



SCOTT GILLINGHAM
MAYOR • MAIRE

March 20, 2024

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Dear Mr. Thiessen,

Thank you for your recent correspondence concerning the future of the Portage and Main concourse. Engaging in constructive dialogue with stakeholders, who play a crucial role in the prosperity and vibrancy of our downtown, is something I deeply value.

This prompted my direct calls to the relevant property owners at all four corners of Portage and Main on February 29, 2024. During these calls, I outlined the significant costs and traffic impacts of repairing the concourse's membrane. I informed them in advance of my plans to recommend re-opening the intersection to at-grade pedestrian traffic while eventually decommissioning the city-owned concourse.

The unanimous support from the property owners for at-grade pedestrian access was encouraging, highlighting a shared vision for enhancing downtown's accessibility and dynamism. However, some owners needed time to consider their views on the concourse recommendation, and I committed to further discussions about how to ease any transition. If any of the building owners in the area wish to do so, I invited them to follow up directly.

The Objectives

The rationale behind my proposed approach to re-open the intersection to street-level crossing is very clear:

- **Immediate Financial Savings:** Repairing the membrane and making necessary accessibility changes is projected to cost over \$73 million, and potentially much more if structural assessments determine the concourse's concrete needs to be replaced. There will also be reduced construction costs for the planned transit station at Portage & Main if grade separation is not a factor.

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- **Future Cost Savings:** The membrane would eventually need to be replaced again in 30-40 years. As noted in your letter, a calculation using a modest 3% construction inflation figure shows the cost to re-do this work in 40 years could be over \$240 million.
- **Minimal Traffic Disruptions:** The repair work proposed would create 4-5 years of substantial traffic delays, affecting not just Portage and Main but the broader eastern downtown area. It will also create significant disruption for our Transit system, just at the moment when we are enacting scheduling reforms to offer more frequent and reliable service.

Comparing Costs

Yes, there would be a cost associated with decommissioning the concourse. The City's public service has given a preliminary estimate of between \$20 million and \$50 million. That range is presented in the most recent public report related to Portage and Main, and I have shared it in several media interviews. However, it is important to point out this would be a one-time cost.

As mentioned in your letter, the City loses nearly \$1 million annually operating the concourse. As I am certain any of your members would do when faced with a similar long-term financial loss, this asset requires a rethink with an eye toward a more sustainable solution.

This loss is not comparable with transit subsidies, since transit is an essential service that moves millions of people annually to jobs, school, appointments, and shopping. For many people, it is their only mobility option. Providing a transit service also saves the City billions in additional road construction and repair costs.

By contrast, for pedestrians in downtown buildings, there is a viable and affordable alternative to operating the concourse: simply allowing pedestrian crossings at street level as at every other major intersection.

BOMA's Concerns

You have highlighted concerns regarding property tax and downtown vitality related to this proposal. It is precisely those concerns that lead me to oppose massive disruption right beside your members' properties for years.

As seen in cities worldwide, pandemic-induced shifts in work, commuting, and shopping behaviors have adversely affected foot traffic and commercial rentals in our downtown. It would be irresponsible to commit to a half-decade construction project that will exacerbate those issues, just to protect a concourse that has struggled with accessibility, security and financial challenges for decades.

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Additionally, decommissioning the concourse could benefit your members by removing the City as a competitor for commercial leased space. Businesses currently in the concourse could be relocated to vacant units in the surrounding buildings or at street level on Portage Avenue.

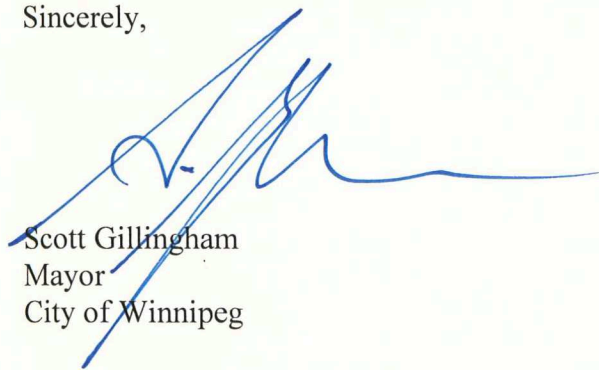
Your letter also questions the City's long-term stewardship of the concourse. It's important to consider the historical context here: the initial proposal to close the intersection came from a private firm as part of a 40-year development deal aimed at supporting their commercial properties. Unfortunately, not all promised developments materialized during the course of that agreement, affecting the expected revenues and benefits for downtown and the City of Winnipeg. This history is crucial in understanding the concourse's role not just as public infrastructure but also in its broader economic and developmental context.

Next Steps

With all that said, there are no imminent plans to close the Concourse. The current motion before City Council directs the public service to develop a decommissioning plan, including refined cost estimates.

We welcome any discussions that consider our objectives of avoiding prolonged traffic disruptions, achieving fiscal savings, and contributing positively to downtown's future. Your engagement and input are valued as we work toward decisions benefiting all downtown property owners and the wider community.

Sincerely,



Scott Gillingham
Mayor
City of Winnipeg