

# Annual Report 2010





**Annual Report 2010**  
**Exchange District BIZ**  
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*Exchange the Ordinary for Something Extraordinary*

## A MESSAGE FROM THE BOARD CHAIR & EXECUTIVE DIRECTOR



Gord Holmes



Brian Timmerman

2010 has been a great year for the Exchange District BIZ. With a new Executive Director, great staff and a tremendous Board of Directors, we were able to capitalize on the momentum built up by our predecessors. We can look back on what has been accomplished and look forward to what is yet to come.

The fundamentals of the BIZ remain the same year after year. We are committed to enhancing the Exchange District experience through improved safety, beautification and cultural programming initiatives. We are also committed to spreading the word about the district's unique amenities and opportunities through public and media relations.

The results of our efforts have been tangible. We have seen unique retailers and restaurants drawn to the district. We have seen record-breaking crowds at our events, as well as favourable media attention for our programs and initiatives. More and more residents have positioned the district as the premier place to live in the heart of the city; this is encouraged by the on-going development of several residential condo projects in the area. The message is clear: the Exchange District is the place to be in Winnipeg.

The most notable piece of work being done within the Exchange District is the Old Market Square Redevelopment Project. In 2010, we saw the unveiling of **THE CUBE**. This key feature in the park's redevelopment will allow for greater programming and provide a performance space for the events that help animate the district. We saw work begin on the Red River Culinary Arts and Hospitality Training Centre and the completion of the King/Ryan block's conversion to a multi-story parkade and retail space. We also welcomed Sport Manitoba into the district.

With strong new additions to our BIZ staff, we are in a great position to continue to promote and enhance the unique beauty of the area, and to provide invaluable services to our members. Thank you to the Board, the BIZ staff, our contributors, and our members for making 2010 a memorable year.

A handwritten signature in black ink, appearing to read "Gord Holmes".

Gord Holmes  
Board Chair

A handwritten signature in black ink, appearing to read "B. Timmerman".

Brian Timmerman  
Executive Director



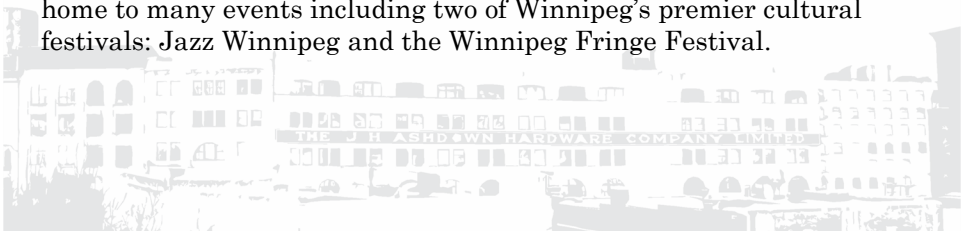
## THE EXCHANGE DISTRICT

Named after the original grain exchange, the Exchange District is an historic area in downtown Winnipeg. Unique in character and distinct from the main central business district, the area is known for its collection of terra-cotta and cut stone architecture from the turn of the 20th century.

The Exchange District received National Historic Site status in 1997, as its remarkable group of historic buildings “...vividly illustrates Winnipeg’s transformation between 1878 and 1913 from a modest pioneer settlement to western Canada’s largest metropolitan centre...”

The contemporary Exchange District is a diverse mix of commercial, cultural, and recreational uses. The area is known for its arts community, a wide range of entertainment activities and specialty shops. The number of residents is growing with historic warehouse conversions as well as five new condo developments on the eastern edge of the District.

There are two significant green spaces in the area: Stephen Juba Park along Waterfront Drive features a riverfront park and trail system, and Old Market Square is the heart of the Exchange and is home to many events including two of Winnipeg’s premier cultural festivals: Jazz Winnipeg and the Winnipeg Fringe Festival.



## THE EXCHANGE DISTRICT BIZ

The Exchange District BIZ is one of 15 business improvement zones in Winnipeg created by a City of Winnipeg By-Law. Every business located within a BIZ is automatically a contributing member by virtue of its paying a special levy collected by the City along with business taxes each spring. Of the Business Improvement Zones operating in the City of Winnipeg, the Exchange District BIZ is the third largest.

A Management Board, comprising of representatives elected from businesses in the zone and one City Council appointee, oversees the operation of a BIZ. Directors are elected at Annual General Meetings, typically held in the fall. The yearly budget and program of a BIZ are first subject to approval by members at the AGM, and then City Council.

The Exchange District BIZ Management Board adopted a three-year strategic plan in 2007. Our vision is that the Exchange District will realize its full potential as a cultural and heritage mecca known widely for its one-of-a-kind shops, services and attractions.

The mission of the Exchange District Business Improvement Zone is to champion the unique character of the district and create a clean, safe and thriving environment.



## MANAGEMENT BOARD

**Gord Holmes, Chair**  
Lincoln Learning Systems

**Dan Edwards, Vice Chair**  
Creswin Properties Inc.

**Karen DiQuinzio, Treasurer**  
TD Waterhouse

**Marina Clay**  
MMP Architects

**Avis Gray**  
Canadian Wheat Board

**Jennifer Jones**  
Wellington West

**Councillor Mike Pagtakhan**  
City of Winnipeg

**Sasa Radulovic**  
5468796 Architecture

**Peter Toni**  
Thompson Dorfman Sweatman

**Barbara Weselak**  
Meyers Norris Penny

## STAFF

**Brian Timmerman**  
Executive Director

**Derek Manaigre**  
Director of Operations

**Stephanie Scherbain**  
Marketing & Communications Coord.

**Milan Solc**  
Maintenance Coordinator

**Omar McKellar**  
Exchange Patrol

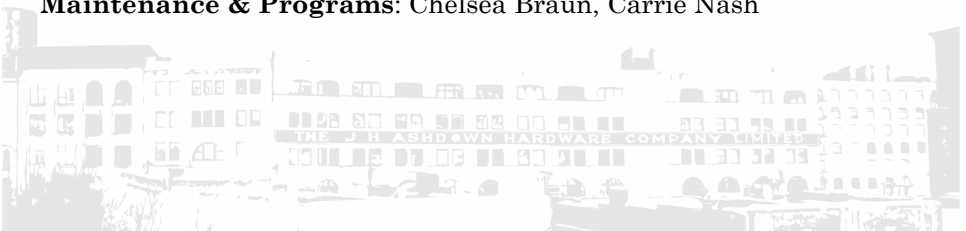
**Lisa Knievel**  
Exchange Patrol

**Dmitry Pekach**  
Exchange Patrol

## SUMMER CREW

**Walking Tours:** Ansel Vyrauen Veronica Neufeld

**Maintenance & Programs:** Chelsea Braun, Carrie Nash



## MARKETING & COMMUNICATIONS

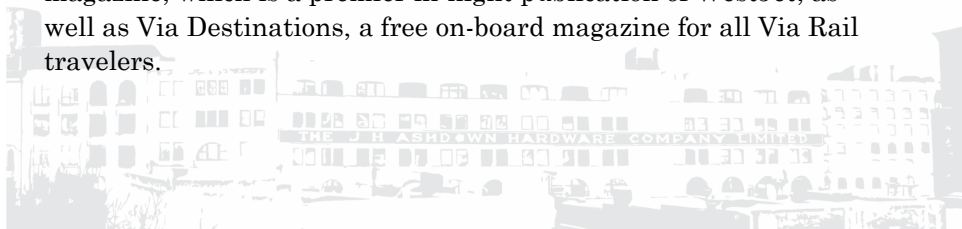
The BIZ is committed to promoting the Exchange District as a destination for one-of-a-kind shops, services and attractions and to keep members, stakeholders and the general public informed about the mandate and activities of the BIZ and its members.

The web site continues to prove very popular with tourists and daily users of the Exchange. Statistics show us that most of the site's visitors are looking for listings of where to eat and where to shop when visiting the area, so we are thrilled to provide this increased level of service to our members.

The Exchange District Visitor & Shopping Guide is our premier publication. An eye-catching and user-friendly guide to the area, the Visitor & Shopping Guide is widely distributed throughout downtown, to tourists and directly to 10,000 select subscribers of the Winnipeg Free Press based on demographics. The advertising dollars were not as high this year but we are committed to keeping this publication a very cost effective way to show what the Exchange has to offer.

2010 was a banner year for media relations, with a record number of favourable stories produced for local print, radio and television. Local media has been instrumental in aiding the BIZ to get our member's stories out, and in positioning the area as Winnipeg's cultural epicenter with numerous pieces that celebrate the rich and diverse cultural opportunities and amenities available in the district. A definite buzz was created with the opening of The CUBE.

Along with local media attention, The Exchange District was featured prominently in all the various international media sources. These media relations initiatives resulted in some invaluable national and international press. A highlight included two feature stories in UP magazine, which is a premier in-flight publication of WestJet, as well as Via Destinations, a free on-board magazine for all Via Rail travelers.



## PROGRAMS, OPERATIONS & OLD MARKET SQUARE

The BIZ encourages and supports programs and special events that add value to the neighbourhood, foster a sense of community and animate the district.

Old Market Square was once again the main hub of activity in the Exchange. Tens of thousands of people visited the area to take part in the Soca Reggae Festival, the Jazz Winnipeg Festival and the Winnipeg Fringe Festival. The BIZ proudly supports these three events. This year also saw the debut of MEME Festival (Manitoba Electronic Music Exhibition) and two weeks of noon hour concerts put on by Folklorama. In August the BIZ held concerts on a regular basis by featuring: Blue Mondays, WSO Wednesdays and Folk Festival Fridays. The variety of events was unlike anything we have had in previous years. We had a dog demonstration, yoga in the park and even tarot card reading.

The grand opening of The Cube took place mid-June. The Cube, while not complete, was able to feature and host a record-breaking number of events taking place in Old Market Square. Old Market Square saw a total of 63 days of programming taking place from mid June to September.

The Walking Tour program experienced its best year ever for drop in tours. We changed the format to appointment only and for the first time ever we exceeded over 1000 drop in tours. We launched the Death and Debauchery tour which was by far our most successful theme tour to date. The Walking Tour Program took over 2,000 people on tours this year – our third largest attendance in the program's history. Surveys tell us most tour patrons build other activities such as shopping and dining into their itineraries while visiting the Exchange for a tour, providing ancillary benefits to our members.

For 2011, the BIZ is planning to roll out another brand new tour: the Hollywood Tour. This tour will highlight some of the major films that have been shot in the district, their locations and history.

A very special thank you goes out to the sponsors of our various events. Without your valuable contributions these programs would not be possible.

## IMAGE ENHANCEMENT & COMMUNITY RELATIONS

The BIZ works toward fostering a safe environment, helping to beautify and maintain public property and encouraging pride of ownership in private property in the Exchange District.

2010 marked the eighth year of the patrol program and every year the program is evolving. We will be taking on a third full time patrol in order to increase the hours of service that we provide to our members. This year we were happy to extend the hours of the Exchange Patrol to include weekends, providing our members with more safewalks and an enhanced sense of security in the district. Our survey shows that our members find the Exchange Patrol to be an essential service, and that awareness of their presence has increased since switching to the new black and yellow uniforms. Less panhandlers, intoxicated persons and open containers in public no doubt contributes to a more positive experience for workers, residents and visitors. The Exchange Patrol program continues to be an excellent training opportunity for people looking for careers in law enforcement. Since the program's inception, 26 patrols have gone on to law enforcement careers.

Cleanliness goes hand in hand with creating a safe and welcoming environment in the Exchange. In 2010 we joined up with the West End BIZ to form the "Tag Team". This allowed us to pool our resources at no extra cost to our BIZ members so we can more effectively and quickly deal with graffiti, litter and snow removal. Thanks to partnerships with the City of Winnipeg's Public Works and Parks and Open Spaces Departments and the Winnipeg Parking Authority, the BIZ is able to maintain a full-time maintenance coordinator. In 2010 we removed 1,197 graffiti tags totaling over 24,000 square feet. We are down by more than 300 tags from the previous year. In most cases, we are able to remove graffiti within 24 hours. The summer Urban Green Team students swept the streets and sidewalks, planted flowers and watered plants.

In 2010 a lot of the focus of the BIZ was on the successful launch and operation of The Cube. In 2011 the BIZ is committing to developing a comprehensive tree lighting program for Old Market Square and the long term goals will be to expand the lighting program to the east side of the Exchange and other areas of the west side.

## COMMUNITY LEADERSHIP & ADVOCACY

The Exchange District BIZ works to keep members' issues a top priority. We are continuing to work toward a better system for loading zones in the district, to create new parking spots on Bannatyne between Princess and King and to help the Winnipeg Parking Authority developed a public awareness campaign regarding weekend parking. We continue to advocate for an increased Police presence in the district.

The BIZ recognizes the value of new development. Our position on demolition in the Exchange District is that it is a last resort and any new development must be worthy of future preservation efforts. We have been supportive of the plan to convert the King/Ryan building into a multistory parkade, retaining the historic facades along Bannatyne and King Street. We were pleased to see this project completed and open for business

We also took a position of support for Sport Manitoba to move its operations into a 125-year old heritage building at 145 Pacific Avenue. The goal in 2011 is to formally make Sport Manitoba part of the Exchange District BIZ.

The BIZ was also part of Phase 1 of the Downtown Retail Recruitment Strategy along with the Downtown BIZ, The Forks North Portage Partnership, CentreVenture and the City of Winnipeg. This is an ongoing project that aims to attract and retain businesses that will help our urban landscape thrive.

R:ED, the Exchange District's Residents' association came into their own this year. The group that was brought together by the BIZ and has now grown into an autonomous group that brings residents together for social outings in the district, to discuss issues of common concern and to create a greater sense of community. We continue to work closely with our partners to help create a better downtown Winnipeg. The BIZ is a member of a variety of consultative committees and boards such as the City of Winnipeg Downtown Housing & Employment Lands Strategy advisory group and the Downtown Council. We will continue to work with governments, our partners, BIZ members and other agencies to promote key downtown revitalization principles and best practices.

## ON THE HORIZON

**Red River College's Union Bank Tower Project:** Red River College will expand its presence in the Exchange District with a redevelopment of the Union Bank Building for student housing and its culinary arts program. This \$25 million project features 100 student residences, a restaurant and an educational training facility.

**You Cube:** Will be completing its final phase of redevelopment of 11 condo units

**StreetSide Developments:** Qualico which purchased the former Nygard property at Lily and Market. Is currently redeveloping the property which will eventually create 277 residential units with some commercial ground floor space.

**128 James** (former Kern Hill Warehouse): Is being redeveloped with commercial ground floor space and approx. 69 residential units

**Sky Waterfront Condos:** They are entering phase 2 of their development and creating 36 additional condo units

**James/Lily Parkade:** Land acquisition and a plan is being developed for a 300-400 stall parkade with commercial on the main floor. This is a top priority for the Parking Authority and the City to get this project off the ground.

**Bijou Theatre site:** As part of their redevelopment plan for the former Royal Bank Building, Red River College is committed to redoing the former Bijou Theatre site. The plan includes fixing the hard surface area, opening the space to be more user friendly and light the area with led canopy lighting.



## CONTRIBUTORS

In addition to the levy, we rely on the financial support and expertise of many individuals, businesses and organizations to improve programming and enhance the services offered to BIZ members. Our volunteer board members are representative of a wide range of business activity in the area, from large corporations to small owner-operated enterprises. The BIZ also welcomes input from other area stakeholders, including arts and cultural organizations, educational institutions and residents to strengthen the core of people cooperating to promote and improve the Exchange. The Exchange District BIZ gratefully acknowledges the following for their generous contributions:

### Artspace

Canadian Wheat Board

Canwest Place

CentreVenture

City of Winnipeg Community Services

City of Winnipeg – Historical Buildings Committee

City of Winnipeg Planning, Property & Development

City of Winnipeg Public Works – Graffiti Control

City of Winnipeg Public Works – Parks & Open Space

City of Winnipeg Transit

Citytv

Creswin Properties Inc.

Destination Winnipeg

Entegra Credit Union

Folklorama

Government of Canada – Canada Summer Jobs program

Heritage Canada Foundation

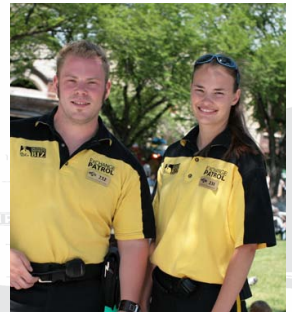
Impark

Listowel Trophies

Lombard Graphics



Manitoba Centennial Centre Corporation  
Manitoba Film & Sound  
Manitoba Theatre Centre  
Mariaggi's Theme Suite Hotel  
Mike Pagtakhan, CIGP Program  
MPN Holdings  
Neuhaus Design  
Pantages Playhouse  
Peasant Cookery  
Prairie Architects  
Province of Manitoba Urban Green Team  
Red River College Princess Street Campus  
Richlu Manufacturing  
Shelter Corporation  
Sound Art Winnipeg  
The Exchange Group  
The SOCAN Foundation  
Travel Manitoba  
The University of Manitoba  
Wellington West  
West End BIZ  
Winnipeg Arts Council  
Winnipeg Chamber of Commerce  
Winnipeg Folk Festival  
Winnipeg Free Press  
Winnipeg Parking Authority  
The Winnipeg Foundation



## WELCOME TO THE NEIGHBOURHOOD

Every year, the Exchange District sees new and exciting businesses and organizations choosing to set up shop in our one-of-a-kind district.

Here are just a few of our newest neighbours:

Callisto Couture

Guru Clothing Company

Kim chi Cafe

Kiss the Girl Photography

Peasant Cookery

Bedford Parkade @ King St. & Bannatyne Ave.

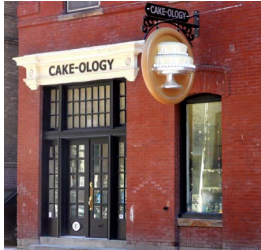
Pixel 2.1

Jejomar Bakeshop

Goodlife Fitness

Cake-ology

*\*We welcome all new businesses to the neighbourhood and we apologize if we have missed you.*



## EXCHANGE DISTRICT BIZ BUDGET & LEVY

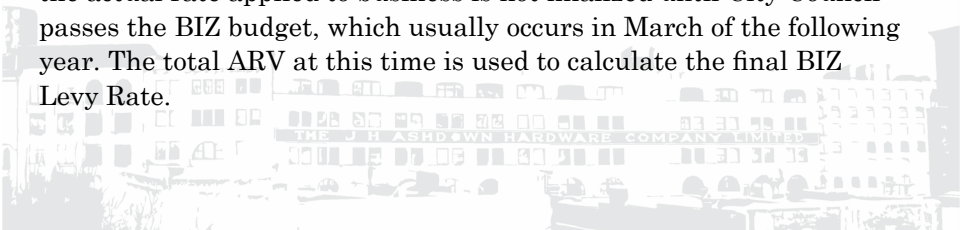
The BIZ budget is supported by the BIZ Levy and augmented by other sources of revenue. The BIZ Levy is a special levy on businesses operating in the zone. It is a function of the BIZ budget and the total annual rental value (ARV) in the zone.

At the annual general meeting, the BIZ proposes a program and associated budget that is anticipated to implement the program. The sources of revenue supporting the budget typically include a BIZ Levy, interest on account, and other grants or sponsorships. The revenue proposed from the BIZ Levy represents the total amount contributed from the businesses in the zone in support of the BIZ budget. The BIZ Levy rate determines the amount contributed by each individual business.

### **Levy Rate**

The total BIZ Levy proposed to support the BIZ budget is translated into a percentage of the total ARV in the zone (which is assessed by the City of Winnipeg). This percentage is referred to as the BIZ Levy Rate. The amount each business contributes to the BIZ budget is determined by applying this rate against the ARV of each respective business. The City collects the Levy at the same time it collects business taxes. The BIZ Levy is then forwarded on to the BIZ. However, there is usually an amount that goes uncollected each year. This can be a result of reassessments of existing businesses, or loss of businesses in the District. This amount is charged against the budget of the BIZ in the current or subsequent year.

At the time the BIZ budget is proposed at its annual general meeting, the BIZ Levy Rate as presented is based on the latest available ARV figure from the City of Winnipeg. However, the total ARV in a zone is not static. This is a function of continuous collections and/or reassessments of existing, new and departed businesses. Therefore, the actual rate applied to business is not finalized until City Council passes the BIZ budget, which usually occurs in March of the following year. The total ARV at this time is used to calculate the final BIZ Levy Rate.



## Levy Payment

As noted earlier, the BIZ Levy is collected by the City and then forwarded to the BIZ. Payment from the City to the BIZ occurs in three installments, 75% on June 30, 15% on August 31, and 10% on October 31. As a consequence of this schedule, the BIZ must operate without BIZ levy revenue for the first six months of each year. A line of credit and/or the organization's accumulated surplus from previous years' unexpended funds enable a reasonable cash flow to cover this period.

## ADMINISTRATIVE PRACTICES

The Exchange District BIZ maintains its office at 133 Albert Street. The following outlines notes on administrative practices that are reflected in the yearly audited financial statements.

**Accounting and Audit:** The firm of The Exchange Chartered Accountants provides auditing services for the Exchange District BIZ.

**Uncollected Levy:** The BIZ is held responsible for shortfalls in annual collections of the BIZ levy. The amount that is uncollected for the prior year is reconciled each spring and charged against the current year's budget.

**Goods and Services Tax:** All GST paid by the BIZ is 100% reimbursed by the Federal Government due to the "municipal" status of Business Improvement Zones.

**Accumulated Surplus:** The BIZ must operate for the first six months of each year without revenue owing to the payment schedule of the BIZ Levy from the City of Winnipeg. The accumulated surplus of the BIZ enables cash flow through this period and covers the uncollected levy. It is also considered sufficient to cover any liabilities in the unlikely circumstance that the BIZ had to cease operations.



**Capital Reserve:** The Exchange District BIZ implemented a capital reserve program designed to address certain future capital requirements and to support new programs aimed at improving the member and client experience in the Exchange District. The qualifying capital expenditures have been identified as Technology & Equipment and Community Projects. The Capital Plan will be amended and reviewed annually in conjunction with the BIZ budgeting process.

**Insurance:** Business Improvement Zones do not require the purchase of any insurance policy with the exception of Worker's Compensation. The City of Winnipeg provides property and casualty insurance to each BIZ.

**Interest Earned on Account:** In an effort to maximize the benefits of carrying an accumulated surplus, the BIZ invests in term deposits at its local banking institution. The cash flow requirements of the BIZ are monitored to determine a suitable amount for investment.



**EXCHANGE DISTRICT BUSINESS IMPROVEMENT ZONE**

**Statement of Financial Position**

**December 31, 2009**

	2009	2008
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 145,690	\$ 121,423
Internally restricted cash	42,177	42,038
Accounts receivable	18,975	17,350
Due from City of Winnipeg	3,345	12,089
Prepaid expenses	2,390	5,132
	<u>212,577</u>	<u>198,032</u>
<b>CAPITAL ASSETS (Notes 2, 4)</b>	<u><b>11,445</b></u>	<u><b>15,082</b></u>
	<u><b>\$ 224,022</b></u>	<u><b>\$ 213,114</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 11,929	\$ 4,324
<b>RENTAL INDUCEMENT (Net of accumulated amortization)</b>	<u>-</u>	<u>827</u>
	<u><b>11,929</b></u>	<u><b>5,151</b></u>
<b>NET ASSETS</b>		
Unrestricted	158,471	150,843
Invested in capital assets	11,445	15,082
Internally restricted (Note 5)	42,177	42,038
	<u>212,093</u>	<u>207,963</u>
	<u><b>\$ 224,022</b></u>	<u><b>\$ 213,114</b></u>

**EXCHANGE DISTRICT BUSINESS IMPROVEMENT ZONE**

**Statement of Operations**

**Year Ended December 31, 2009**

	2009	2008
<b>REVENUE</b>		
City of Winnipeg business zone levy	\$ 282,366	\$ 274,377
Grants	89,363	94,132
Partnerships and sponsorships	37,868	44,600
Miscellaneous	220	627
Walking tours	12,276	13,254
Farmers' market	716	2,505
Advertising revenue	-	129
Interest income	427	2,020
OMS vending fee income	1,000	1,500
	<u>424,236</u>	<u>433,144</u>
<b>EXPENSES</b>		
Programs, operations and Old Market Square (Schedule 1)	66,506	80,184
Marketing and communication (Schedule 2)	21,147	23,546
Image enhancement (Schedule 3)	180,432	172,940
Administration (Schedule 4)	152,160	139,478
	<u>420,245</u>	<u>416,148</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u><b>\$ 3,991</b></u>	<u><b>\$ 16,996</b></u>