeters Hall
- Neeginan, Phase II
- Central Park Redevelopment
- Manitoba Centennial Centre Complex
- Red River College – Paterson Global Foods (Union Bank Tower)

The province also supports **more than a dozen ongoing programs, strategies, and events**, in the downtown, including:

- Downtown BIZ – Outreach Patrol and the Portage Ave Lighting Strategy
- Graffiti Art
- Manito Ahbee Festival
- Winnipeg Convention Centre annual operations
- Manitoba Theatre Centre
- Royal Winnipeg Ballet
- The Forks River Trail – annual operations
- Plug-In Contemporary Art Gallery
- Jubilee Fund
- The Eagle Urban Transition Centre
- Standing Tall (Louis Riel Institute)
- Various research studies on development and strategies for the downtown and the Forks.

Funding for downtown primarily flows, or did flow, through the following programs and departments:

- Department of Municipal Government
- Winnipeg Regeneration Strategy (WRS)
- Building Communities Initiative (BCI)
- Urban Development Initiatives (UDI) fund
- Community Places
- Neighbourhoods Alive!
- Culture, Heritage, and Tourism (CHT)
- HOMEworks!
- Winnipeg Partnership Agreement

Conclusion

We believe that long-term incentives and investments in the downtown are indeed working -- driving development and increasing the population and attractiveness of the downtown. The investment that has occurred since 2005 is also historically significant. Reviewing historic investments in Winnipeg's downtown, it is difficult to find another period that has seen as much development as has occurred since the end of 2004. We believe that one would have to look back almost a century to Winnipeg's boom period that ended in the 1920s to find a comparable level of development. A total investment in the downtown now exceeds \$2.4 billion and more than 120 significant projects. Much of this investment has been fostered by the provincial government through direct contributions to capital projects, through partnerships with the City of Winnipeg on TIF supports, and through ongoing support for programs, initiatives, and development strategies. These development projects have also increased the number of jobs positioned in the downtown. This has been strengthened by the Provincial Government's relocation of Crown Corporations such as Manitoba Hydro and the recent announcement of the relocation of the Liquor and Lottery Headquarters to the downtown.

Combined, the development we are witnessing has contributed to a much more diverse and positive downtown experience, with a sense of activity and growth now evident. Perhaps, finally, the dramatic developments of the last decade bring together the necessary pieces for the renewal of downtown Winnipeg to truly flourish.

By the Numbers:

Largest Developments in the Downtown	in millions
Canadian Museum for Human Rights	351
Manitoba Hydro Headquarters	278
Winnipeg Police Headquarters	215
Winnipeg Convention Centre	180
Centrepoint	100
University of Winnipeg: Richardson College	67
Glasshouse Skylofts	48
Heritage Landing	45
University of Winnipeg United Health & RecPlex	40
WRHA - Main St.	35
RRC: Paterson Global Foods	35
Sky Waterfront	30
Residences on York	30
dCondo - 390 Assiniboine	27
Uwinnipeg Commons	27
Proposed	
True North	400
The Forks: Parcel Four and Rainside	200+
Fortress - Sky City	171
Manitoba Museum Expansion	160
Manitoba Liquor & Lotteries Headquarters	76