

\$80-M Nygard project to revitalize Exchange

Fri Apr 15 2005

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ARTIST'S ILLUSTRATION

Two-block-long covered atrium will feature shops and restaurants.

CLOTHING manufacturer Peter Nygard is partnering with developer Arni Thorsteinson on an \$80-million project that will transform a large section of the East Exchange District with covered shopping malls, new office space and hundreds of residential units.

Nygard said the project, dubbed Nygard Village, will likely take several years to complete. "We'll do it one building at a time," Nygard said in an interview from his island compound in the Bahamas.

The first phase in the project is next Friday's opening of Nygard's new retail concept: a 10,000-square-foot Nygard Fashion World, in the former Athlete's Wear location on Market Avenue.

Subsequent components will include a two-block-long covered atrium along the laneway between James Avenue and Market Avenue from Lily Street to Waterfront Drive, which will include shops and restaurants. The project will likely be concluded with the construction of a covered atrium over Market Avenue from Lily Street to Waterfront Drive.

"This is a very exciting development," Thorsteinson said.

Thorsteinson said he credited the decision by former mayor Glen Murray to stage an international design competition for the East Exchange several years ago. He said that inspired developers and designers to consider how the area could be developed.

"Those were just ideas," Thorsteinson said. "This is possible now because of the substantial investment that (Peter) Nygard is making in their property. Now, we'll be working together."

Thorsteinson said that along with Nygard and a couple of other smaller property owners, the group owns all the property east of Lily to Waterfront, between the south side of James to the south side of Market.

Thorsteinson said when completed, the entire project will represent a \$70-million to \$80-million investment by the development group.

This bigger project began with a \$10-million plan by Nygard two years ago to convert the former Athlete's Wear site on Market and an adjoining building on James into a mega-retail outlet that would include a fashion museum and some loft residential units. Since then, however, Nygard has been busy buying up five additional properties on the same block. The last piece was the Kern-Hill Furniture Co-op warehouse at James and Bertha Street.

Meanwhile, Thorsteinson had been working with two other area property owners in a bid to get city hall's approval for a major condominium/retail/office development along Waterfront. But when the Thorsteinson group was unsuccessful, they hooked up with Nygard. Nygard said he's been quietly promoting residential development in the area during the last two years and believes there is a strong demand. He said most of the buildings he and Thorsteinson control are four- and five-storey structures. He said he sees a combination of retail and office space for the first and second floors and residential units for the remaining levels.

The attractiveness of the area, he said, including the heritage buildings, the river and park system, make a comprehensive development a natural progression.

"We want to make a place where people can work, live, shop and play," Nygard said.

Thorsteinson said although three other major condominium projects are under development nearby along Waterfront, those have yet to receive any planning approvals, while he and Nygard are ready to proceed.

"It's a question of when those others go ahead," Thorsteinson said. "Those others are still in the development process. They don't have approvals."

Nygard said one of the liabilities of the East Exchange is a lack of parking, but that will be corrected. Thorsteinson said he's completing plans for the construction of a 300- to 400-stall parking structure that will serve tenants of the new Nygard Village.

Nygard said the retail outlet on Market won't be completely finished when it opens at the end of next week. However, he said it will be completed by the end of the summer.

Nygard said he'll be releasing more details on the Nygard Village proposal in four to six weeks.

Thorsteinson is owner and president of Shelter Canadian Properties Ltd., one of the country's largest apartment building management firms with 9,000 units in 40 buildings, in most of which the firm also has an ownership stake. Shelter is also owner or partner in three hotels and two more that are under construction. Thorsteinson also heads up two real-estate investment trusts.

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