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\$20-M tower to crown Portage Place

Luxury suites, offices planned on mall's west end

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By Aldo Santin

ANOTHER large construction project is likely coming to downtown Portage Avenue with a tentative agreement for the construction of a \$20-million, 11-storey office and luxury rental tower atop the west end of the Portage Place shopping mall.

Forks North Portage Partnership CEO Jim August said an agreement was reached last week with Winnipeg-based Canadian Shelter Properties.

"We felt this was the one that made the most sense for the situation," August said. "We liked the concept they put together."

The Portage tower brings an unprecedented amount of building activity to downtown since construction began on the Portage Place mall nearly 20 years ago -- the MTS Centre, the new Millennium Library, and the new Manitoba Hydro tower.

"By the time we open (summer 2006), the MTS Centre will be open and the new Hydro project will be under construction," Arni Thorsteinson, president of Shelter Canadian Properties, said. "There will be a great deal of activity downtown and we believe many people will want to live in our tower."

August said the deal must still be approved by the Forks North Portage board of directors, adding, however, that he expects that will happen.

The Forks holds the rights to build two office towers atop Portage Place. The Forks owns the land the mall is built on and it also owns the underground parkade and the IMAX theatre on the mall's third level. The structural pads that could support two high-rise towers were built into the mall when it was constructed during the mid-'80s.

For Shelter Canadian, the deal with the Forks is a consolation of sorts -- it lost out in the bidding to build the new Manitoba Hydro tower, in partnership with Forks North Portage and mall owner Consolidated Properties, at the east end of the downtown shopping mall.

But Thorsteinson said he was pleased with snaring this project. "It's a great location and we think some well-to-do seniors and the professional and business community will want to live there."

Thorsteinson said the first three levels of the as-yet-unnamed tower will be marketed initially to call centre operations.

The remaining eight floors will contain 84 luxury apartment suites -- studio, one- and two-bedroom units that will rent from \$1,000 to \$2,000 monthly, he said.

Thorsteinson said construction can occur without disrupting shoppers or any other mall tenants.

Thorsteinson said there are 400 rental units at the Promenade Place apartment complex behind the Portage Place mall, adding they are fully occupied.

"Living downtown appeals to people," Thorsteinson said. "We're bringing 84 units there and I think there will be demand for all of them."

The Forks had issued a request for proposals in late November for a residential or hotel tower but August said he liked the mixed office/residential component of this project.

August said Forks North Portage will sign a long-term land lease arrangement with Canadian Shelter Properties, adding that's similar to the arrangements now in place with Consolidated Properties and the hotel under construction at The Forks.

Thorsteinson said the designs of the building are preliminary, and still must be approved by the Forks board and city hall, but he said the exterior will be mostly glass with brick that would complement the existing design of the shopping mall.

All the apartments will have a glassed-in, solarium balcony, he said. The suite sizes will range from 500 square feet to 1,100 square feet.

Thorsteinson said the tower will have a separate, street-level lobby on Vaughan Street where both the apartments and office space can be accessed. In addition, the tower will have direct access to the second level of the interior of Portage Place.

August said the next few weeks will be spent negotiating a memorandum of understanding with Canadian Shelter. Thorsteinson said he expects it will take a full year to develop the design and building plans, adding he hopes construction will start next spring and that the tower will be ready for occupancy by summer 2006.

Thorsteinson said he's already been approached by some call-centre operators looking for a large floor, adding he's confident he'll have deals in place to announce soon.

Thorsteinson, who is also chairman of Portage Place owner Consolidated Properties, said the presence of the office/residential tower will benefit the mall, adding he believes it will enhance its value.

The downtown mall is for sale but Consolidated president Scott Hutcheson could not be reached for comment.

Thorsteinson said he believes the new tower will complement other construction activity along Portage Avenue, adding that should create the momentum that will see Forks North Portage issue a second proposal call for a business tower at the east end of the mall.

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