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Developer says city's delaying downtown highrise

By: **Murray McNeill**

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Friesen Tokar architects An artist's drawing of Heritage Landing apartment building.

A local developer says foot-dragging by the City of Winnipeg could lead to the postponement of what was to be the first new downtown highrise residential project in the city in more than two decades.

Crystal Developers Ltd. has been trying for more than half a decade to build a new highrise apartment tower in downtown Winnipeg.

Two sites and numerous delays later, the company is still waiting for the city to clear off a parcel of formerly city-owned land so it can proceed with its 25-storey, 234-suite Heritage Landing apartment/townhouse project.

Crystal president Rubin Spletzer said Tuesday the delays have already cost the company about \$2 million, and the estimated cost of the project, called Heritage Landing, has spiralled from \$45 million to \$75 million to \$85 million because of soaring construction costs.

Spletzer said if the site isn't cleared and a building permit issued within the next month or so, Crystal will likely delay the project until next year and focus on Phase II of its Grand Lyon Terrace luxury apartment development in southwest Winnipeg.

Even if gets the permit for the Assiniboine Avenue project, the subtrades crews it had lined up to do the excavation work may not be available.

"We wanted to start in July... but the people we had lined up to do certain jobs have since taken on other jobs," he said, but if they are available, the project will proceed.

A city spokeswoman wouldn't commit Tuesday to a specific date, noting it depends in part on the availability of Manitoba



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A 25-storey apartment tower is planned for this site on the south side of Assiniboine Avenue. (BORIS MINKEVICH / WINNIPEG FREE PRESS)

Hydro crews who will remove transformer and hydro poles.

"But we are committed to having the site available to meet the developer's timeline," Michelle Bailey said in an interview.

In an earlier email, Bailey said, "There have been some unforeseen challenges associated with removal of materials and relocating hydro lines on this site, which has impacted on proposed timelines. However, we expect the site to be available for development shortly."

Spletzer said he doesn't want to sound overly negative, but he's found the process frustrating.

"We have been working diligently for the last three years (on trying to develop the second site), and it's time to get a permit," he said.

There have been times when he's been tempted to walk away from the project, he said.

"If I had known there would be all of these delays, I would have said to the city, 'Keep the land. Forget it.' Doing construction on a riverfront property is just a big headache."

But he said too much time and money has been spent on the project to walk away now.

"It will get built. It's just a matter of when."

City officials want the project to proceed because they want more people living downtown and because the apartment vacancy rate has been at around one per cent for several years.

The Heritage Landing project is one of two highrise residential developments being planned for downtown Assiniboine.

Sandhu Developments Inc. hopes to build a 23-storey, 91-unit condominium complex on the former Restaurant Dubrovnik site at 390 Assiniboine. However, it needs to pre-sell about half of the units before proceeding, so work isn't expected to get underway until early next year.

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Timeline

2007: City agrees to sell Crystal Developers surplus land on the southeast corner of Fort Street and Assiniboine Avenue for its Heritage Landing project, which comprises 18 townhouses, a 25-storey commercial/apartment tower and a 200-stall underground parkade.

2008: Crystal scraps its plan under pressure from the Friends of Upper Fort Garry, which wants the entire block between Main and Fort streets and Broadway and Assiniboine for a historical park.

Early 2009: The city agrees to sell Crystal another piece of surplus land on the south side of Assiniboine between Bonnycastle Park and the Midtown Bridge.

Late 2009: City discovers a major underground hydro line runs through the middle of the property, and the project is delayed while they figure out whether the company can build around it or if it has to be moved. At first, the city's told it can build around it, then it's later told the line has to be moved.

2010: City approves Crystal's revised design proposal.

2011: City agrees to share the cost of moving the hydro line and agrees to remove a building and other obstacles from the site.

June 2012: City has underground line moved and demolishes building on the site.

August 2012: Crystal complains the city still hasn't removed some hydro poles, a hydro transformer and an asphalt parking area on the property and threatens to postpone the project until next year if the site is not cleared within a month.

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