Making Nanaimo’s Waterfront Work: Exploring the Waterfront Development Corporation as a Model for Nanaimo’s South Downtown Waterfront

by

Devan Cronshaw

B.Comm (Hons) University of Manitoba, 2014

Thesis/Major Project Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Community Planning

in the Department of Community Planning, Faculty of Social Sciences

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Vancouver Island University

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Approval

Name: Devan Cronshaw
Degree: Master of Community Planning
Title: Making Nanaimo's Waterfront Work: Exploring the Waterfront Development Corporation as a Model for Nanaimo's South Downtown Waterfront

Examine Committee:

Chair: Pam Shaw
MCIP, RPP

David Witty
Supervisor
MCIP, RPP

Darren Moss
Committee Member

Date Defended: May 11, 2017

Date Approved: May 18, 2017
Ethics Statement

The author, whose name appears on the title page of this work, has obtained, for the research described in this work, human research ethics approval from the Vancouver Island University Research Ethics Board.

A copy of the application has been filed with the Research Ethics Board at Vancouver Island University and inquiries may be directed to that authority.

Vancouver Island University
Nanaimo, British Columbia

Updated Spring 2017
Abstract

Nanaimo’s South Downtown Waterfront is one of the last remaining urban waterfronts in Canada offering significant opportunity for redevelopment. It also provides the opportunity for Nanaimo to develop a cohesive and effective set of land-uses that support the needs of the downtown community. A model that has been successful for the implementation of waterfront development in other Canadian port cities is the use of a public development corporation. This project will follow up on the recommendations made by the South Downtown Waterfront Initiative in 2014 to further study the creation of a charter and a mandated public development corporation. To do so, the report will examine three waterfront development corporations in Canada. The outcome of this project includes recommendations for the creation of a development corporation to mediate the development of the South Downtown Waterfront.

Keywords: Public Development Corporation; Waterfront Development; Urban Renewal; Nanaimo; Powell River; Winnipeg.
Dedication

I dedicate this report to the memory of Doug Kalcsics. Thank you for all of your help and unique insight throughout this journey.
Acknowledgements

I would like to express gratitude to everyone who supported me in completing this report. To my supervisor, David Witty, thank you for the time and guidance you provided to ensure my success. To Pam Shaw, who created a wonderful learning environment and planning program that I was lucky to be a part of. To my peers in the MCP program who served as a sounding board and kept me company during many late nights at the studio (shout-out to T). To my family, who have endlessly supported my education. Finally, thank you to Carly, who kept me grounded through the last few months.
Table of Contents

Approval ........................................................................................................................................ ii
Ethics Statement ........................................................................................................................ iii
Abstract ......................................................................................................................................... iv
Dedication ....................................................................................................................................... v
Acknowledgements ....................................................................................................................... vi
Table of Contents ........................................................................................................................ vii
List of Tables ................................................................................................................................... ix
List of Figures ............................................................................................................................... x
List of Acronyms .......................................................................................................................... xi
Glossary ......................................................................................................................................... xii
Introductory Image ....................................................................................................................... xiv

Chapter 1. Introduction ...................................................................................................................... 1
  1.1. Study Rationale - South Downtown Waterfront & The Initiative ........................................... 5
  1.2. Intended Audience ................................................................................................................ 6
  1.3. Structure of the Report ......................................................................................................... 7

Chapter 2. Waterfront Redevelopment & the Development Corporation ........................................ 8
  2.1. History of Waterfront Development ...................................................................................... 8
  2.2. Waterfront Redevelopment: An Analysis ........................................................................... 10
  2.3. The Evolving Role of the Development Corporation .......................................................... 15

Chapter 3. Research Design ............................................................................................................. 19
  3.1. Program Evaluation .............................................................................................................. 20
  3.2. Case Studies ......................................................................................................................... 21
  3.3. Program Evaluation Framework .......................................................................................... 23

Chapter 4. CentreVenture ............................................................................................................... 25
  4.1. Context Analysis: CentreVenture ....................................................................................... 26
  4.2. CentreVenture Case Study ................................................................................................ 29

Chapter 5. The Forks North Portage Partnership .............................................................................. 39
  5.1. Context Analysis: The Forks and Downtown Winnipeg ...................................................... 40
  5.2. The Forks North Portage Partnership Case Study .............................................................. 44

Chapter 6. PRSC Partnership .......................................................................................................... 55
  6.2. PRSC Partnership Case Study ............................................................................................ 62
Chapter 7. Synthesis & Conclusion ................................................................. 70
  7.1. Synthesis .......................................................................................... 70
  7.2. Context Analysis: South Downtown Waterfront Initiative ..................... 74
  7.3. SDWI Phenomenology ....................................................................... 79
  7.4. Transferability to Nanaimo’s Downtown Waterfront ............................... 85
  7.5. Conclusion ....................................................................................... 88

References  93
Appendix A. Guiding Questions for Case Study Interviews ............................ 105
Appendix B. Guiding Questions for Phenomenological Interviews ................. 106
Appendix C. Interviewee List ....................................................................... 107
List of Tables

Table 1.1. Table of research interviewees ................................................................. 22
# List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Downtown Winnipeg</td>
<td>25</td>
</tr>
<tr>
<td>4.2</td>
<td>Population change for Winnipeg 1986-1996</td>
<td>27</td>
</tr>
<tr>
<td>4.3</td>
<td>CentreVenture 2014 operational budget</td>
<td>33</td>
</tr>
<tr>
<td>4.4</td>
<td>THE SHED in Downtown Winnipeg</td>
<td>35</td>
</tr>
<tr>
<td>5.1</td>
<td>CN’s East Yard in 1970 &amp; The Forks in 2016</td>
<td>39</td>
</tr>
<tr>
<td>4.2</td>
<td>Downtown Winnipeg with North Portage and The Forks Lands highlighted</td>
<td>44</td>
</tr>
<tr>
<td>5.3</td>
<td>Festival of Fools</td>
<td>47</td>
</tr>
<tr>
<td>5.4</td>
<td>North Portage Consolidated Financials 2015</td>
<td>49</td>
</tr>
<tr>
<td>5.5</td>
<td>Railside Development</td>
<td>51</td>
</tr>
<tr>
<td>6.1</td>
<td>Historic Townsite and mill lands</td>
<td>55</td>
</tr>
<tr>
<td>6.2</td>
<td>Tla’amin Traditional Territory, Powell River Pulp and Paper Mill</td>
<td>56</td>
</tr>
<tr>
<td>6.3</td>
<td>PRSC Lands</td>
<td>60</td>
</tr>
<tr>
<td>6.4</td>
<td>PRSC waterfront lands</td>
<td>61</td>
</tr>
<tr>
<td>6.5</td>
<td>Upper and Lower Millennium Park</td>
<td>61</td>
</tr>
<tr>
<td>6.6</td>
<td>PRSC Lands with ALR layer in yellow strips</td>
<td>66</td>
</tr>
<tr>
<td>7.1</td>
<td>Nanaimo Harbour Circa 1900</td>
<td>75</td>
</tr>
<tr>
<td>7.2</td>
<td>South Downtown Waterfront Owners and Tenants</td>
<td>77</td>
</tr>
<tr>
<td>7.3</td>
<td>Snuneymuxw traditional territory</td>
<td>81</td>
</tr>
<tr>
<td>7.4</td>
<td>Nanaimo Port Lands</td>
<td>82</td>
</tr>
</tbody>
</table>
# List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALR</td>
<td>Agricultural Land Reserve</td>
</tr>
<tr>
<td>CAI</td>
<td>Core Area Initiative</td>
</tr>
<tr>
<td>FRC</td>
<td>Forks Renewal Corporation</td>
</tr>
<tr>
<td>NPA</td>
<td>Nanaimo Port Authority</td>
</tr>
<tr>
<td>NPDC</td>
<td>North Portage Development Corporation</td>
</tr>
<tr>
<td>OCP</td>
<td>Official Community Plan</td>
</tr>
<tr>
<td>PRWDC</td>
<td>Powell River Waterfront Development Corporation</td>
</tr>
<tr>
<td>RDN</td>
<td>Regional District of Nanaimo</td>
</tr>
<tr>
<td>RFP</td>
<td>Request For Proposal</td>
</tr>
<tr>
<td>SDC</td>
<td>Sliammon Development Corporation</td>
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<tr>
<td>SDWI</td>
<td>South Downtown Waterfront Initiative</td>
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<tr>
<td>SDW</td>
<td>South Downtown Waterfront</td>
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<tr>
<td>SFN</td>
<td>Snuneymuxw First Nation</td>
</tr>
<tr>
<td>TCAC</td>
<td>Tla’amin Capital Asset Corporation</td>
</tr>
<tr>
<td>TFNP</td>
<td>The Forks North Portage</td>
</tr>
<tr>
<td>TIF</td>
<td>Tax Increment Financing</td>
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</table>
Glossary

Arms-Length
Two parties that act independently of each other; in this report Arms-Length refers to the relationship between a government and its public corporation.

City Port
A coast or shore within a city containing a harbour or point of entry.

Public Development Corporation
Not-for-profit organization incorporated to provide a service or mandate as defined by its controlling government.

Fee Simple
A permanent and absolute tenure of an estate in land.

First Nation
A group of Indigenous people recognized as an administrative unit by the federal government.

Gentrification
The redevelopment and/or renovation of deteriorated urban neighbourhoods, often raising property values and displacing low-income families and businesses.

Governance
A method or system of management.

Reserve Lands
A tract of land, the legal title to which is vested in Her Majesty, that has been set apart by Her Majesty for the use and benefit of a band.

Indigenous People
People who are descendants of the original inhabitants of what is today defined as ‘Canada’, who existed for thousands of years before European colonization.

Land Lease
An agreement which permits the tenant to use a piece of land owned by the landlord in exchange for rent payments.

Métis
The history, events, leaders, territories, language, and culture associated with the growth of the buffalo hunting and trading people of the northern Plains.

Official Community Plan
A local government bylaw that provides objectives and policies to guide decisions on planning and land-use management.

Public-Private Partnership
A contractual arrangement between a public agency and a private sector entity.

Request For Proposal
A document which solicits proposals, through a bidding process, by agencies interested in procurement relating to a project.

Tri-Government
The practice of involving three governments (local, provincial/state, federal) in a public program or initiative.

Urban Decay
A process whereby a previously functioning city, or urban area, falls into disrepair.
Urban Renewal

The redevelopment of areas within a city; a response to urban decay.

Waterfront Redevelopment

The improvement of urban waterfronts designed to set them free from transportation barriers, blight, and dumps to realize their economic, social, and environmental values.
Introductory Image

Nanaimo’s South Downtown Waterfront (SDWI, 2013a)
Chapter 1. Introduction

Nanaimo’s waterfront is a defining feature of the city – located in the heart of the downtown area, spanning Departure Bay in the north to the Snuneymuxw First Nation (SFN) reserve lands in the south. While some of the central waterfront has been developed with public access in mind, the area extending from Cameron Island southward is largely inaccessible to the public. This area is called the Nanaimo South Downtown Waterfront (“the Lands”), shown in the introductory image, and was the subject of the South Downtown Waterfront Initiative (“the Initiative”) visioning process.

The lands now known as the Nanaimo South Downtown Waterfront, have been an important resource and cultural area for the Snuneymuxw people for thousands of years and remain within their traditional. The arrival of the Spanish in 1792, was the first documented contact with Europeans (Snuneymuxw First Nation, 2013a). Rich coal deposits drew ships to the port during the 19th century, which led to the Crown and Snuneymuxw entering into the Treaty of 1854. Under the terms of the Treaty, the Lands became the property of the Crown Colony of Vancouver Island. In exchange, the Snuneymuxw retained their village sites, including xwsa'luxw'ul, which is located under what is now Port Place Mall (Chadwick, 2015).

The Lands also played an important role as a ship-building harbour during 20th century wartime, and a transportation hub for commodities. More recently, it has hosted several uses including a lumber mill, a seaplane terminal, and cargo/commuter ferry terminals.
Three governments currently occupy and have legal title to portions of the Lands: The City of Nanaimo (“City”), the Nanaimo Port Authority (“Port Authority”), and the Snuneymuxw First Nation (SDWI, 2013a). In recognition of the history and evolution of the Lands, the City purchased the Wellcox Yard property located on site in 2013 (see Figure 1.1), which is approximately 25 acres in the working harbour. The NPA owned and operated portion of the site includes the 37-acre Nanaimo Assembly Wharf, consisting of storage and warehouses, a mill, a dry dock and three deep sea berths located on the easternmost portion of the site (see Figure 1.2). The Snuneymuxw people have a connection to the entire site, and the Nation has Treaty Rights related to the southernmost portion of the site, which boarder the Nation’s Nanaimo Town No. 1 reserve.

Figure 1.1. Wellcox Yard located on the SDW lands

Note. (Taylor, 2017)
The Province of BC also owns a small section of the northernmost portion of the site, through BC Ferries, and operates a ferry service to Gabriola Island. The province will inevitably be involved in the negotiation process for the future development of the SDW lands, but for the purposes of this report is considered a tertiary stakeholder based on information contained in the Initiative’s visioning and technical reports. Finally, there are a number of leases on the City owned portion of the site and Island Corridor Foundation holds a right-of-way on the southwest portion that includes the Wellcox Railyard (SDWI, 2013a).
Figure 1.2. SDW Lands, Owners and Tenants

Note. (SDWI, 2013a)
1.1. Study Rationale - South Downtown Waterfront & The Initiative

After the City’s purchase of 25 acres of Wellcox Yard, the Initiative was commissioned by the City. Its purpose was to connect the owner/stakeholders on site and within the community, with the mandate to “provide guiding principles and an overall vision” to the future of the site (SDWI, 2013b). In April 2013, a variety of stakeholder groups came together to form the Initiative’s steering committee (“the Committee”). The Committee includes representation from the NPA, the Downtown Nanaimo Business Improvement Association (DNBIA), the Nanaimo Economic Development Corporation (NEDC), the South End Community Association (SECA), the Nanaimo Advisory Planning Committee (NAPC), Vancouver Island University (VIU), the Regional District of Nanaimo (RDN), and two community at-large members.

After a series of consultative workshops, the Initiative established five action-oriented guiding principles outlined in the Vision & Guiding Principles report (“Vision report”). The guiding principles are fivefold: connectivity, the working harbour, ecological stewardship, land use, and culture and social matters. An overarching vision was also established:

The harbour and waterfront must be seen as integral pieces of the urban fabric of Nanaimo. The end goal must be one that creates a community of communities, whether they be industrial, mixed use, open space and parks, residential, and/or transportation oriented. The final outcome of future activity should present a sense of place, with a well-articulated and well-integrated land use pattern that encourages and promotes complementary uses. Land use boundaries should be more about defining complementary edges and blending, than separating different uses (SDWI, 2013b).

In addition, and most notably for this paper, the Vision report recommended further study of the creation of a charter and the use of a mandated public development corporation to manage the development of the Lands in accordance with the vision and guiding principles. The Vision report was endorsed by the Mayor and Council of the City, and implementation planned in 2014.
Ultimately, the committee determined that the competing interests of the three government owners were irreconcilable and the task to bring them together was outside the Initiatives scope (Witty, 2015).

To solve the major issues involved with potential development of the Lands, a policy and governance structure should be established which fairly represents the interests of the three government owners. These issues include, but are not limited to ownership, capital funding, environmental mitigation due to past industrial land use on site, perpetual rights-of-way. To date, there has been limited success in generating meaningful dialogue between site owners and a solution must include a partnership between these parties to foster successful development of the site.

This paper will build on the recommendation made in the Vision report, and further study the use of a mandated public development corporation to manage the development of the South Downtown Waterfront lands. Specifically, it will examine three waterfront development corporations in Canada: CentreVenture and the Forks-North Portage Partnership in Winnipeg, and the PRSC Partnership in Powell River, and provide five recommendations to guide a future development corporation. My specific research hypothesis is as follows: A development corporation can provide an appropriate mechanism to support the successful redevelopment of the South Downtown Waterfront lands consistent with the vision set out by the South Downtown Waterfront Initiative Visioning and Guiding Principles report.

1.2. Intended Audience

The target audience of this project includes the three government owners of the Lands: The City of Nanaimo, the Nanaimo Port Authority, and Snuneymuxw First Nation. In addition, this
report will serve as a reference document for the community of Nanaimo and future waterfront redevelopment elsewhere in BC and Canada.

1.3. Structure of the Report

Chapter Two documents the history of waterfront development and outlines the evolution of development corporations as a response. Chapter Three introduces the research methodology for this project, including research questions. Chapters Four, Five, and Six present the three case studies and associated research. Chapter seven will synthesize the research undertaken in this project, present recommendations, and conclude the paper.
Chapter 2. Waterfront Redevelopment & the Development Corporation

2.1. History of Waterfront Development

According to Hoyle et al. (1988), there exists five stages in the evolution of the urban waterfront, or the city-port, since 600 BC. First, the primitive city-port of medieval time refers to commercial ports in the core of coastal Italian settlements which allowed for maximum interdependence bringing shipments of product in from distant lands. Second, the Industrial Revolution of the 19th century brought an increase in land requirements for port lands leading to the second phase in city-port evolution, the expanding city-port. This was followed by the modern industrial city-port of the mid-20th century which saw the distance between ports and cities increase with the existence of crude oil refineries. Fourth, a retreat from the waterfront occurred which reflected the complete overtaking of port facilities by ship operation and cargo handling.

As the port moved further away from city centres, port activity became increasingly automated and demand for labour decreased. This trend can be attributed to globalization and the integration of new technologies (Tweedale, 1994). This is consistent to the Hecksher-Ohlin hypothesis, stating that industries which require intensive use of labor are optimally located towards city centres while capital-intensive uses are better suited for suburban locations (Norcliffe, 1981).

The fifth and current evolution of city ports is the redevelopment of the waterfront. The issues associated with the abandonment of the waterfront in previous phases has necessitated waterfront revitalization efforts on a massive scale from the 1960s to the 1990s. Subsequently,
there has been a renewed competition for redevelopment of geographically advantageous waterfront land across the world.

<table>
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<tr>
<th>Stage</th>
<th>Symbol</th>
<th>Period</th>
<th>Characteristics</th>
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<tbody>
<tr>
<td>I  Primitive cityport</td>
<td>○</td>
<td>Ancient-medieval</td>
<td>Close spatial and functional association between city and port</td>
</tr>
<tr>
<td></td>
<td></td>
<td>to 19th century</td>
<td></td>
</tr>
<tr>
<td>II Expanding cityport</td>
<td>○</td>
<td>19th-early 20th</td>
<td>Rapid commercial and industrial growth forces port to develop beyond city confines, with linear quays and break-bulk industries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>century</td>
<td></td>
</tr>
<tr>
<td>III Modern industrial</td>
<td>○</td>
<td>mid-20th century</td>
<td>Industrial growth (especially oil refining) and introduction of containers and ro-ro facilities require separation and increased space</td>
</tr>
<tr>
<td>cityport</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV Retreat from the</td>
<td>○</td>
<td>1960s-1980s</td>
<td>Changes in maritime technology induce growth of separate maritime industrial development areas</td>
</tr>
<tr>
<td>waterfront</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V  Redevelopment of the</td>
<td>○</td>
<td>1970s-1990s</td>
<td>Large-scale modern port consumes large areas of land and water-space; urban renewal of original core</td>
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<td>waterfront</td>
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Figure 2.1. Stages in the evolution of the Port-City

*Note.* (Hoyle et al., 1988)

North American Context

Port activities have been fundamental to the urban history in North America more than any other continent, attributed to the initial settlement and exploitation of this 'new world' (Tunbridge, 1994). As Luo (2002) points out, the early establishment of North American cities, including Boston, Newport, New York, Philadelphia, and Baltimore, was centered around a safe and well-located port which served as the main link between Europe and North America. The subsequent invention of the railway allowed cities to spread to land previously unreachable by waterways thus decreasing dependency on the city-port. The importance of the urban waterfront grew less as rail use diminished, in many cities, to the point of abandonment.
Bunce and Desfor (2007) offer a similar opinion, citing the 1970s and 1980s as a time in which many North American port-cities reported decaying waterfronts which “became the subject of much concern among urban residents and local, regional and national governments.” In response, there has been an effort to return waterfront land to public use, while integrating it into the larger community. Redevelopment efforts have focused on a wide range of land uses including commercial, residential, and recreational and public-service facilities (Tunbridge, 1994). This recreation-oriented mix of uses is described as a ‘festival market’ style and is often complemented by public services such as transportation and related infrastructure (i.e. ferries and cruise ships).

For this paper, the term waterfront redevelopment is taken from Luo (2002) meaning the improvement of urban waterfronts designed to set them free from transportation barriers, blight, and dumps to realize their economic, social, and environmental values.

2.2. Waterfront Redevelopment: An Analysis

The following section provides a SWOT analysis of waterfront redevelopment highlighting the Strengths, Weaknesses, Opportunities, and Threats associated with contemporary renewal efforts.

Strengths

Economically, waterfront lands often encompass the most valuable land in a community thus the opportunity for redevelopment comes with great potential benefit but also carries significant cost. Ideally, redevelopment will establish a cohesive set of land-uses so that the initial investment by local government can be paid back through dividends delivered to the community while limiting long-term financial burden to the public. Therefore, urban renewal is generally
initiated by large publicly funded ‘catalyst’ projects with the intent of attracting a greater investment from the private sector. Church (1994) provides the example of the London Docklands Development Corporation (LDDC) and its ability to achieve a redevelopment investment of 1.2 billion euros from the private sector over a five-year period. This type of investment potential is a common reason for why revitalization efforts are undertaken through public investment.

Revitalization projects on the waterfront have both direct and indirect economic benefit to a community. Direct impacts of waterfront revitalization include employment and associated economic activity. Noon et al. (2000) includes national assessment research completed by Robson et al. (1994), positing that revitalization projects in 1980s Britain improved unemployment and social deprivation as well as retention of several age groups. Conversely, indirect benefits include trickle-down from economic activity on the waterfront or port, including residential and tourism-based commercial uses (Tunbridge, 1994). These uses have the potential to draw significant tourism revenue into the community and often include the communities most sought-after public spaces.

Waterfront redevelopment can have a significant impact on the image and social equity of a community, often taking advantage of natural resources and green space in urban areas (Sairinen, 2006). Waterfront redevelopment also integrates economies in a ‘hub’ location and can help cities achieve a closer linkage with new growth sectors, including the emerging knowledge-based global marketplace (Clark, 1994).

Redeveloped Canadian city-ports have become social hubs for their communities. Examples include the Forks in Winnipeg, Granville Island in Vancouver, and waterfront development projects in Halifax, St. John, and Toronto.
Weaknesses

As previously mentioned, the 1970s and 80s brought significant change to urban waterfronts as spatial requirements of ports increased substantially and labour requirements decreased (Hayuth, 1994). A consequence of this included a work shortage and subsequent labour unrest in many coastal cities across the world. This resulted in a reassessment and subsequent redesign of the locational requirements for ports, the purpose to create better living environments and provide an economic stimulus (Hoyle, 1994). Critics of waterfront redevelopment assert that the renewal programs are exclusively physical responses to urban decay and rarely address the social processes that caused the original problem (Tweedale, 1994).

The implementation of waterfront redevelopment is often plagued by “developer clichés”, the emergence of an arbitrary set of desirable land uses based on commercial interests and familiar to waterfront redevelopment projects internationally (Clark, 1994). As Tweedale (1994) points out, “the result of these development pressures is the typical dockland redevelopment compromise – with some local variation – new houses for sale, warehouses converted into luxury apartments, retail units, offices, factory units, and leisure facilities” (p. 190).

The above together with the curbing of public expenditures since the 1980s, has caused economic viability to replace public need as the main assessment for waterfront redevelopment proposals. Success is determined based on physical achievements, such as the creation of jobs, new housing stock, profit, and increased land values. This assessment does not weight the possibility that growth will lead to gentrification and economic displacement, which perpetuates social inequalities in these communities.

In addition, waterfront redevelopment projects can take 20 to 50 years to reach completion, as seen in ongoing projects in Toronto, Halifax, and Winnipeg. These projects can
experience problems associated with long-term political management, community relations, and financial burdens of owning and operating assets over the long-term, should they continue to be owned publicly (Gordon, 1997).

**Opportunities**

It is recognized that urban waterfronts provide a strong catalyst for successful urban renewal. Their locational advantage offers the opportunity to integrate and connect land uses while improving the ecological structure of the community. This includes a more cohesive set of land uses, a more intriguing public realm, and socio-economic benefits from tourism investment.

With this knowledge, a political focus toward urban renewal began in the 1950s in the United States, and in Canada shortly thereafter resulting in funding partnerships between local, federal, and state/provincial governments. These partnerships allowed cities to take advantage of large pools of public resources for waterfront redevelopment. An example of this is the City of Boston who leveraged millions of dollars in federal grant funding in the 1970s, through the Boston Redevelopment Authority, to redevelop Charlestown Navy Yard and spur inner-city revitalization at a large scale (Tunbridge, 1994).

Waterfronts are again becoming the hub for the community, and waterfront renewal projects have become a city’s value proposition to potential residents and investors (Klein et al., 2015). Harvey (1989) echoes this by describing the new urban agenda to include more than just managing development but the active pursuit of investments and publicity to remain relevant in inter-urban competition. Interdependency and partnerships between government and community partners continues to be essential for successful local economic development (HRM, 2005).

Private sector partners also play an important role, as technological innovation continues to shape our urban environments. Social media, the sharing economy, and the emergence of a
“creative class”, coined by Richard Florida, have become a means to influence popular opinion (Schell, 2014) which drives corporate investment to these spaces. The potential to attract new waves of affluent, young, and economically productive immigrants has, in Florida’s view, become the veritable post-industrial form of social organization. The Halifax waterfront redevelopment is an example of a project that has embraced this approach by prioritizing land-uses that marries arts and culture and a creative mix of uses focused on economic growth (Grant et al., 2008).

Threats

The renewed importance of these lands to the urban fabric of a city means that it is embedded with myriad of external threats. Gordon (1997) discusses several political issues rooted in contemporary waterfront redevelopment projects. First, the start-up phase of these projects is often characterized by the struggle to control the future use of the site which makes it difficult for government partners to manage control and risk of the project.

Second, managing changes in political leadership makes the long-term implementation of these projects difficult as interests may change, and funding reduced or completely eliminated. Success also requires a strong vision and leadership by local government representatives, as Mayor and Council have the power to drive or destroy any city-funded program or project. Managing relations with local governments can be especially challenging in smaller communities and within First Nation communities, where conflicts in political and societal worldviews can be enhanced. Finally, the potential for residents to change or stop development plans cannot be underestimated and has occurred infamously in past projects such as Battery Park in Boston and the Toronto Harbour revitalization.

The sheer scale and magnitude of waterfront redevelopment projects has resulted in the contemporary urban “mega-project” (Lehrer & Laidley, 2008). The mega-project is characterized
by spectacular construction which serves to “turn abandoned waterfront sites into thriving areas attracting global capital” (p. 787). Flyvbjerg (2005) claims that these projects can only be considered successes using the “Machiavellian formula” which underestimates costs, overestimates revenues, undervalues environmental impact, and overvalues economic development effects, or the creation of great things through cunning deceit.

In response, there has been a heightened movement to a conservationists’ approach focused on the sustainable social re-production of nature on waterfront lands (Bunce & Desfor, 2007). Social and environmental assessments, while positive for the long-term sustainability of communities, come at the expense of these projects and may include soil and ground water remediation and hazardous materials abatement.

2.3. The Evolving Role of the Development Corporation

Large scale urban renewal cannot be completed effectively through a series of ad hoc, piecemeal projects. Redevelopment of this scale must be taken up through a strategic framework that creates connection and meaning between issues of a variety of owners and stakeholders (Carter, 2000). The development corporation is a political mechanism used to manage the threats and capitalize on the opportunities redevelopment of waterfront lands presents by fostering multi-governmental cooperation and investment.

The waterfront redevelopment in Toronto – one of the largest waterfront redevelopments in Canada spanning 30 years and $17 billion in costs – is currently being completed through Toronto Waterfront the development corporation responsible for the Toronto waterfront redevelopment (Lehrer & Laidley, 2008). The Toronto Waterfront Revitalization Task Force summarized the need for a waterfront development corporation:
The conclusion is that once the consultative process is completed and the public policy objectives established, the management of the revitalization of the Toronto waterfront must ultimately be consolidated within one entity. By necessity, that entity must be a Corporation with its own legal persona, with an ability to acquire, hold and dispose of property, raise financing and be a party to transactions and legal proceedings in its own name. The corporation must have effective control of the development of all waterfront lands, implementing a previously agreed overall plan (2000, p. 61).

There are several examples of waterfront development corporations in Canada, using a variety of frameworks. Generally, development corporations are controlled and financed by one or more levels of government (federal, provincial, municipal, and/or First Nation), include community partnerships, and are heavily reliant on the private sector. Private sector partners are essential because of the large capital investment required and capacity needed for land development.

Bao (2007) provides a succinct list of the core roles that waterfront development corporations must play to be effective:

- Having a Capable Delivery Mechanism
- Keeping Good Relationship with Governments
- Building Consensus and Coalition with Local Groups
- Having Capacity of Being Flexible
- Choosing Suitable Projects and Developers
- Building Up Credibility by Incremental Efforts
- Effective Financial Tools on Finding Public Capital

For this paper, three existing frameworks of waterfront development corporations are examined: municipal arms-length, tri-government (tripartite), and multi-government (First Nation-local government). The above frameworks have demonstrated success overcoming threats associated with waterfronts redevelopment projects as outlined in the threats section above.
The municipal arms-length framework is a legally separate organization, created and governed by local government, with the purpose of solving a community need that cannot be otherwise fulfilled by government (Bao, 2007). Municipal arms-length corporations are generally operated by a Board of Directors made up of various members of public and private sector representatives within the area it serves, including politicians, community members, and local business owners. They may be given an initial public investment and operate under a variety of mandates and structures, completing a variety of projects based upon their bylaws including waterfront redevelopment.

For example, CentreVenture, which is an arms-length organization established by the City of Winnipeg, has a mandate to “lead and encourage business investment and development downtown, and to enhance the use of heritage buildings and land in the downtown area” (CentreVenture, 1999, p.1). CentreVenture has completed dozens of projects in Winnipeg including a major revitalization project along waterfront drive on the Winnipeg River in 2004 (Bao, 2007). Another example of slight variation is Granville Island in Vancouver, which was funded and developed using a federal arms-length organization of the Canadian Mortgage and Housing Commission (Canadian Housing and Mortgage Corporation, 2016). Although major differences exist between federal and municipal development corporations, this single-entity framework has been successful at delivering development on waterfront lands.

In contrast, tri-government agreements generally include a partnership between the three levels of government: local, provincial, and federal. The strength of this framework is the ability to bring the authority and resources of all three governments into a single entity (Eidelman, 2013). There are many examples of this framework in Canada including, The Forks North Portage Partnership in Winnipeg, Waterfront Halifax, and Waterfront Toronto. These corporations are
granted the authority to plan and manage the redevelopment of waterfront land and may be financed through several mechanisms or programs.

Multi-governmental development corporations, specifically development agreements between Indigenous communities and local governments, are emerging as an effective framework for development of waterfront land, especially in British Columbia. Indigenous communities commonly use development corporations to create new economic opportunities and as catalysts for development partnerships with proximal communities and senior governments. Examples include the Tsawwassen First Nation Economic Development Corporation, the Musqueam Capital Corporation, and Tla’amin Capital Asset Corporation.

Per Anderson (1997), First Nation development priorities are collective and rooted in an interdependent worldview and include the attainment of economic self-sufficiency, improvement of socio-economic circumstances, and preservation and strengthening of traditional cultures, values, and languages. Local governments must understand and adopt strategies that are sensitive to First Nations’ traditions and culture, in addition to preferred systems of community planning and development. This remains an enormous challenge due to the historical oppression and ongoing discrimination of First Nations, colonial power structures, and ongoing treaty negotiations (Browne, 2004).

The analytical framework for this project is based on the relation between two concepts: the partisan nature of waterfront redevelopment and the waterfront development corporation as a response. It is understood that in order to enhance the effectiveness of waterfront redevelopment efforts, an understanding of the strengths and weaknesses of various development corporation frameworks to govern, finance, and implement these efforts is crucial.
Chapter 3. Research Design

Governance is a key determinant for urban waterfront redevelopment programs. Although several governance models exist, almost all can be categorized as either municipal arms-length, tri-government (tripartite), or multi-government (between a local government and a First Nation). The three primary models reflect the range of government actors that may be involved in the program. In consideration of the three governance structures to waterfront redevelopment, the following question guides this research: What are the strengths and weaknesses of municipal arms-length, multi-government, and tri-government approaches to waterfront redevelopment and what recommendations can be applied to the South Downtown Waterfront in Nanaimo?

Chapters 4 through 6 use a program evaluation technique to assess each of the three approaches to waterfront redevelopment, highlighted by three existing development corporation examples. Through qualitative case studies, the report compares CentreVenture, a municipal arms-length approach, the Forks-North Portage Partnership, a tri-government approach, and the PRSC Partnership, a multi-government approach. Each case study begins with a context analysis outlining the history of the corporation and precluded economic condition, how and why the program was initiated, and considers other local factors. Each case study concludes with the program evaluation for the development corporation as a response to the need for redevelopment.

A variation of the program evaluation technique is used to analyze and present the phenomenological research completed by the South Downtown Waterfront Initiative in Nanaimo. This analysis is not meant to be as comprehensive as the case studies, but to provide context of the Lands in preparation of the recommendations made in this paper.
3.1. Program Evaluation

Posavac (1992) divides the program evaluation approach into four components: need, process, outcome, and efficiency. Program evaluation is effective because of its flexibility in analyzing case examples contextually while offering relevance to economic and land-use development (Nevajda, 2013). Nevajda (2013) provides a useful adaptation of Posavac's framework, which is utilized in this report.

1. Need: Is the need for a program identified?
2. Process: Is the program implemented as designed?
3. Outcome: Is the program successful at addressing the need?
4. Efficiency: Is the impact of the program achieved at an acceptable cost?

It is important to note that according to Posavac, there is a logical sequence of the evaluation questions, although not all four questions are required. For this paper, the first three questions will be used to evaluate each case study. The research questions that guide the program evaluation stages are:

1. Need: Does the corporation understand the needs of stakeholders and how does the structure affect this understanding?
2. Process: What services does the corporation provide and how does it respond to the needs of its stakeholders?
3. Outcome: How do the services operate and to what degree is the value of the services impacted by the structure of the program?
3.2. Case Studies

Case studies are a popular research design for social science because they give the researcher the ability to gather qualitative data in complex environments (Creswell, 2013). The immense geographical and social differences in the separate cases make this method particularly useful. Creswell (2013) states,

Case studies are a design of inquiry found in many fields, especially evaluation, in which the researcher develops an in-depth analysis of a case, often a program, event, activity, process, or one or more individuals. (p. 43)

Phenomenology

Phenomenological research will inform a context analysis of the Lands and the work the Initiative undertook in Nanaimo. Interviews were conducted with members of the Initiative that were involved in the 2013 visioning and guiding principles process. Secondary data will be used to understand the present and short-term future context of the Lands. Ultimately, this research will be used in combination with the case studies to answer the primary research of this question as stated previously, “…what lessons can be applied to the South Downtown Waterfront in Nanaimo?”

Interviews

Semi-structured interviews were conducted for both case study and phenomenological research. The interviews took place over the course of four months, beginning in September 2016. All interviews were completed in person with the researcher recording and transcribing the findings. Each participant was given the opportunity to review and edit their transcribed interview.
Individuals were also given the option of confidentiality in terms of their name, title, and organization.

Three groups of participants were interviewed for the case study research. Alumni staff members of the three existing development corporations, CentreVenture, the PRSC Partnership, and the Forks-North Portage Partnership were the participants of the first group. This group was comprised of informants who were involved in the creation and early start-up phases of the corporations. The second group consists of staff involved in the development corporation at the time this research took place. Interviewing members of both groups was necessary to get a holistic understanding of implementation and operation of a waterfront development corporation over the long-term.

The third group of informants includes government staff and private partners of the three existing development corporations, which served to represent the variety of partners associated with these organizations. Members from these informant groups were contacted through the assistance of the project supervisor and a snowball technique was used to determine the most relevant interviewees. Two of those groups, corporation staff and government staff & private partners, were consulted in the phenomenological research portion.

**Table 1.1. Table of research interviewees**

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Number interviewed</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Case Study</td>
<td>Phenomenology</td>
</tr>
<tr>
<td></td>
<td>Forks-North Portage</td>
<td>PRSC</td>
</tr>
<tr>
<td>Corporation Alumni</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Corporation Staff</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Government Staff &amp; Private Partners</td>
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<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
3.3. Program Evaluation Framework

Context Analysis

Each of the three program evaluations is preceded by a context analysis which outlines the local context relevant to the governance and administration of the program. Three questions guide this section:

1. What is the history of the site/case study area?
2. What relevant economic programs/policies were involved in the creation of the corporation?
3. What do plans say about the corporation?

Secondary research is the primary research method utilized to answer these questions.

Needs

The program need, or how well the program is responding to the need identified in the community context, is assessed through three questions:

1. Who are targeted recipients of the program’s services?
2. What services does the program provide?
3. Are the offered services relevant given the needs identified?

Semi-structured interviews with past and current program staff, in addition to local planning staff, and private partners will be the primary research method utilized to answer these questions, in addition to existing literature where appropriate (Nevajda, 2013).

Process

The program process, or how the services provided by the program are managed and delivered, is addressed through three questions:
1. **What resources are available to the program to deliver its services?**

2. **Who comprises the program’s support network?**

3. **What constraints or advantages does the program face in achieving its mission?**

Semi-structured Interviews were undertaken to answer these questions, and were completed with corporation alumni, corporation staff, and government staff.

**Impacts**

The program impact, or the qualitative impact of the program on the community, is examined through two questions:

1. **How is the program perceived within the waterfront development and the broader community?**

2. **What are the program’s major successes and/or failures?**

Semi-structured interviews with corporation staff, and government staff and private partners, inform the answers to these questions.
Chapter 4. CentreVenture

Winnipeg is the capital city of Manitoba and has a population of 705,000 as of the 2016 census (StatsCan, 2016). Winnipeg has been an important centre for the country’s expansion west. Nicknamed “the gateway to the west”, it served as a major railway connection and harboured thousands of immigrants during the pre- and post-war era. After decades of economic and social depression, the downtown core of Winnipeg participated in several urban renewal programs during the height of public revitalization efforts and investment in the 1970s-80s. This included the construction of projects such as the Manitoba Centennial Concert Hall in 1967, the Winnipeg Convention Centre Complex in 1975, and the Trizac Development and concourse (Bao, 2007). During this time, several agencies were created through government partnerships such as The North Portage Development Corporation and Forks Renewal Corporation (which are the focus of a later case study), Downtown Winnipeg, and Exchange District BIZ. In addition, policy documents of the day, including Downtown Winnipeg Plan in 1969 and the CentrePlan in 1994, called for an even greater investment in the downtown core.

Figure 4.1. Downtown Winnipeg

Note. (IUS, 2013)
4.1. Context Analysis: CentureVenture

Upon its enactment in 1994, CentrePlan was the guiding policy document for planning and development in downtown Winnipeg and the CentrePlan Development Framework report, a subsidiary document of CentrePlan, included recommendations from which the CentreVenture Development Corporation (CVDC) grew. The vision outlined in the development framework was to “plan, develop, operate and manage the downtown as a single & special entity” (CentrePlan, 1999).

Established as an arms-length organization of the City of Winnipeg, CentreVenture is a valuable case study because it has been successful in achieving its mandate, which was to leverage limited public funding to generate exponential private investment in downtown Winnipeg. Since its inception in 1999, CentreVenture has been renewed several times (three-year renewal cycle) and it has generated over $2 billion in private sector investment in downtown Winnipeg (IUS, 2013) resulting in projects with a total of over $300 million in incremental property assessment value (CVDC, 2016). CentreVenture has been involved in downtown projects such as the MTS Centre, the Manitoba Hydro tower along Portage Avenue, Red River College Princess Street Campus, and a plethora of housing projects (Bao, 2007; CVDC, 2016).

The first half of this section provides a context analysis of downtown Winnipeg and describes the policy context and process leading up to the creation of CentreVenture as a response to the depression of Winnipeg’s core. The second half outlines the three-stage program evaluation of the corporation.
What is the history of the site?

Winnipeg’s downtown has historically been its economic and cultural core, driven primarily by manufacturing and service sectors (Layne, 2000). After the railway was completed to extend across Canada, Winnipeg was referred to as “the gateway to the west” as it hosted the primary rail access point to the western half of the country, through a station at the corner of Main Street and Broadway Avenue.

After World War II, the downtown core began to regress in population and become an area of economic and urban blight. Although urban decay was not uncommon for Canadian cities post-war, the late 1980s saw unprecedented growth in most other Canadian cities while Winnipeg reflected a condition of no growth (Layne, 2000). Statistics Canada data from 1986-1996 indicates that the population in Winnipeg’s inner city declined by over 6500, with a modest population growth downtown, during that time (see Figure 4.2). Additionally, during the first half of the 1980s, incidents of poverty within the inner city of Winnipeg were five times higher than the city average (Winnipeg Core Area Initiative, 1992).

Figure 4.2. Population change for Winnipeg 1986-1996

Note. (Layne, 2000)
With the creation of Unicity in 1972, Winnipeg became the first major Canadian city to have a singular administration for the entirety of its metropolitan region (Layne, 2000). This created a political climate ripe for cooperative investment and policy aimed at urban renewal for the city’s core. This culminated in the creation of Economic Development Winnipeg (EDW) and the policy visioning document for Downtown Winnipeg, CentrePlan.

What relevant economic programs/policies were involved in the creation of the corporation?

Created in 1994, CentrePlan articulated the vision and action plan for the future development of downtown Winnipeg and included several short-term commitments made by the City and its partners (City of Winnipeg, 1994). This document was the result of efforts made by dozens of downtown businesses and community groups and built the foundation for various other plans and projects for downtown Winnipeg since. An extension of the CentrePlan document was the CentrePlan Development Framework, created in 1999 by the Downtown Winnipeg Task Force, which forwarded recommendations to solve the social and economic issues the downtown faced (Bao, 2007).

The framework’s recommendation was for “...a sustainable Downtown Development Authority... to provide leadership in the planning, development, coordination, and implementation of projects and activities in the downtown” (City of Winnipeg, 1999b). In May 1999, The City of Winnipeg responded to this recommendation and created CentreVenture, a municipal owned arms-length organization with resources and authority to revitalize the downtown (CMHC, 2003).

CentreVenture was created with two separate functions, firstly, a business development function to leverage private sector investment in the downtown and, secondly, a historic redevelopment function to encourage public and private redevelopment of historic buildings in the downtown (City of Winnipeg, 1999b).
What do plans say about the corporation?

CentreVenture is required to report annually to both the Executive Policy Committee and City Council (Bao, 2007). The bylaw states that the Board of Directors must include the Mayor as honorary chair and 7 internally appointed Board members, with the Board appointing a CEO (City of Winnipeg, 1999b). The City of Winnipeg provided seed funding of $3 million toward the creation of the Urban Development Bank and transferred City-owned downtown properties to CentreVenture (City of Winnipeg, 2002). The corporation is jointly responsible, with the City of Winnipeg, for the Heritage Tax Credit program and the Capital Grants Initiatives. After five years of operation, CentreVenture had stimulated $25 million in private investment (CMHC, 2003).

In 2003, the new City of Winnipeg charter replaced the Winnipeg Act of 1972. This gave the City of Winnipeg the authority to set up tax incremental financing (TIF) which allowed the use of financing tools to stimulate housing development (Bao, 2007). This came along with a renewed investment of $7 million by the City of Winnipeg. As of 2015, CentreVenture had leveraged over $2 billion in private sector investment downtown and its development projects have an incremental property assessment value of over $300 million which generates $4.7 million in incremental property taxes for the City of Winnipeg annually (CVDC, 2016). With the construction of the $400 million True North Square project starting in 2017, CentreVenture continues to contribute dramatically to downtown Winnipeg (Moncrieff, 2015; Schroeder, 2015).

4.2. CentreVenture Case Study

According to former Mayor Sam Katz, “Since its creation in 1999, CentreVenture has been at the forefront of efforts to create an economic, social, and environmental framework to sustain the revitalization of downtown neighbourhoods, business districts, parks and public destinations,
including our wonderful waterfront” (CVDC, 2009). CentreVenture was designed to take an initial capital and land investment by the City of Winnipeg to expropriate and develop public land downtown through private partnership. It represented a public intervention into the private development market, which was then focused on greenfield development. The corporation took advantage of the self-appointing nature of the Board of Directors to assemble a Board of local entrepreneurs and community leaders (Ross McGowan, personal communications, August 30, 2016).

More recently, the corporation has struggled to maintain autonomy due to a change in local leadership. That change highlights one key challenge this type of development corporation model can face while under the ownership of a single political agency. Still, the corporation has been responsible for successful redevelopment in the downtown core since the new millennium.

Needs Question 1: Target audience of the Program?

As a publicly funded arms-length of the City of Winnipeg, CentreVenture reports and is responsible to Mayor and Council. Its primary measure of success is both private sector investment and incremental property tax revenue relating to lands developed by the corporation (Ross McGowan, personal communications, August 30, 2016). The business and development community in Winnipeg represents an additional stakeholder of CentreVenture (Angela Mathieson, personal communications, 2016), as mentioned, the Board of Directors consists of local business owners and the industry has been a staunch supporter of the corporation’s work.

Finally, the Province of Manitoba has helped create the Downtown Residential Development Grant (DRDG) program administered by CentreVenture and the program has enabled CentreVenture to subsidize the development of over 1,770 housing units in the downtown
through tax increment financing (CVDC, 2014). Therefore, the province also has stake in the success of CentreVenture and downtown Winnipeg.

**Needs Question 2: Services Provided**

CentreVenture offers the City the opportunity to participate in the process of development, outside of the political sphere generally required, with the purpose to generate private sector investment in downtown Winnipeg. According to current CEO Angela Mathieson (personal communications, August 24, 2016), CentreVenture serves two primary functions: land assembly, and development negotiation and financing.

*Land Assembly*

In 1999, the City of Winnipeg contributed around 20 properties to CentreVenture (CVDC, 2014). Since then, CentreVenture has expropriated and subsequently developed hundreds of derelict parcels. CentreVenture’s role is to advertise these properties and work directly with the private sector to purchase and develop these parcels into cohesive land uses which support the social and economic well-being of downtown Winnipeg. According to CentreVenture’s CEO:

The main differential between CentreVenture and organizations like The Forks, Waterfront Toronto, Halifax Waterfront is that we don't continue to own any of the assets that we're involved in developing. (2016, Angela Mathieson, CEO CentreVenture, Winnipeg)

*Development Negotiation and Financing*

One of CentreVenture’s primary mechanisms for leveraging private investment is through the provision of loans. A total of $24 million in loans have been extended by CentreVenture which support residential and commercial development in downtown Winnipeg (Angela Mathieson, personal communications, August 24, 2016). Negotiation of development partnerships with the private sector have been a crucial aspect of CentreVenture’s value proposition. The corporation
has been able to leverage the inherent capacity of its Board of Directors to secure development that prioritizes a “triple bottom line” development approach.

**Needs Question 3: Are the services offered relevant given the needs identified?**

CentreVenture has focused more recently on the addition of residential stock to complement the commercial and office space development which accounts for the clear majority of the corporation’s projects (IUS, 2013). Supporting the creation of a mixed-use downtown, with amenities for a wide range of residents and users, has become a core principle for CentreVenture and reflects the need identified in the community through a variety of policy documents. True North Square, which broke ground in 2017, developed in partnership with CentreVenture and private sector partners is the single largest development in downtown Winnipeg’s history and reflects the corporation’s commitment to creating a vibrant, mixed-use downtown.

The True North Square is the gold star on all of CentreVenture’s accomplishments. $400 million in private investment over seven years in one parking lot downtown (2016, Ross McGowan, Former CEO CentreVenture, Winnipeg).

**Process Question 1: What resources are available to the program to deliver its services?**

As previously mentioned, the City has provided $10 million in financing; $3 million in seed funding, and an additional $7 million in 2002, in addition to a portfolio of city-owned properties (City of Winnipeg, 2002). As Figure 4.3 highlights, CentreVenture is sustained operationally through an annual $300,000 operating grant from the City of Winnipeg, in addition to interest income and fees from development financing (CVDC, 2014). Consolidated statements show that a variety of other grants, including several from the Province of Manitoba, contribute significantly to the corporation’s financial sustainability (CVDC, 2016).
Process Question 2: Who comprises the program’s support network?

Public Sector

Urban renewal efforts in downtown Winnipeg began with the Core Area Initiative (CAI) in 1981, which preceded a sustained government investment ever since (IUS, 2013). Although CentreVenture was established 18 years after the CAI, the political capacity and partnership-building required to successfully create and operate CentreVenture stems from lessons learned during the CAI renewal efforts.
Ross McGowan’s [Former CEO of CentreVenture] experience was with the Core Area Initiative. In Winnipeg, everyone [involved in the development community] was recycled and knew each other (2016, Doug Kalcsics, Former Director of Planning, Winnipeg).

In addition, the City of Winnipeg has been a willing and able partner to CentreVenture through provision of back-end services which has enabled service growth. This includes administrative, planning and servicing support (Doug Kalcsics, personal communications, October 13, 2016):

Private Sector

As previously mentioned, CentreVenture has maintained a self-appointed private sector Board of Directors which allowed it to leverage internal development capacity held with prominent local leaders. An example of this is highlighted in example of True North Square and, specifically, the Sutton Place Hotel (Figure 4.4) which is currently under construction as part of the True North Square development. With the expansion of the Winnipeg Convention Centre, a Request For Proposal (RFP) was issued to establish a top-tier hotelier to build and operate on the site located at 220 Carlton, owned by CentreVenture. After the RFP was unsuccessful at attracting a successful proponent, CentreVenture negotiated an option-agreement directly with the owner and developer of True North Square to include a hotel in the development (Angela Mathieson, personal communications, August 24, 2016; CBC News, 2015).
Process Question 3: What constraints or advantages does the program face in achieving its mission?

The following section will outline the high-level constraints and advantages of the arms-length governance model based on the CentreVenture case study.

Constraints

The primary weakness of CentreVenture is twofold: it lacks access to adequate capital resources, and it is more sensitive to political interference and changing government. To this end, CentreVenture’s success is its greatest weakness. For example, the corporations measure for success is increased tax revenue returned to the City of Winnipeg, which does not directly increase the corporation’s access to capital. In addition, land prices have increased significantly in downtown Winnipeg due to the investment created by CentreVenture, which creates greater...
economic hardship for the corporation (Angela Mathieson, personal communication, August 24, 2016).

Although programs such as TIF have increased CentreVenture’s access to financing, there are examples of failed development opportunities prevented by a lack of resources (Angela Mathieson, personal communication, 2016; Ross McGowan, personal communication, 2016).

Regarding potential political interference, the City of Winnipeg is the sole owner of CentreVenture. Being a creation of Mayor and Council, with the Mayor acting as Chair of the Board, an inherent uncertainty exists that with a change in government may come reduced financing and/or changes to the corporation’s directives (Ross McGowan, personal communications, August 30, 2016). In the case of CentreVenture, it had maintained autonomy across three mayoral terms, but has subsequently gone through a Board restructuring which may be the result of a high-profile political dispute with the current Mayor (CBC News, 2015; Ross McGowan, personal communications, August 30, 2016).

Advantages

CentreVenture’s advantage is twofold: its governance structure and the organizations return on investment. The self-appointing nature of the Board was written into the bylaws and has allowed it to appoint local business owners with the ability to drive decision making. Board members operate on two four-year cycles which allows for continuity across larger development projects (Ross McGowan, personal communications, August 30, 2016).

These corporations are important because they affect redevelopment in a way that will have broader benefit to the community. Whereas if you leave it to the private market it becomes more of a risk. (2016, Angela Mathieson, CEO CentreVenture, Winnipeg).
In addition, CentreVenture’s success has had a very positive return for the City of Winnipeg. This is reflected by the resulting private capital investment in downtown Winnipeg and an increased tax base stemming from the corporation’s development portfolio. It has also had a great impact on the downtown housing stock, ensuring a mix of uses that is beneficial for downtown Winnipeg.

Impacts Question 1: How is the program perceived within the waterfront development and broader community?

CentreVenture has maintained relative anonymity with the public since its inception. Although they are required to report to Mayor and Council annually, the corporation is less visible to the community-at-large. The CEO of CentreVenture, Angela Mathieson, states that the lack of direct interaction with the public may diminish the community’s belief in the importance of the corporation. In contrast, the corporation has a stellar reputation within the business community due to its political nimbleness and the negotiation ability of its Board (Ross McGowan, personal communications, August 30, 2016).

We operate more like the navy seals...under the auspice of darkness. We're a catalyst for change - a means to an end. (2016, Ross McGowan, Former CEO CentreVenture, Winnipeg).

Impacts Question 2: What are the program’s major successes and/or failures?

Successes

Private sector investment and increased property taxes are at the centre of CentreVenture’s value proposition. A 2013 report from the University of Winnipeg’s Institute of Urban Studies (IUS) revealed that 2004 to 2012 had been a time of unparalleled growth for downtown Winnipeg, with over $2 billion in total investment and over 100 significant developments (>500,000). Over the same period, CentreVenture was directly responsible for over $750 million
in development with an increase of property tax revenue around $14 million annually (Ross McGowan, personal communications, August 30, 2016). The corporation is also responsible for 2,629 new housing units in the downtown since 1999 (CVDC, 2016).

"By the time I was finished (in 2014), we had over $80 million in loans out there and $750 Million in development. I've spoken all over North America on CentreVenture's success and the key to it was the self-appointing Board." (2016, Ross McGowan, Former CEO CentreVenture, Winnipeg)

Areas for Improvement

A streamlined development process for the core was an intended consequence of CentreVenture, but has yet to occur as expected (Angela Mathieson, personal communications, August 24, 2016). Another observed issue is the continued need by private sector development for public subsidization (Doug Kalcsics, personal communications, October 13, 2016). Lastly, CentreVenture has recently experienced significant political turmoil relating, in part, to a change in Mayor and Council. The result, CentreVenture has lost the level of autonomy that made it such a success in the first place with a re-structuring of the Board of Directors. There is concern that this may seriously impede its ability to leverage private sector development as effectively in the future.

"The previous Mayor was very close with the development industry...the current Mayor wanted to make sure we were not tainted...So there was some suspicion in the early days, especially with the whole True North issue." (2016, Angela Mathieson, CEO CentreVenture, Winnipeg)
Chapter 5. The Forks North Portage Partnership

The Forks is the most visited attraction in Winnipeg, with over four million yearly visitors (FRC, 2016). The development of the Forks is a model for successful urban revitalization efforts that took place in Canada in the 1970 and 80s. The 56-acre Forks site is a converted railyard, of which a portion of the site has turned into a national park that hosts hundreds of annual public events. This site has become a true heart to the City of Winnipeg.

In discussing the Forks, a lesser known topic is the partnership responsible for the development, and sustained operations of the Forks, The Forks-North Portage Partnership. The Partnership is an asset-holding corporation financed through a tri-government funding structure and governed by a ten-member Board of Directors. The Board includes three members from each level of government and an unanimously selected chairperson (TFNPP, 2016). Over the last 25 years, this Partnership has managed a number of developments in downtown Winnipeg, that it continues to operate and maintain, which have collectively led to over $30 million in tax revenue.

Figure 5.1. Left - CN’s East Yard in 1970, Right - The Forks in 2016
The first half of this chapter traces the history of both the Forks site and the Forks-North Portage Partnership, while the second half presents the case study research and program evaluation of the North-Portage Partnership.

5.1. Context Analysis: The Forks and Downtown Winnipeg

What is the history of the site?

The Forks is named after its location at the fork of the Assiniboine River and the Red River. Nicknamed “the Meeting Place”, it was a popular trading spot for prairie First Nations throughout the last 6000 years (Downie, 2002). The area was first inhabited by colonial Europeans in the 1730s and a subsequent trading relationship was established between them and the Indigenous communities in 1738 (Cooper, 2000). Following this, the Forks became a settlement area for Métis families up until 1870 when the immigrant population boomed in Winnipeg which led to the displacement of Indigenous people from this area. It has been argued that, to this day, The Forks retells Winnipeg’s history through appropriation of Indigenous heritage (Cooper, 2009).

The Forks became the hub of immigration to western Canada in 1888, as the sale of 20 acres of land at the Forks by the Hudson Bay Company to the Northern Pacific and Manitoba Railroad marked the connection of the Canadian West by railroad. At that time, Winnipeg was a regional metropolis and by the beginning of the 20th century was one of the largest cities in Canada (Hiller, 2014).

With the creation of the Panama Canal in 1914, shipping practices shifted, and Winnipeg lost its economic advantage as a transportation hub (Parks Canada, 2007). In addition, modernized rail facilities were built on the outskirts of town in the 1960s and CN’s East Yard
became obsolete. This followed a common trend in North American cities as city-ports experienced a retreat from the waterfront, as discussed in Chapter 2. The elimination of the downtown working port led to a general decline in population in downtown Winnipeg with the primary demographic that remained being poor European immigrants. For these reasons, it became a prime candidate for coordinated urban revitalization investment by government bodies.

**What relevant economic programs/policies were involved in the creation of the corporation?**

The Winnipeg Core Area Initiative (CAI) was one of the nation’s largest urban regeneration efforts at its conception in 1981, consisting of a $196 million tri-governmental (federal, provincial, and municipal) investment over two phases and 10 years (Layne, 2000). The initiative was championed by Lloyd Axworthy, federal Minister for Employment and Immigration and elected Member of Parliament for Winnipeg’s inner-city area, which contains the Forks lands. The purpose of the CAI was to plan and implement public sector investment to generate exponential private sector investment and to address economic and social issues in the geographic downtown of Winnipeg (Root, 1997).

Revitalization of the north side of Portage Avenue, which came to symbolize the decline of the inner city, was to occur as part of the CAI’s mandate. In 1983, the North Portage Administrative Task Force determined that a chartered community development corporation was the most appropriate strategy. That year, the North Portage Development Corporation (NPDC) was created consisting of a Board of Directors equalling ten. Three representatives were from each of the federal, provincial, and municipal governments, with one chairperson mutually agreed upon by all three levels. Building on the goal of the CAI, the NPDC was created as a catalyst for private investment and to implement the vision for North Portage:
The North Portage neighbourhood shall be a *centre of commerce, culture and living*, integrated to form a diverse downtown community through a mixture of public uses including residential, commercial and institutional, recreational, educational and entertainment facilities. (The Forks, 2016).

A study completed by Hilderman Witty Crosby Hanna and Associates recognized another opportunity when 5.5 hectares of park land was designated along the Red River, funded through the federal Agreements for Recreation and Culture program in 1986 (Cooper, 2009). The newly created National Historic Site was located along the Red River next to CN Rail’s East Yard and was a target for revitalization, considering the diminished need of a working port. The following year, the East Yard Task Force forwarded a proposal which led to the creation of the Forks Renewal Corporation (FRC) which was the governance entity created to purchase the Forks land. The objective of the FRC, like the NPDC, sought to maximize government investment through private partnerships in redevelopment of the land. The vision for the future of the Forks site included:

“...The Forks shall be developed as a *Meeting Place,* a special and distinct, all-season gathering and recreational place at the junction of the Red and Assiniboine Rivers, through a mixed-use approach including recreational, historical and cultural, residential, and institutional and supportive commercial uses” (The Forks, 2016).

The Forks North-Portage Partnership was formed in 1994 from these two entities, with the Forks Renewal Corporation acting as a wholly-owned subsidiary of the North Portage Development Corporation.

**What do plans say about the corporation?**

The Forks North-Portage (TFNP) Partnership is the tri-governmental agency responsible for the finance and operation of both the North Portage and The Forks sites. The North Portage lands consist of several residential buildings on land lease and commercial/retail land leases, including Portage Place mall, office space, and a parking structure (Root, 1997). Conversely, The
Forks are comprised of a variety of public developments, parks, promenades, and amenities including the newly constructed Canadian Museum for Human Rights (CMHR). The Inn at The Forks and the Johnson Terminal are the only fully private operations on site, though several private businesses and non-profit organizations operate under tenancy agreements within the Forks Market (TFNPP, 2016). The corporation’s two mandate areas include the North Portage and The Forks areas as highlighted in Figure 5.2.

The Forks North-Portage Partnership was established on June 22, 1994 after City Council approved the amalgamation of the North Portage Corporation and the Forks Renewal Corporation (TFNPP, 2017). The composition of TFNP’s Board of Directors, like both the NPDC and FRC, consists of a Chairperson and nine Directors; three from each level of government of which the partnership consists (City of Winnipeg, Province of Manitoba, and Government of Canada). TFNP plays several roles within downtown Winnipeg including landlord, property manager, developer, program coordinator, and community advocate. The corporation’s mission is:

“to act as a catalyst, encouraging activities for people in downtown through public and private partnerships and revitalization strategies; and to work to ensure financial self-sufficiency. As a community development corporation, The Forks North Portage (TFNP) acts as a landlord, property manager, developer, facilitator and community development advocate” (TFNPP, 2016).
5.2. The Forks North Portage Partnership Case Study

Needs Question 1: Target audience of the Program?

The TFNP’s mandate is to revitalize the Forks and North Portage lands. Over 23 years of operations, the organization has prioritized the residents of Winnipeg as its target audience. A big part of the land owned and operated by TFNP is maintained as public and a significant portion of the programming that takes place at the Forks is free.

“Public consultation is key for us because we are owned by 3 levels of government; who are keenly aware of public attitudes towards the Forks and...
they want the forks to be onside with those public attitudes.” (2016, Toby Chase, Vice-President TFNP, Winnipeg)

TFNP has developed The Forks to truly embrace its identity as a “meeting place” by offering events and amenities to suit a wide-ranging demographic. North Portage, though less celebrated by the community, also serves the residents of Winnipeg through land-lease ownership of Portage Place mall and approximately 500-600 residential units (Jim August, personal communications, August 31, 2016).

**Needs Question 2: Services Provided**

TFNP initially focused on the operation of land leases on North Portage lands. With the purchase of The Forks, the corporation evolved to provide a variety of services. The program services fall under five areas:

1. Real Estate (land-leases)
2. Programming
3. Public Space and Forks Market
4. Planning and Design
5. Fundraising

**Real Estate**

Regarding North Portage, TFNP owns and manages both commercial and residential land leases on multiple parcels. This includes Portage Place mall and the associated underground parking, office space, and commercial space. It also includes One Canada Centre, in addition to several residential buildings in the Central Park neighbourhood (TFNPP, 2010). A large portion of revenue generated by North Portage is through parking facilities and land-leases on air space parcels, which is used, in part, to support the operation of The Forks.
Regarding The Forks, the clear majority of the site is public and operates as park space. The exceptions are The Inn at The Forks and the Johnson Terminal which operate on land leases, and an above-ground parkade (Toby Chase, personal communications, August 16, 2016).

**Programming**

The service for which TFNP is most well-known is its programming. By hosting 280 annual events, The Forks’ mission as the meeting place is reinforced (TFNPP, 2016). Events such as Canada Day, Farmers Market at The Forks, The Red River Trail, and festival-type concerts have made it the most popular tourist attraction in Manitoba. In addition, The Forks’ programming supports almost all the organization’s other programs, as well as creating a channel for sponsorships, fundraising, and advertising for TFNP locally and internationally.

“It had a development side, but it also had the programming side; creating a meeting place idea by sponsoring, hosting, and marketing events. The 1999 Pan Am Games, The Forks was command central.” (2016, Doug Kalcsics, Former Director of Planning, Winnipeg)

**Public Space and Forks Market**

Most land at The Forks is public space which is maintained by TFNP. This includes parks and natural areas, in addition to The Forks Market and several infrastructural amenities such as the Scotiabank Stage. A significant portion of the initial investment committed to The Forks, through the Core Area Initiative, went toward building the Market and clearing the site. Along with programming, these amenities continue to be the largest operating expenses for TFNP.
Planning and Design

Planning and design have been a primary responsibility of TFNP since the corporation's inception. Waterfront development is extremely complicated and requires multiple levels of involvement regarding federal waterways, riparian areas, and private land rights (Doug Kalcsics, personal communication, October 13, 2016). Having three levels of government as equal shareholders has allowed TFNP to effectively coordinate various approvals processes relating specifically to The Forks. With the creation of the GoWaterfront document in 2014, waterfront planning and design has become a larger function of TFNP.
Planning and design has helped create community sponsors and partnerships through policy, which alleviates some of the financial pressures of operating The Forks. More recently, the corporation has examined how the North Portage lands can be redeveloped a second time (Jim August, personal communications, August 31, 2016).

Fundraising

A significant number of projects and programs that TFNP offers, specifically at The Forks, would not be possible without corporate and community sponsorships. In 2004, The Forks Foundation was formed to support new projects and, through policy, has become the primary method for funding all new programming offered by TFNP (Jim August, personal communications, August 31, 2016).

Needs Question 3: Are the services offered relevant given the needs identified?

In 23 years of operation, TFNP has shifted its service offerings based largely on financial and community pressures. The Forks continues to focus on public programming and making connections within the community through partnerships and land-use, which serve to assist the organization financially and complement surrounding development in downtown Winnipeg. The Forks also participated, in association with the City of Winnipeg, in the creation of a 20-year riverfront master plan called GoWaterfront. It’s involvement in GoWaterfront demonstrates that TFNP is shifting toward a greater focus as a waterfront development corporation. Alternatively, North Portage has largely remained the same since it was originally redeveloped in the 1990s due to land lease agreements that leverage the financial burden of The Forks land and programming. This will likely change as TFNP explores the sale of these lands.

“...the front-end leases; which were brilliant on one hand because they print money and work with our legal structure...it is not helping us currently or helping downtown. [The North Portage land] needs a new owner, it needs to be redeveloped.” (2016, Jim August, Former CEO TFNP, Winnipeg)
Process Question 1: What resources are available to the program to deliver its services?

Public funds accounted for all the initial investment in TFNP. Through the Core Area Initiative (CAI), $16 million was invested in revitalizing North Portage and just over $8 million was allocated to clearing The Forks site (Layne, 2000). An additional $20 million was invested in the Forks Market building and public river-walk linkage to the Manitoba Legislative Building (Jim August, personal communications, August 31, 2016). Operationally, TFNP is viable because of revenues generated from the North Portage lands, namely parking and land-lease revenue. Philanthropic and community sponsorships supply a significant amount through The Forks Foundation, which has helped TFNP leverage additional sponsorship. One example is a grant from Canada Council for the Arts (Toby Chase, personal communications, August 31, 2016).

![North Portage Consolidated Financials 2015](image)

Figure 5.4. North Portage Consolidated Financials 2015

Note. (NPDC, 2016)

Further, involvement in the CAI provided capacity building for bureaucrats and elected officials in the three levels of government (Doug Kalcsics, personal communications, October 13,
2016). The program did this through the creation of several working groups, such as policy and management committees, which built the core bureaucratic capacity for the partners. This capacity was said to be crucial in other successful renewal projects in downtown Winnipeg, including the CentreVenture Development Corporation.

**Process Question 2: Who comprises the program’s support network?**

TFNP is networked primarily by the three levels government, which allow it to collect support from the City of Winnipeg, Province of Manitoba, and Government of Canada. In addition, TFNP also relies on its network of private and community partners who have contributed significantly to the economic and social goals of the corporation.

*Private sector partners*

TFNP has made several strategic partnerships with local businesses and philanthropists. For example, the Inn at the Forks was a $16 million private investment by a local hotelier to provide a luxury hotel on site (Bob Sparrow, personal communication, August 23, 2016). As discussed, philanthropic sponsorship drives all new programming. For example, the Red River Mutual Trail is supported through a local insurance company and the Canadian Museum for Human Rights which, in addition to support from the three levels of government, was supported by a $150 million private fundraising campaign led by local philanthropist Gail Asper (Asper Foundation, 2017). Moving forward, TFNP will leverage private partnerships to complete a mixed-use residential development next to the existing rail line as shown in Figure 5.5 (FRC, 2016).
Community partners

TFNP operates with the support of various community partners. Several TFNP connected committees have been established consisting of local professionals in various fields such as design, planning, Aboriginal heritage, and local history.

“We have a site advisory group who are comprised of external architects and landscape architects and they provide us advice on proposals and characters of the site... We have a heritage advisory committee, which advises on all heritage matters.” (2016, Toby Chase, Vice-President TFNP, Winnipeg)

Process Question 3: What constraints or advantages does the program face in achieving its mission?

The following section will outline the high-level constraints and advantages of the tri-governmental governance model based on the TFNP case.
Constraints

There are three main constraints to this model: changes in government, public ownership, and an externally-selected Board of Directors. A constant theme identified by the members of TFNP was how much pressure is put on the organization not to “screw-up” any aspect of The Forks land development, because it is so enjoyed by the community. Financing is another constraint but has largely been overcome with the success of North Portage and through leveraging partnerships, to be discussed further in the next section. Because TFNP is controlled by three levels of government, changes in any of these levels of government can have an impact on the corporation. With this type of governance, the Board can become a revolving door which may lead to changes in priorities and funding.

Second, there is a very keen sense of public ownership with The Forks, and every project undertaken on-site requires thorough public consultation early and often. Lastly, TFNP’s Board of Directors are chosen three each by the three levels of government (nine members in total), with one Director selected unanimously as Chair. The lack of internal control over who sits on the Board is attributed to the relatively slow rate of development on site. Conversely, this is also considered to be a reason for the organization’s success (Jim August, personal communication, August 31, 2016).

Advantages

The primary strength of the TFNP is the tri-level partnership which gives the corporation the ability to access public decision-making and financial resources, an enhanced ability to make private and community partners, and reduced risk from any one single level of government. The last point is significant because it relieves the pressure from a single government to take control or ownership of the organization. This eliminates risk for involved politicians while allowing them to be part of a successful public venture (Jim August, personal communications, August 31,
Another strength is the financial model that established the Forks Renewal Corporation (FRC), which acts as a subsidiary agent that is wholly owned, and partly funded, by the North Portage Development Corporation (NPDC). This model, which grants the operating surplus from the NPDC to cover the operating deficit of the FRC, has allowed TFNP to be fully financially sustainable and not rely on public money to fund operations.

**Impacts Question 1: How is the program perceived within the waterfront development and broader community?**

Based on interviews and secondary data, TFNP has a strong base of support within the downtown area and throughout Winnipeg. A recent ten-year plan by TFNP cites that 94% of the surveyed public believes that The Forks is well managed (TFNPP, 2010). The organization’s ability to offer an extensive array of publicly accessible programming, in addition to quality maintenance and operation of the City’s top tourist destination has given the community full confidence in the abilities of the corporation. In addition, TFNP’s strong public support allows the organization to operate autonomously from its tri-government owner/stakeholders.

**Impacts Question 2: What are the program’s major successes and/or failures?**

As stated previously, the services offered by TFNP seem to be relevant to the needs of the local community and the three levels of government. The organization continues to round out the services that it offers and allocates the benefits of development to Winnipeg’s downtown residents and visitors.

**Successes**

By the end of its Phase I development, the NPDC had turned $76 million dollars of public sector investment into a $180 million private sector investment. Further, only ten years into
operations, the NPDC was responsible for one quarter of building construction (both new and renovation dollars) in downtown Winnipeg (Root, 1997).

The key to TFNP’s success is the partnership between the FRC and the NPDC. The partnership has helped establish an incubator for community planning which keeps the public and government agencies informed of and engaged in the corporation’s projects. The Forks provides TFNP with a medium to be fully immersed and overwhelmingly supported locally through its programming, while the North Portage site and private sponsors cover the financial short-fall. The organization has balanced the benefit of having three levels of government at the table while maintaining the autonomy to make important decisions internally.

Areas for Improvement

Moving forward, it is to be seen how TFNP will serve the downtown most effectively. The North Portage lands are nearing the end of their life-cycle and no longer serve the needs of the downtown community. There is currently no public plan as to how the current uses will be transitioned (Jim August, personal communications, August 31, 2016).

The missing ingredient at The Forks is residential land use, which continues to be an unaddressed need in the downtown Winnipeg and is currently being explored for future development. Finally, the organization has struggled to foster a relationship with local First Nations and Métis people, especially those with a history at the site of The Forks.
Chapter 6. PRSC Partnership

The PRSC (Powell River/Sliammon/Catalyst) Partnership is a joint venture owned equally by the City of Powell River and Tla’amin Nation. It was established to purchase and develop underutilized marine industrial land in the region. By the start of the 21st century, the Catalyst pulp and paper company had an interest to sell excess lands in the Powell River area, including the marine industrial lands and several other parcels.

Unlike the two previous case studies, the PRSC Partnership was not precluded by major government policy with a mandate of urban renewal. It is the result of the acute sense of several key champions, seeking to reclaim private land for the use of the two communities in the region. The signing of the Community Accord and subsequent creation of a development partnership between these two governments serves as a precedent for future development agreements between local government and First Nations communities.

Figure 6.1. Historic Townsite and mill lands (formerly Tees’kwat village) around 1930

Note. (THSPR, 2013)
The first half of this chapter provides a brief history of the PRSC lands, with an emphasis on the marine industrial lands. It will also provide a context analysis of the creation of the PRSC partnership and its partners. The case study research and program evaluation are presented in the second half of this chapter.


What is the history of the site?

This site was the ancient village of Tees'kwat which served as Tla’amin Nation’s main village site until 1879, when it was expropriated for Crown land (Aboriginal Business and Investment Council, 2017). The federal government subsequently removed the Tla’amin people and reduced their territories to six reserves on 1,907 hectares of land. These reserves are located at the current village site, Harwood Island, Cortes Island, Grace Harbour, Theodosia Inlet, and Okeover Inlet. It is important to note that the name Tla’amin has recently been changed from Sliammon with the signing of the Agreement Act, or Treaty, to reflect the proper nomenclature of the local Indigenous language. For the purposes of this document, the name Tla’amin will be used exclusively unless referring to a legal entity that includes the Sliammon name.

Figure 6.2. Tla’amin Traditional Territory, Powell River Pulp and Paper Mill

Note. (Sliammon Development Corporation, 2013)
The former Tees’kwat site was granted to the Powell River Paper Company in 1909 and it has remained a pulp and paper mill since then. In 2003, the mill, then owned by Norske Skog, was struggling to maintain sustainable operations and looking to divest itself of excess property. This included 325 hectares of land across the region, segments of which were part of the marine industrial lands (Aboriginal Business and Investment Council, 2017).

Tla’amin first approached Norske Skog about purchasing the lands through its development arm, the Sliammon Development Corporation. It became apparent that both the City of Powell River and Tla’amin had vested interest in future development on these lands; Tla’amin wanted to start a forest company and establish a log dump while the City wanted to diversify its land base and decrease economic reliance on the mill (Scott Randolph, personal communications, October 24, 2016).

What relevant economic programs/policies were involved in the creation of the corporation?

The Powell River Waterfront Development Corporation (PRWDC) and Tla’amin Capital Assets Corporation (TCAC) are the two economic programs from which the PRSC Partnership was created. The PRWDC is a wholly owned arms-length corporation of the City of Powell River that was established to support the development of the Powell River waterfront (City of Powell River, 2016). To separate the political nature of local governments from public commercial projects, the Community Charter allows local governments to enter into “partnering agreements” with public arms-length corporations (Statute of British Columbia, 2003).

In 2012, Sliammon First Nation became Tla’amin Nation with the passing of the “Tla’amin Final Agreement Act” (Statute of British Columbia, 2013). The Act is a treaty and land claims agreement between Tla’amin Nation, the Government of Canada, and of British Columbia. The passing of the Act quadrupled the land size of the Nation to over 8,000 acres of fee-simple lands,
in addition to providing a $31 million capital contribution, $650,000 in resource revenue sharing over 50 years, fishing and shellfish allocations, additional forest tenures, and taxation authority over residents on Tla’amin land (Aboriginal Business and Investment Council, 2017). In addition, the Act led to an economic restructuring of the Nation into seven limited partnerships, one of which manages its land and leases, the Tla’amin Capital Assets Corporation (Brindle, 2016). The Tla’amin Capital Assets Corporation (TCAC) is the post-treaty embodiment of the Sliammon Development Corporation (SDC), which was established in 1995 to oversee the economic development of Sliammon (Sliammon Development Corporation, 2013). Since its inception, the SDC has been involved in a variety of protocol agreements and joint planning projects with the City of Powell River and other parties.

As recently as the 2001 Powell River Official Community Plan (OCP) update, there was no more than one sentence written about Tla’amin Nation in the City’s planning documents (Aboriginal Business Investment Council, 2017). The relationship between the two eventual partners got off to a rocky start in 2002, when the City of Powell River began construction of a sea walk in town. No engagement was completed with the Tla’amin Nation during construction because the area’s significance as a cultural site was not realized by the City. A proactive solution was negotiated; SDC would construct the second phase of the sea walk in 2002 to ensure no further damage to cultural lands or artifacts (NCFNG, 2009).

This project represented a major turning point in the relationship between the two parties. The successful completion of this project led, in part, to the signing of the Community Accord on May 10, 2003 (Community Accord, 2003). The Accord articulates the ongoing operating relationship between the City and Nation. In the agreement, the City of Powell River recognizes the Tla’amin people as the original inhabitants of the Powell River area and their inherent right for
self-government. In addition, they agree to work in cooperation while having mutual respect and recognition for each other.

With the downturn of the Canadian resource economy in the 21st century, Norske Skog wanted to sell mill lands that were excess to their operations. The SDC had an interest in purchasing these lands with the intent to create a log dump for the Nation’s forestry program (Clint Williams, personal communications, October 24, 2016). Dave Formosa, a member of the Board of Directors of both the Sliammon Development Corporation and the Powell River Regional Economic Development Society (PRREDS), proposed a joint venture between PRREDS, Norske Skog, and the City of Powell River (Dave Formosa, personal communications, October 24, 2016). His connection to all parties gave Mr. Formosa the unique ability to mediate these negotiations. Mayor and Council of Powell River and the Chief of Tla’amin also led discussions which evolved into the signing of a memorandum of understanding in 2004.

The following year, Norske Skog was renamed Catalyst Paper (Catalyst, 2017) and in 2006 the PRSC partnership was created consisting of three parties: the Powell River Waterfront Development Corporation, the Sliammon Development Corporation, and a numbered company owned by Catalyst Paper. In 2014, the City of Powell River and Tla’amin Nation bought out Catalyst Paper’s shares to become equal owners, with 50% each, of the Partnership (City of Powell River, 2014).

**What do plans say about the corporation?**

The purpose of the PRSC Partnership is to redevelop Catalyst Paper’s surplus lands, including the marine industrial lands, with the intent of creating economic opportunity through new development for the City of Powell River and Tla’amin Nation (City of Powell River, 2015b). The partnership took ownership of approximately 800 acres of land from Catalyst Paper in exchange
for a $4.5 million mortgage carrying a 5% annual interest rate (City of Powell River, 2015b). This was reduced to $3 million by the Catalyst Paper company and was the price it sold its share in the partnership for, while under creditor protection in 2012. The lands owned by the Partnership are shown in Figure 6.3.

![PRSC Lands](image)

**Figure 6.3.** PRSC Lands

*Note.* (Bryant, 2015)

The lands include eight separate parcels, two being the marine industrial lands. The two marine industrial sites were of particular significance to the two partners, with each taking nine acres along the waterfront, shown in Figure 6.4. As of 2016, all the PRSC Partnership lands have option agreements in place, or are sold for future development (Scott Randolph, personal communications, October 24, 2016). Two parcels, purchased by the City of Powell River, have also been dedicated as public space, becoming upper and lower Millennium Park as shown in Figure 6.5.
Figure 6.4.  PRSC marine industrial waterfront lands

Note.  (City of Powell River, 2015b)

Figure 6.5.  Upper and Lower Millennium Park

Note.  (Bryant, 2015)
6.2. PRSC Partnership Case Study

Needs Question 1: Target audience of the Program?

With the buyout of Catalyst Paper’s shares, the target audience of the PRSC Partnership became its two-remaining owner/shareholders, the City of Powell River and the Tla’amin Nation. The Partnership is governed by a six-member Board of Directors, three each from both partners. Board members of PRSC are required to also be a member of their respective partner’s Board of Directors to ensure synchronized operations between the various organizations (Scott Randolph, personal communications, October 24, 2016). The operational management of the Partnership is administered by the Manager of Economic Development for the City of Powell River and the Manager of the Tla’amin Capital Assets Corporation (City of Powell River, 2015b).

Needs Question 2: Services Provided

Land Ownership

The purpose of the Partnership is to acquire and develop lands held by Catalyst for the use of the City of Powell River and Tla’amin Nation. The former wanting to diversify its economic offering and decrease its reliance on the mill, while Tla’amin Nation was looking to establish a log dump for its forestry operation on a portion of the lands (Clint Williams, personal communications, October 24, 2016). The PRSC Partnership provided both parties the ability to purchase and control the sale of the Catalyst Paper-owned lands. Through a limited partnership, the parties can hold lands like private businesses under legislation in BC. This allows the partners to remove the liability and encumbrance associated with public ownership, to be able to negotiate and complete development.

“For years now studies have identified that to have public enterprise succeed and prosper, you need to remove politics.” (2016, Clint Williams, Chief of Tla’amin Nation, Tla’amin Nation)
Regional Partnership

It also provided the partners the opportunity to build on their established relationship, reflected in the signing of the Community Accord and various service agreements including fire protection, library services, and transit (Aboriginal Business and Investment Council, 2017). The two parties have also formed the Freda Creek hydro generation partnership to explore building a run-of-river hydroelectric plant.

Needs Question 3: Are the services offered relevant given the needs identified?

The partnership successfully allowed for the purchase and controlled-sale of the PRSC lands. The original vision, from the City of Powell River’s perspective, included leveraging the sale of several smaller parcels to fund subdivision of their waterfront-marine industrial lands (Scott Randolph, personal communications, October 24, 2016). Based upon the struggling property market, the corporation was not able to subdivide the parcel and develop it as originally intended. Still, there is currently an option agreement in place for all the PRSC lands (Scott Randolph, personal communications, October 24, 2016).

Process Question 1: What resources are available to the program to deliver its services?

The PRSC Partnership has required minimal resources aside from the Catalyst buyout ($1.6 million each invested by both parties). The initial partnership that was created between the City of Powell River, Tla’amin Nation, and Catalyst’s numbered company required no investment by the former two parties as it was fully financed by Catalyst (Dave Formosa, personal communications, October 24, 2016). When Catalyst sold its share in the Partnership in 2012, the remaining partners evenly split the $3 million mortgage payment (negotiated down from $4.6 million). Since then, the Partnership has struggled to access the financing needed to develop the
land pre-sale and have been forced to sell the lands at a value less than optimal (Scott Randolph, personal communications, October 24, 2016).

**Process Question 2: Who comprises the program’s support network?**

*Community Partners*

The creation of the PRSC Partnership reflects a grassroots movement undertaken by several local champions. As previously discussed, the current Mayor of Powell River and former Board member of SDC and PREDs, Dave Formosa, can be considered a champion of the Partnership. Former Mayor Stewart Alsgard and Former Chief Maynard Harry are also attributed with providing the political will required for the successful partnership between the City of Powell River and Tla’amin Nation (Dave Formosa, personal communications, October 24, 2016). From a land-use perspective, the lands are included in the Agricultural Land Reserve (ALR) and, therefore, the Partnership has targeted food production investment. This includes the development of an agricultural training program using grant money received from the BC Rural Dividends Program (Bolster, 2017).

*Private Partners*

The partnership has been able to leverage several private investments including the sale of all eight parcels to private buyers. Chinese investors represent a sizable interest in the development of these lands with large-scale mixed-use development proposals being considered (Bolster & O’Brien, 2017; City of Powell River, 2015a).

**Process Question 3: What constraints or advantages does the program face in achieving its mission?**

The following section will outline the high-level constraints and advantages of the multi-governance model based on the PRSC Partnership case.
Constraints

Three main constraints to the PRSC Partnership were identified: lack of resources, ALR designation on most PRSC lands, and community perception. The primary limitation of the PRSC Partnership is its lack of resources. The revenue gained from the initial sale of the smaller parcels, which was meant to finance the development of the marine industrial lands, ended up financing the accumulated interest on the mortgage owed to Catalyst in their buyout of the Partnership (Scott Randolph, personal communications, October 24, 2016). The shortfall was, in part, the result of the 2008 market crash which diminished the sale value of the smaller parcels. The legal structure of the Partnership also restricts the corporation’s ability to receive capital grants or operational subsidies, further hampering its sustained operation.

A large portion of the lands purchased through the PRSC Partnership fall within the Agricultural Land Reserve (ALR). Under the ALR Act (SBC 2002), the Agricultural Land Commission (ALC) is given the power to preserve agricultural land by restricting non-farm use and limiting density. In 2017, an application to remove 30 acres of PRSC Partnership-owned land from the ALR to build an international school was rejected (Bolster, C & O’Brien F, 2017). The stalled project could be worth up to $10 million in revenue per year and up to 100 jobs (Scott Randolph, personal communications, October 24, 2016). The Partnership has turned this challenge into an opportunity, using other local partnerships to develop the aforementioned agricultural training program on these lands.
Finally, public perception within the Powell River community has been a significant challenge for the Partnership. Vocal opposition to the Partnership nearly stopped its creation and created a subsequent legal battle between the City of Powell River and community members (Dave Formosa, personal communications, October 24, 2016). Tla’amin Nation has also experienced strain within its community, stemming from disagreements with previous leadership and a recent economic restructuring which has made it difficult to gather community commitment to this program (Clint Williams, personal communication, October 24, 2016).

Advantages

The Partnerships two primary advantages are the purchase agreement, and the relationship established between the City of Powell River and Tla’amin Nation. The purchase agreement stated that Catalyst would act as the bank, extending a mortgage for the lands bought for $4.5 million. The initial investment was minimal and mortgage payments were required only
when lands were sold. This was to ensure that the Partnership would never enter bankruptcy (Dave Formosa, personal communications, October 24, 2016).

“It was innovative in the sense that catalyst held the mortgage, or the shareholders loan, which was around $4.5 million plus 5% annually on that amount.” (2016, Scott Randolph, Manager of Economic Development, Powell River)

Due to the recent treaty settlement, Tla’amin Nation has an increased ability to attract investment and the City, for its part, has maintained political consistency in realizing the importance of working in unison with Tla’amin. Led by several champions, a working relationship has been created between the two governments which has resulted in several successful projects.

**Impacts Question 1: How is the program perceived within the waterfront development and broader community?**

Initially, the PRSC Partnership was not regarded well in the community of Powell River. During its formation, a vocal portion of the community came out in opposition. The community held suspicions of personal profiting and political manipulation, neither of which were substantiated (Dave Formosa, personal communications, October 24, 2016).

“The biggest issue in this whole thing is that the community saw something ugly where there was nothing and some of those stains are still left.” (2016, Dave Formosa, Mayor Powell River, Powell River)

Recently, the Partnership has connected with local organizations such as School District 47 and Vancouver Island University to explore mutual interests and continues to work to create positive development within the community.
Impacts Question 2: What are the program’s major successes and/or failures?

Successes

With every property under option, the partnership has been a success as defined. Two PRSC parcels became the Millennium Park, which is cherished by the community, another parcel is planned for agricultural production and training, while others may become major economic drivers through Chinese investment. These projects have led to the formation of strategic community partnerships between School District 47 and Vancouver Island University (City of Powell River, 2015a).

“We do many joint ventures these days and it’s all because of this partnership; which has opened the line of communication and has us working together.” (Clint Williams, Chief Tla’amin Nation, Tla’amin Nation)

The biggest success to come out of the PRSC Partnership is the development of an intergovernmental relationship between the City of Powell River and Tla’amin Nation. Out of conflict, these two parties navigated bureaucratic and political layers to manage the development of privately held lands, the result of which will mutually benefit the partners and their communities. A BC Treaty Commission case study (2011) on the Tla’amin-Powell River experience found that nine steps were involved in the successful creation of the PRSC Partnership including:

a. A relationship built on mutual respect and trust
b. Establish and maintain regular meetings
c. Involve and inform others
d. Establish protocols, agreements or guiding principles
e. Establish and participate in joint committees
f. Be creative in seeking innovative approaches
g. Negotiate fair service agreements
h. Support each other
i. Share and celebrate success
Areas for Improvement

Although there are option agreements in place for all the parcels owned by PRSC, there are legal issues related to the ALR land designation that have delayed the completion of one of these agreements. In addition, the economic vision for these lands has not yet been realized by either party, which may limit future potential for the marine industrial lands to maximize community benefit. Finally, the partnership was heavily scrutinized by public opinion during its implementation which may have been avoided with a more effective messaging, and community engagement strategy been utilized.
Chapter 7. Synthesis & Conclusion

The redevelopment of Nanaimo’s South Downtown Waterfront represents a major opportunity for the City and central Vancouver Island to unlock 59 hectares of valuable waterfront land. Beyond the obvious economic benefits of a vibrant waterfront, the redevelopment of these lands is an opportunity to positively impact the social and cultural needs of the City and continue to build on Nanaimo’s reputation as the “hub” city.

As this paper demonstrated, Canadian cities have long been challenged to adapt to the changing economic reality of waterfront land use. The three case studies presented demonstrate governance models for a public sector response that have achieved varying degrees of success. The following section will synthesize the information contained within the previous case study sections relating to the needs, process, and impact evaluations. This section also contains a context analysis and the phenomenological research findings specific to the South Downtown Waterfront Initiative (“the Initiative”) with concluding recommendations for the future implementation of a waterfront development corporation for the redevelopment of the South Downtown Waterfront (“the Lands”).

7.1. Synthesis

Needs Evaluation

The purpose of the needs evaluation portion of the program evaluation was to analyze how well each program understood local needs and if their governance structure affected how the development corporation addressed those needs. The three guiding
questions for this section identified the target audience of the program, the services provided, and service relevance of the program.

The primary difference identified between the three case study programs was two of the programs, CentreVenture and the PRSC Partnership, offered services which most resembled a private developer. These two programs assembled lands and turned them over to the private sector for development. This led to improved efficiency by these programs, allowing them to realize a quick economic return. The trade-off of selling publicly assembled lands over to the private sector to develop and manage is increased risk, due to relinquishing control, possibly resulting in higher opportunity costs of development and distrust within the community. For example, interviewees from CentreVenture and the PRSC Partnership indicated that an approach, focused on long-term ownership and management, could have resulted in more suitable land-uses on publicly assembled lands.

To compare, The Forks North Portage (TFNP) continues to offer services and has a much larger organizational structure, focused on maintaining ownership and management of assembled lands, than the other two corporations. The result: TFNP continues to effectively serve the needs of its audience and redefine its services to maintain relevance, even after 20+ years.

**Process Evaluation**

The process evaluations examined how program services are managed and delivered. The three questions which informed this section included the resources available to capitalize and operate the program, the programs’ network and support structure, and the primary constraints and advantages of the governance model.
TFNP received a higher initial investment of capital, relative to the other two models, and had access to a relatively large pool of operational funding due to the three levels of government being stakeholders. Another advantage of TFNP is its organizational capacity, the foundation of which was built through the Core Area Initiative (CAI). The CAI represented a long-term approach to redevelopment allowing the partners to maximize the capital return of the Forks-North Portage sites while balancing on-going operational sustainability. This success was leveraged through a strategic partnership between the Forks Renewal Corporation and the North Portage Development Corporation.

In contrast, the large sense of public ownership at The Forks is the primary weakness of the corporation and has required significant resources to maintain. The Forks has become every Winnipegger’s backyard and, as such, any plans or strategies require comprehensive public participation and approval. The development corporation has overcome this challenge through the planning and design that prioritizes community involvement and engagement.

CentreVenture and PRSC have relied on a single (and smaller) source of capital investment, mainly in the form of property grants. These two models have been more susceptible to external forces such as market conditions or changes in government. The nimble nature of these two organizations governance structure, while beneficial for decision making, has led to community misconceptions of how public money is spent. Both development corporations have experienced major public relation crises, precipitated by the community’s belief that private enterprise was capturing the benefit of development. While these beliefs have been largely unsubstantiated, community backlash has led to reconsideration of the development process for both of these organizations.
One advantage specific to CentreVenture has been the self-appointing Board of Directors structure. This structure has allowed the corporation to operate similarly to a social enterprise led by Winnipeg’s premier business minds. The result: CentreVenture’s return on investment model is the highest by far of the three case studies.

The PRSC Partnership’s primary advantage was identified in its ability to create a regional partnership hyper-localized to its partners, the City of Powell River and Tla’amin Nation. This partnership has allowed both parties to leverage each other’s strengths in collective development of the assembled lands.

Impacts Evaluation

The third stage of the program evaluation focused on the impacts that the program has had on the community, relative to its mandate. The most important impacts of TFNP are threefold, the amount of public space and range of programming it provides, the trust that it has established within the community and its optimal land-use mix which balances positive community benefit and financial return.

CentreVenture’s economic impact has been significant and by far the largest of the three models, but the corporation has recently been limited in impact and effect due, in part, to its reliance on one political stakeholder. In contrast, the impact of CentreVenture’s success is a result of its self-appointing Board of Directors. This governance structure offers CentreVenture the capacity to carry out complex development projects in downtown Winnipeg, led by local business owners and community champions, working to maximize public benefit.
The PRSC Partnership has had issues with public perception and external market conditions, but the Partnership has been very important inter-government relations between the City of Powell River and Tla’amin Nation. It also provides a precedent for local government relations for the rest of the province. Most importantly for this paper, it represents a relevant response to issues facing the Nanaimo South Downtown Waterfront. Specifically, the Community Accord and other aspects of the partnering agreement are keys to the corporations’ successful creation in delivering its mandate.

7.2. **Context Analysis: South Downtown Waterfront Initiative**

**What is the history of the site?**

Since time immemorial, the Lands have been part of the traditional territories of the Snuneymuxw First Nation, including a specific village site which was located on the current Nanaimo South Downtown Waterfront (Snuneymuxw First Nation, 2013a). The first documented European contact in the area was with the Spanish in 1792, followed shortly thereafter by a port being established by the Hudson's Bay Company in 1852. The signing of the Douglas Treaty in 1854 allowed commercial access to coal deposits in the Nanaimo area through the port located on the Lands. The Treaty recognized the Snuneymuxw way of life, title to Snuneymuxw village sites, and protected their rights to fisheries and hunting (Snuneymuxw First Nation, 2013b).

Coal continued to be the primary economic driver for Nanaimo until the 20th century, with ships arriving regularly at the Nanaimo Harbour port (South Downtown Waterfront Initiative, 2013a). During this time, the Lands were also used as a dock for ferries connecting the mainland and other island ports. In 1924, the province allocated a
portion of the lands to the federal government (Nanaimo Port Authority) through the Six Harbours Agreement. The next few decades saw the addition of a lumber loading wharf (Dominion Assembly Wharf), a civic arena, and a shipbuilding facility for World War II. In 1949, the Canadian Pacific Railway (CPR) added a transportation terminal named Wellcox Rail Yard, located on the Lands site, to handle road, rail, and water traffic.

![Figure 7.1. Nanaimo South Downtown Waterfront (SDWI, 2013a)](image)

The forming of the Nanaimo Harbour Commission (HNC) in 1960 transferred the management of the harbour to local ownership. A variety of projects have been undertaken by the NHC over the past 50 years on the harbour, including a 22-storey
condominium tower on Cameron Island, the Harbourside Walkway, and the Pioneer Waterfront Plaza.

South Downtown Waterfront

The Lands contain the section of the Nanaimo Harbour south of Cameron Island spanning to the Snuneymuxw First Nation Nanaimo Town No. 1 reserve. In 2013, the City of Nanaimo purchased the 26.7-acre Wellcox Rail Yard property for $3.4 million (Holmes, 2017). The primary intent of the purchase was for the future construction of a transit hub in partnership with the Regional District of Nanaimo (RDN) (Gorman, 2012).

The current ownership structure of the Lands, shown in Figure 7.2, include the previously mentioned 26.7 acres owned by the City of Nanaimo, a 37-acre Assembly Wharf facility owned and operated by the Nanaimo Port Authority (Nanaimo Port Authority, 2008), the southernmost portion of the Lands owned by Snuneymuxw First Nation, fee-simple land owned by the CPR on the western edge, and the northernmost portion owned by the Provincial Crown, which operates ferry service to Gabriola Island.
What relevant economic programs/policies were involved in the creation of the corporation?

In 2013, the Nanaimo South Downtown Waterfront Initiative (the “Initiative”) was commissioned by the City of Nanaimo to connect the Lands owner/stakeholders. The Initiative was given the mandate to “provide guiding principles and an overall vision” to the future of the South Downtown Waterfront area (SDWI, 2013b).
A variety of stakeholder groups came together to form the Initiative’s committee. These groups included the Nanaimo Port Authority (NPA), the now defunct Downtown Nanaimo Business Improvement Association (DNBIA), the Nanaimo Economic Development Corporation (NEDC), the South End Community Association (SECA), the Nanaimo Advisory Planning Committee (NAPC), Vancouver Island University (VIU), the Regional District of Nanaimo (RDN), and two at-large community representatives.

What do plans say about the corporation?

After a series of workshops and extensive public consultation, the Initiative established five action-oriented guiding principles outlined in the Vision & Guiding Principles report (the “Vision report”), as outlined in this paper’s opening chapter. The Vision report (SDWI, 2013b) presented a recommendation for further study into the creation of a charter and the use of a “mandated public development corporation…created to implement the public policy of Council, or a group of like-minded stakeholders” (p. 2).

In December 2013, the Initiative finished their report which was endorsed by the City of Nanaimo Mayor and Council. Council asked the committee to examine further the idea of a charter and public development corporation as a second phase. The Initiative committee determined that the over-riding interests of the three-primary owner-stakeholders were irreconcilable and the task to bring them together was outside the scope of the committee (Bruce Anderson, personal communication, October 14, 2016; and Witty, 2015).
7.3. SDWI Phenomenology

Target audience of the Program?

The primary audience of the Initiative is the three owner-stakeholders: the City of Nanaimo, Snuneymuxw First Nation (SFN), and the Nanaimo Port Authority (NPA). The Province of British Columbia also owns a small portion of land but for the purposes of this report is considered a tertiary stakeholder based on information contained in the Initiative’s visioning and technical reports. Non-owner stakeholders include the South End Neighbourhood Association, and the Regional District of Nanaimo (RDN).

There are several agreements in place between the three SDW landowners, not specific to these lands. Examples include a Memorandum of Understanding (MOU) between Nanaimo and Snuneymuxw First Nation (2005), a Protocol Agreement between Nanaimo and Snuneymuxw First Nation (2005), and the Newcastle Island Co-Management Agreement between Nanaimo and Snuneymuxw First Nation (2007).

City of Nanaimo

The original vision for the City-purchased Wellcox property included building a downtown transportation hub. With the completion of the Initiative’s Vision report, a range of adaptive uses were determined as preferential for the development of these lands. The City has since taken preliminary action, including the negotiated removal of SeaSpan Ferries from the lands (Holmes, 2017) and a masterplan process expected to go to open house in summer 2017 (Cunningham, 2017).
Snuneymuxw First Nation

Snuneymuxw First Nation is a vibrant Nation of the Coast Salish People, that has stated its intent to create opportunities to fulfill their potential as a Nation (Snuneymuxw First Nation, 2013a). The Nation’s strength and opportunity is in the face of historic and systemic discrimination from colonial governance structures. In a report to the BC Land Summit in 2004, Murray Browne presents four historical realities that have resulted in relationship tensions between First Nations and local governments, three of which are applicable to this context. These include local governments indirectly benefiting from historic alienation of First Nations, differing sources of jurisdiction, and treaty negotiations.

Historical development patterns resulted in the Snuneymuxw’s removal from a large portion of their traditional territory and placed on Indian Reserves (IR) located on less desirable land. The Snuneymuxw First Nation Nanaimo Town No. 1 reserve site is located directly adjacent to several polluting lands, including an industrial log boom, the railway, and a mill located on an adjacent property (Browne, 2004). The agreement on a new Treaty, or similar accord, may be crucial to fostering positive relations between the City of Nanaimo and Snuneymuxw First Nation. The purchase of the Wellcox Yard by the City was completed without consultation of Snuneymuxw which has caused a rift between the parties and resulted in minimal participation by the Nation during the Initiative’s visioning process (Fred Pattje, personal communications, October 14, 2016).

The Nation has Treaty claims to the Lands (Witty, 2015) which require negotiated settlement between the Nation, Government of British Columbia, and Government of Canada.
In 2016, Snuneymuxw First Nation and the Government of Canada negotiated a settlement of a 79-acre land claim which will see the land transferred back to the Nation, in addition to cash (Sterritt, 2017). With further negotiations for up to 1,350 acres of land to be transferred to Snuneymuxw, the Nation is on the cusp of renewed economic strength. This is an enormous opportunity for all parties involved in the Initiative and the development of the Lands, as their role as a valuable partner has been reinforced.

"Nothing will happen until [Snuneymuxw] is completely involved...and everyone has failed in accomplishing that up to now." (2016, Fred Pattje, Former City of Nanaimo Councillor, Nanaimo)
Nanaimo Port Authority

The previously mentioned Nanaimo Harbour Commission (NHC), created in 1961, became the Nanaimo Port Authority (NPA) in 1998 (Nanaimo Port Authority, 2017). Through the Canada Marine Act, the NPA has comprehensive rights to the Port of Nanaimo. The port remains an important piece of economic infrastructure for Vancouver Island by providing for the movement of cargo and passengers through central Vancouver Island. The need for services provided by the working port remains as shipping continues to grow, in 2016 the tonnage volume increased on the port by 61% from the previous year (Abassi, 2017).

Still, alternatives to NPA remaining on the South Downtown Waterfront may exist. The option to move their operations to the Duke Point terminal has been explored (Fred Pattje, personal communication, October 14, 2016) and there has recently been a push to create a governing replacement for the NPA (Bush, 2017). Regardless, the NPA remains
an important partner, but future opportunities may include the purchase and redevelopment of the NPA owned portion of the Lands.

**Services Provided**

The purpose of the Initiative was to create an arms-length, community-based entity for the City of Nanaimo (Doug Kalcsics, personal communication, October 13, 2016). The visioning process was completed over nine months in 2013 and included several consultation processes, such as a design charrette and site tours of the Lands. The result of this being the Technical and Visioning report documents.

**Are the services offered relevant given the needs identified?**

The initial scope of the Initiative was to create a full masterplan for the Lands (Bruce Anderson, personal communications, October 14, 2016). It became clear early on that the scope of the Initiative was too preliminary to discuss development plans, due to the underlying tensions between the three site owners. For this reason, a visioning process was chosen. This decision was validated by the community and the organizations involved as adequately representing the community’s desires for the Lands, and the Initiative achieved this without inciting dismissiveness from the owner-stakeholders (Doug Kalcsics, personal communication, October 13, 2016).

**How is the program perceived within the waterfront development and broader community?**

The Initiative’s visioning process, and resulting reports were supported by the community and the members involved.

“The vision and guiding principles were presented to the community at the Port Theatre and were very well received. People may have been
surprised they weren't presented with a plan that they could critique. But in some ways that was a good thing because it wasn't cast in stone. There was an understanding with the community that the process would continue into the future.” (2016, Ann Kjerulf, Community Member-At-Large, Nanaimo)

What are the program’s major successes and/or failures?

Successes

The Initiative was successful at compiling opinion from a cross section of the community using a variety of consultation techniques. The process stirred enthusiasm from most stakeholders and is considered a successful community-based visioning process for the Lands moving forward.

“It was a wonderful experience…it relied on the expertise that David Witty (Chair, SDWI) and Doug Kalcsics had from The Forks in Winnipeg.” (2016, Fred Pattje, Former City of Nanaimo Councillor, Nanaimo)

Areas for Improvement

The Initiative’s main area for improvement relates to its mandate to explore the idea of a charter and a development corporation. The process did not further the examination of either, contrary to its recommendations (Doug Kalcsics, personal communications, October 13, 2016). Another area for improvement was the lack of involvement by Snuneymuxw First Nation. It is speculated that the Nation was unwilling to participate due to the lack of communication by the City of Nanaimo in purchasing the Wellcox Yard property (Fred Pattje, personal communications, October 14, 2016).
7.4. Transferability to Nanaimo’s Downtown Waterfront

The following section is a summary of the research completed in this report. Through the process of analyzing the three case studies, five recommendations are made regarding the use of a development corporation for the development of the South Downtown Waterfront lands. The final question posed to each research participant was, “Do you think that the program can be replicated elsewhere?” The ideas generated through the responses were validated through discussions with Initiative members and secondary data collection methods. The recommendations are followed by examples from the case studies, outlining their practical effectiveness.

Recommendations

Create a Partnership

The Lands importance to the region requires that all owner-stakeholders be involved. The City of Nanaimo, Snuneymuxw First Nation, and the Nanaimo Port Authority all offer valuable expertise, resources, and capacities that can be leveraged for the future development of the Lands. It is particularly important to include Snuneymuxw First Nation because of their difference in jurisdiction, worldviews, and historical and continued discrimination by colonial governance structures. The PRSC Partnership was successful at creating a mutually beneficial relationship between the City of Powell River and Tla’amin Nation. The Partnership leveraged the delivery of a small project (the second phase of the sea walk) to build the foundation for a future relationship which culminated in the signing of the Community Accord. Through the Partnership, the City of Powell River and Tla’amin Nation were able to negotiate the sale of PRSC lands.
Give it Resources and Support

To be successful in waterfront development, a future development corporation should have the capital investment capability to achieve its mandate and be provided operational resources and support to become financially sustainable in the long-term. Development, specifically on the waterfront, requires large capital investment to complete, especially if environmental remediation and subdivision of the land is required.

In the case of CentreVenture and the Forks North Portage Partnership, the owner-stakeholders provided financial and staff resource support at multiple stages. The City of Winnipeg, for its part, was very supportive in providing backend planning and development services to both (i.e. subdivision, development permits, environmental assessment, etc.). A future development corporation should be created with the vision to become financially self-sustaining in the future. An example, The Forks North Portage Partnership leveraged land-leases on the North Portage lands to subsidize the programming and operating expenses at The Forks allowing its operations to be fully self-funding.

Give it Autonomy

From its creation, the Initiative has been community based and at arms-length from the City of Nanaimo and it should continue to operate in this way. All three case studies attribute their success to being autonomous agencies separated from political interference. The creation of a partnering agreement, a tool extended by the Community Charter in British Columbia, allows local governments to create public corporations which can operate somewhat similarly to private corporations.
In the case of the PRSC Partnership, both the Powell River Waterfront Development Corporation and Tla’amin Capital Assets Corporation have full autonomy to make decisions regarding the PRSC lands and their subsequent development through a Board of Directors. CentreVenture provides another interesting model with the self-appointing Board of Directors structure, which allows the corporation to operate as a social enterprise led by Winnipeg’s premier business minds. Although there is increased risk in the self-appointed governance structure, it paid big financial rewards for CentreVenture and the City of Winnipeg.

*Long-term Approach*

The most successful examples of waterfront development projects in Canada have taken over 25 years to complete. In Winnipeg, the Core Area Initiative (CAI) began in 1981 which was the original tri-governmental program that led to the creation of the Forks North Portage Partnership in 1994 and CentreVenture in 1999. The CAI was considered the catalyst which built capacity of the local partners and leaders and allowed them to navigate the development process prudently. In the case of The Forks North Portage, they have taken a long-term approach and established full trust with their government owners over 20+ years. The Forks North Portage Partnership can now operate with autonomy across a variety of political regimes.

In the case of the PRSC Partnership, where the investment from senior governments was absent, the parties established a collaborative culture through a small project; the second phase of the sea walk in Powell River. This served as the stepping stone leading to a successful partnership and continued working relationship between the City of Powell River and Tla’amin Nation.
“When you look at the Nanaimo South Downtown Waterfront, there are many parallels to the Forks North Portage Partnership. Some of the development challenges here are not as complicated as in Winnipeg. There is a lesson from the Forks North Portage Partnership about the initial start-up, management, and continuance across generations to maintain political interest.” (2016, Doug Kalcsics, Community Member-at-large, Nanaimo and Former Manager of City Planning, Winnipeg)

Political/Community Champion

Crucial to the success of a future development corporation is a local champion(s) to drive the process from concept to completion. In all three case studies, a single or group of community or political leaders are directly attributed to the success of their respective program. In Winnipeg, the Core Area Initiative was driven in large part by Lloyd Axworthy, and other local politicians, who negotiated the creation of the urban renewal program. CentreVenture’s success can be attributed to the work of Mayor Glen Murray, and other local community members, to provide the vision required to remove politics from public development and have the continued confidence to support it long-term.

Specific to the PRSC Partnership, Mayor Dave Formosa has been at the negotiating table for both the City of Powell River and Tla’amin Nation since before the Community Accord was signed. The former Mayor of Powell River and Chief of Tla’amin Nation were also instrumental in the forming of the PRSC Partnership.

7.5. Conclusion

Nanaimo’s South Downtown Waterfront is one of the last remaining urban waterfronts in Canada that offers significant opportunity for redevelopment. If we accept that the importance of this revitalization is greater than its economic return, then a
government response is necessary to ensure that development is completed to balance social benefit against economic return. A public development corporation has proven an effective tool for the delivery of urban renewal programs, this includes those targeted to fix previously decayed industrial city-ports. A development corporation acts on behalf of government agencies to manage revitalization by building consensus, raising funds, and negotiating the purchase, development, and sale of property.

In this report, three cases were examined: CentreVenture, The Forks North Portage Partnership, and the PRSC Partnership. Recommendations were given for the delivery of future development on the South Downtown Waterfront in Nanaimo using a development corporation. The research revealed that for this corporation to be successful in Nanaimo, it should: create a partnership, have resources and support, be autonomous, take a long-term approach, and be led by a political or community champion. The case study research also revealed more specific roles that a corporation can play which may be effective for use on the Nanaimo South Downtown Waterfront.

The PRSC Partnership provides an example of how such a development corporation might be established given the local context. That partnership began with a small project which built the foundation for a working relationship between the City of Powell River and Tla’amin Nation. There are opportunities for a similar relationship to be built between the South Downtown Waterfront lands owners through a small project completed in partnership.

In contrast, CentreVenture provides an example of a local government giving autonomy to an arms-length organization and being rewarded. In Winnipeg’s case the reward has been nearly $1 billion in private sector investment downtown. This type of a
development corporation could provide benefit to more than just the South Downtown Waterfront land owners. An entity like CentreVenture could become a mechanism to spur private sector investment in the entire downtown Nanaimo area, with the lands perhaps receiving subsidy through an increased municipal tax base.

The Forks North Portage Partnership has had the most success operating public land and providing social and event programming for the community, while continuing to own its mandated lands. This case may provide the most relevant operating model for the South Downtown Waterfront lands ("the Lands"). The popularity of The Forks in Winnipeg sets a precedent that Nanaimo would benefit from following. The leveraging of land leases on the North Portage lands provides an ingenious solution to the financial shortfall caused by providing a high level of public service at The Forks.

At one point, discussions took place for a possible merger between CentreVenture and The Forks North Portage Partnership (Jim August, personal communications, August 31, 2016) which highlights the opportunity for a mixture, or blend, of models providing value in the development of the Lands. An example could be a City of Nanaimo arms-length entity which operates similarly to CentreVenture, working with the private sector to develop various properties in the downtown core. The tax revenue created from such an entity could be leveraged towards an arms-length partnership with Snuneymuxw First Nation and/or the Nanaimo Port Authority. The arms-length partnership, in turn, would provide for redevelopment of the Lands while operating and maintaining public space and programming, like The Forks in Winnipeg.

"Ross McGowan (former CEO of CentreVenture), Angela Mathieson (CEO of CentreVenture), and I talked about taking up the two entities, The Forks North Portage Partnership and CentreVenture. The Forks North Portage would give up the responsibility of North Portage and all the
downtown properties to CentreVenture. The Forks North Portage would take care of all the waterfront property relating to the GoWaterfront plan.” (Jim August, Former CEO The Forks North Portage Partnership, Winnipeg)

Other outcomes could include the redevelopment of downtown parcels in Nanaimo, in addition to the parcels to be transferred to Snuneymuxw First Nation. These parcels would create land lease opportunities used to subsidize public space and programming on the Lands. Any development created on the Lands should be consistent with the vision created by the South Downtown Waterfront Initiative.

The South Downtown Waterfront may be Nanaimo’s strongest chance to enhance vibrancy downtown, with a cohesive set of land-uses strategically developed to ensure financial sustainability. The Lands are a defining feature of the region, and a waterfront development corporation gives the owners the ability to develop in a way that truly reflects the community’s wants and needs.

Research Limitations

The recommendations established through this research were validated repeatedly throughout my case studies. However, the phenomenological research was limited to interviews with members from the community and City of Nanaimo. This research did not include conversations with the other stakeholders i.e. Snuneymuxw First Nation, and the Nanaimo Port Authority. Interviews with these groups would help validate applicability of the recommendations to the Nanaimo context. In addition, other waterfront development corporations exist in Canada, such as Waterfront Toronto and Halifax Waterfront Development, which were not included in this research. These examples can
provide variations of the development corporation model which may be of value to Nanaimo’s South Downtown Waterfront.
References


CBC News. (February 4, 2015). *True North’s Mark Chipman fires back at mayor, puts Carlton Street project on hold*. Winnipeg, MB.


Appendix A.

Guiding Questions for Case Study Interviews

1. What are the advantages/disadvantages of creating a waterfront development corporation for waterfront development?
2. What are the key external challenges that waterfront development corporations face today and have those changed over time? Do you have thoughts on possible solutions?
3. What major internal constraints and/or limitations does the corporation have? Do you have thoughts on possible solutions?
4. Which of the corporation’s functions do you feel has had the most impact?
5. What functions are needed but not offered by the corporation? Can you comment on why those functions have not been rolled out yet?
6. Who are the key stakeholders that have been involved in the developments done by this corporation?
7. Has the corporation been effective at managing relations (understanding, building trust, serving) with these local stakeholders? Why/Why not?
8. What is your sense of how the corporation is received/perceived by the local community and among key stakeholders in the city? Do you agree?
9. What has been the impact to date of the program in addressing the challenges that accompany developing waterfront land (environmental issues, perpetual rights of way and the costs associated with the subdivision)?
10. Has the corporation been effective at allocating the benefits of waterfront development (affordable housing, employment, and public access)? Why/Why not?
11. Has this corporation been effective at managing relations (understanding, building trust, serving) with local government? Are there ways in which the needs or mission of the corporation are not supported by municipal plans?
12. Has the corporation been effective at managing changes in political leadership? Why/Why not?
13. Is the structure of this corporation (municipal arms-length, tripartite) more or less effective than the alternatives in supporting waterfront development? What do you see are the strengths and weaknesses of the different approaches and what would need to change with the corporation to improve?
14. What other factors, in your opinion, are involved in the success or failure, strengths and weaknesses of the corporation?
15. Do you think that the program can be replicated elsewhere?
Appendix B.

Guiding Questions for Phenomenological Interviews

1. What is your experience/role with SDWI?
2. To your understanding, what objectives did the City of Nanaimo set for the SDWI? Do you think these objectives were achieved?
3. Long term vision, how stakeholders engaged,
4. Which local groups did the SDWI work with in creating the guiding documents? Is this an adequate representation of the local community?
5. What is your sense of how the SDWI is received/perceived by the local community of Nanaimo?
6. Are there any opposing groups to the recommendations forwarded by the SDWI?
7. Do you feel the recommendations forwarded by the SDWI can be implemented?
8. Do you feel Nanaimo City Council has a will to adopt the SDWI recommendations? Why, why not?
9. What other factors do you feel are important in respects to the implementation of the SDWI recommendations?
# Appendix C.

## Interviewee List

<table>
<thead>
<tr>
<th>Location</th>
<th>Name</th>
<th>Title</th>
<th>Organization</th>
<th>Length of Interview</th>
<th>Date of Interview</th>
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<tr>
<td>Winnipeg</td>
<td>Toby Chase</td>
<td>Vice-President</td>
<td>TFNP</td>
<td>48m29s</td>
<td>August 16, 2016</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>Bob Sparrow</td>
<td>Owner</td>
<td>Inn at the Forks</td>
<td>55m56s</td>
<td>August 23, 2016</td>
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<tr>
<td>Winnipeg</td>
<td>Jim August</td>
<td>Former CEO</td>
<td>TFNP</td>
<td>1h17m49s</td>
<td>August 31, 2016</td>
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<tr>
<td>Winnipeg</td>
<td>Angela Mathieson</td>
<td>CEO</td>
<td>CentreVenture</td>
<td>1h03m39s</td>
<td>August 24, 2016</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>Ross McGowan</td>
<td>Former CEO</td>
<td>CentreVenture</td>
<td>39m16s</td>
<td>August 30, 2016</td>
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<tr>
<td>Winnipeg</td>
<td>Doug Kalcsics</td>
<td>Former Director of Planning</td>
<td>City of Winnipeg</td>
<td>50m06s</td>
<td>October 13, 2016</td>
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<tr>
<td>Powell River</td>
<td>Scott Randolph</td>
<td>Manager of Economic Development</td>
<td>City of Powell River</td>
<td>51m00s</td>
<td>October 24, 2016</td>
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<tr>
<td>Powell River</td>
<td>Dave Formosa</td>
<td>Mayor</td>
<td>City of Powell River</td>
<td>1h06m23s</td>
<td>October 24, 2016</td>
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<tr>
<td>Powell River</td>
<td>Clint Williams</td>
<td>Chief</td>
<td>Tla’amin Nation</td>
<td>33m12s</td>
<td>October 24, 2016</td>
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<tr>
<td>Nanaimo</td>
<td>Ann Kjerulf</td>
<td>Community Member at Large</td>
<td>South Downtown Waterfront</td>
<td>16m14s</td>
<td>October 7, 2016</td>
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<tr>
<td>Nanaimo</td>
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<td>Community Member at Large</td>
<td>South Downtown Waterfront</td>
<td>17m29s</td>
<td>October 13, 2016</td>
</tr>
<tr>
<td>Nanaimo</td>
<td>Bruce Anderson</td>
<td>Manager, Community &amp; Cultural Planning</td>
<td>City of Nanaimo</td>
<td>28m48s</td>
<td>October 14, 2016</td>
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<tr>
<td>Nanaimo</td>
<td>Fred Pattje</td>
<td>Former Councilor and member of Nanaimo Planning Advisory Committee</td>
<td>City of Nanaimo</td>
<td>28m48s</td>
<td>October 14, 2016</td>
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