



Canada's Centre for Global Trade
WINNIPEG, MANITOBA



Business Plan

2015-2016



◀ Aerial view of new development at CentrePort Canada

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Vision & Mission



Vision

CentrePort Canada Inc. is recognized within North America and globally as an inland logistics hub offering businesses a competitive cost model for implementing global supply chain activities and an integrated one-stop shop support for investment decisions.

Mission

CentrePort Canada Inc. is a trade-related business, logistics and development facilitator, and an investment promotion and marketing agency.



Executive Summary

CentrePort Canada is a prime gateway for global trade in and out of North America.

Located just one hour north of the United States, CentrePort's 20,000-acre inland port and Foreign Trade Zone (FTZ) is at the hub of major trade corridors heading in all geographical directions.

CentrePort's strategic advantages include tri-modal transportation (truck, rail and air cargo); affordable, skilled labour; low taxes, business costs and energy rates; industrial land for any size of development; and single-window services for investors including assistance with land development approvals and access to incentives.

The corporation, CentrePort Canada Inc., is responsible for managing and planning the overall development of the footprint; for providing business development and investment attraction strategies that support economic growth and create jobs; and for marketing and promoting the inland port locally, nationally and internationally.

Last year, CentrePort celebrated

several significant milestones, most notably the start of construction of a \$43-million water treatment plant and infrastructure and the completion of the design for the new 700-acre CentrePort Canada Rail Park. Other achievements include new legislation establishing a special planning area at CentrePort and progress on plans for a 500-acre residential community.

In the next five to 10 years, CentrePort expects to see continued industrial growth along Brookside Boulevard north, with up to 400 acres of new development; a new business park on 60 acres near the intersection of CentrePort Canada Way and Sturgeon Road; additional access to airside development; and new industrial parks in close proximity to the Rail Park.

This projected activity is consistent with the strong investor interest shown to date – 39 different companies have built or are in the process of building new operations on more than 200 acres located within CentrePort.

To continue the progress, CentrePort Canada Inc. is focused on five strategic priorities for 2015-2016:

1. *Enhance CentrePort's tri-modal transportation options with the phased-in development of the 700-acre Rail Park*
2. *Work with companies to establish new operations at the CentrePort Canada Rail Park and within other CentrePort-based industrial developments*
3. *Prepare CentrePort Canada lands for development, investment and revenue generation*
4. *Develop and refine investment promotion and targeted marketing for investors, tenants and site selectors*
5. *Champion a "live, work, play, learn" approach to inland port development, work towards financial self-sufficiency, and demonstrate a strong value proposition to government and the community*

Canada's First Tri-Modal Inland Port

CentrePort Canada is the country's only tri-modal inland port and Foreign Trade Zone (FTZ) located in Winnipeg, Manitoba – the heart of North America.

The 20,000-acre transportation hub is only one hour north of the United States and a consumer population of 100 million people living within a 24-hour drive. CentrePort offers prime industrial land for any size of development and unparalleled access to tri-modal transportation.



THREE CONTINENTAL RAILWAYS

CentrePort boasts unique access to three class I rail carriers – Canadian Pacific Railway, Canadian National Railway and BNSF Railway, with CP and CN operating significant intermodal yards in Winnipeg. Rail services at CentrePort are being further enhanced with the development of the new CentrePort Canada Rail Park.

A MAJOR TRUCKING HUB

CentrePort is a significant national and international trucking hub. The new expressway, CentrePort Canada Way, is now in operation, opening up more land for development and making it easier for companies to reach the desired "five minutes to 55 mph" goal for moving cargo. The highway has been built to the province's highest RTAC standards.

WORLDWIDE AIR CARGO OPERATIONS

CentrePort is home to the James Armstrong Richardson International Airport, which offers 24/7 operations and the most dedicated freighter movements in Canada. Major carriers located on site include Fed Ex, Purolator, UPS, Canada Post, Air Canada Cargo and Cargo Jet. The central location and time zone allows operators to offer late cut off for overnight delivery to major cities.

CENTREPORT CANADA RAIL PARK

The **CentrePort Canada Rail Park** is in development on 700 acres, with direct access to the new expressway, CentrePort Canada Way. Plans for the new Rail Park include a common-use rail facility connected to three class I rail carriers and adjacent industrial space that will provide unique co-location opportunities for rail-intensive business.



The CentrePort Advantage

CentrePort Canada is the largest inland port in North America and an ideal location for greenfield developments in manufacturing and assembly, warehousing and distribution, agribusiness, food processing and packaging, and transportation-related logistics.

CentrePort's strategic central location and proximity to the U.S. provides companies with direct access to a major North American consumer market.

CentrePort's Winnipeg location also gives it all the advantages of doing business in a major metropolitan centre that regularly tops the list of the most cost-competitive cities among 26 major centres in the Midwestern Canada and the U.S. (KPMG, 2014). Other advantages include:

- Available labour with affordable wages/ government-funded employee health care costs
- Lowest published energy rates in North America
- Low corporate income taxes including zero per cent small business corporate income tax
- Generous manufacturing investment tax credits on buildings, machinery and equipment
- Best research and development tax credits in Canada on investment including salaries, overhead, capital and materials



We are very excited about CentrePort. This is about having a location where we can consolidate our loads for shipment and use CentrePort as a gateway for distributing products up to customers and branches in the north. It's a win-win for us.

SEAN POST, CEO, ARCTIC BEVERAGES

- Access to innovative, risk-mitigated intellectual property (IP) provisions via the University of Manitoba
- Worker training incentives and immigration recruitment programs to match industry needs
- New data processing credit
- No inventory tax



AT THE HUB OF KEY GATEWAYS

GATEWAY TO THE NORTH

- Via Port of Churchill
- Staging area for northern Canada
- Access to Europe, the Middle East, North Africa & the Mediterranean

GATEWAY TO THE WEST

- Asia-Pacific Gateway
- Port Metro Vancouver & Port of Prince Rupert
- Access to China & Pacific Rim

GATEWAY TO THE EAST

- Ports of Thunder Bay, Montreal & Halifax
- Atlantic Gateway
- Access to Europe, the Middle East & Asia

GATEWAY TO THE SOUTH

- Mid-Continent Trade & Transportation Corridor
- Access to United States & Mexico
- Ports of Houston & New Orleans
- Ports of Manzanillo & Lazaro Cardenas

THE PORT OF CHURCHILL

CentrePort Canada connects to the country's only inland deep-sea Arctic Port, the **Port of Churchill** in northern Manitoba. The Port shipped more than 600,000 metric tonnes of grain and oilseeds in 2013, during its longest shipping season to date.

CentrePort and Winnipeg provide an ideal staging ground for trade through the Port to markets in northern Canada, Europe, the Middle East, North Africa and the Mediterranean.





CentrePort: Development Made Easy

CentrePort Canada Inc. is the master planner and facilitator of development for the inland port. The corporation is also responsible for providing business development and investment attraction strategies that support economic growth and create jobs; and marketing and promoting the inland port locally, nationally and internationally.

The corporation provides single-window services to business including direct access to federal Foreign Trade Zone (FTZ) benefits (sales tax and duty relief, custom-bonded warehouse program) as well as the ability to work with companies and governments on incentive packages.

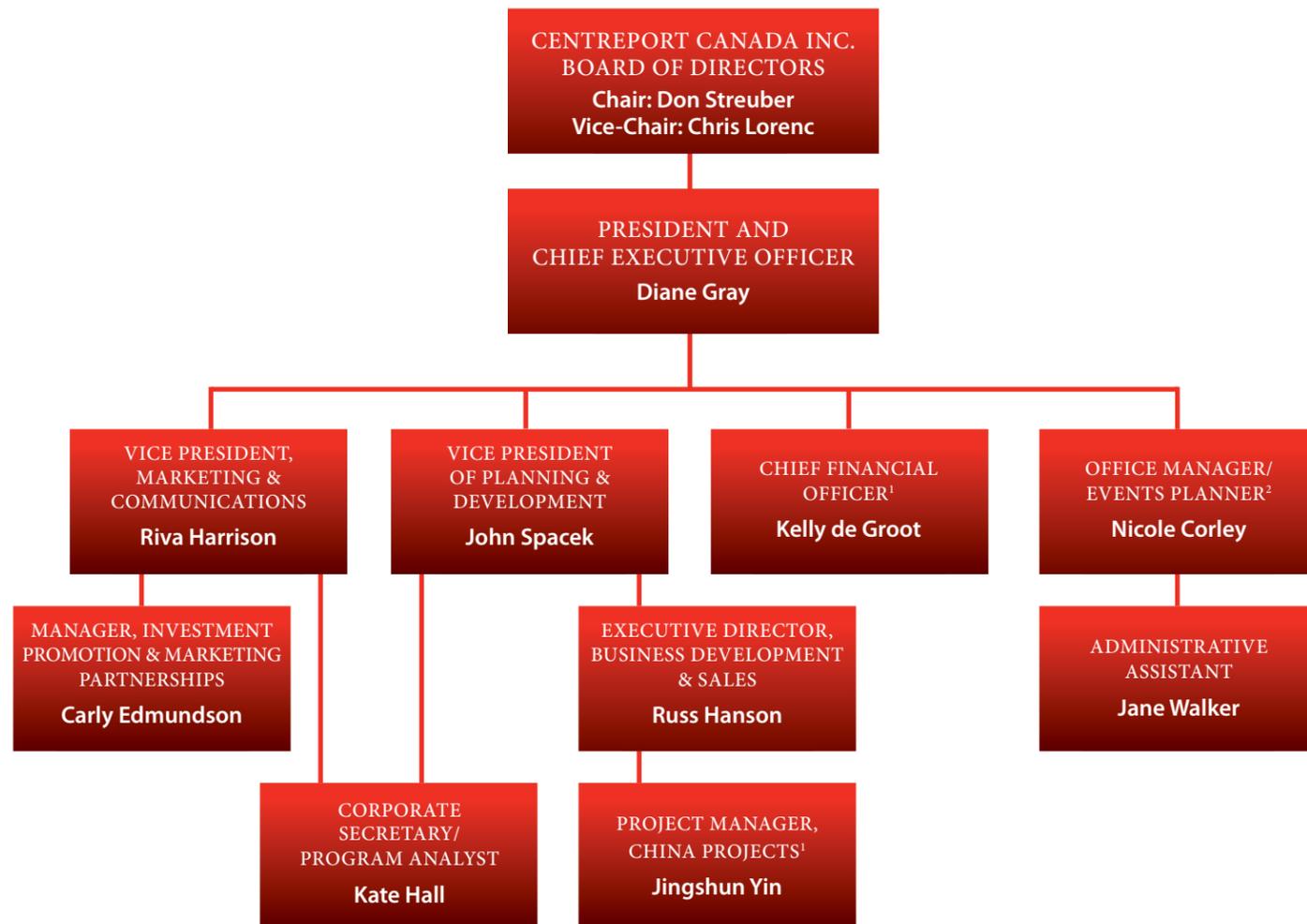
Other single-window services include:

- Fast-tracked land development approvals
- Land and space inventory
- Business-to-business connections
- Liaison with governments
- Logistics, transportation and global trade referrals
- Links to international markets
- Landowners' Association
- Marketing partnerships and support



The Corporation

CentrePort Canada Inc.'s business plan, legislative mandate, budget, vision and mission statements and other objectives are set by the board of directors and implemented by management and staff. The 2015-2016 team includes eight full-time and two part-time professional staff.



¹ Part time position
² In-kind position from Province of Manitoba



The CentrePort Board

The ongoing development of the inland port provides value-added competitive advantages for Winnipeg and the capital region, Manitoba, Western Canada and the country as a whole.

This is the overarching vision of CentrePort's 15-member, private sector-led board of directors, chaired by Don Streuber, president and CEO of Bison Transport.

The board structure is defined by the CentrePort Canada Act (Appendix A) and includes nominees from the Business Council of Manitoba, Economic Development Winnipeg, the Manitoba Chambers of Commerce, the Manitoba Federation of Labour, the Manitoba Trucking Association, the Winnipeg Airports Authority, the Winnipeg Chamber of Commerce, the City of Winnipeg, the Rural

Municipality of Rosser, the Province of Manitoba, and the Government of Canada, as well as four directors at large. (Appendix B)

The board meets five times per year and is a governance body responsible for the corporation's guiding policies and procedures.

The board also oversees the preparation and publication of the annual business plan, budget and annual report, as well as the corporation's bylaws and policies. All are available for public viewing at www.CentrePortCanada.ca.

BOARD MEMBERS

- Don Streuber, Chair
- Chris Lorenc, Vice-Chair
- Wayne Anderson
- David Barnard
- John Falcetta
- David Filmon
- David Fung
- Monica Girouard
- Cliff Kolson
- Eugene Kostyra
- Carol Paradine
- Maureen Prendiville
- Michael Pyle
- Bob Silver
- Warren Thompson

See Appendix B for more details.

The CentrePort Community

Winnipeg has a long rich history of being the key transportation hub between Toronto and Vancouver. It is the only city on the prairies served by three class I rail carriers, boasts a global trucking hub that offers low rates and quality service across North America, and is home to a state-of-the-art international airport with cargo service and 24/7 operations.

WORKING TOGETHER TO BRING BUSINESS TO MANITOBA

- City of Winnipeg
- Economic Development Winnipeg
- Partnership of the Manitoba Capital Region
- Manitoba Hydro
- Manitoba Trade and Investment
- RM of Rosser
- Winnipeg Chamber of Commerce
- Western Economic Diversification
- World Trade Centre Winnipeg
- Yes! Winnipeg

Major corporations and industry leaders call Winnipeg - and CentrePort - home, including MacDon, Wipak, Fort Garry Fire Trucks, Boeing, Magellan, StandardAero, Paterson GlobalFoods, Bison Transport, TransX, Convion, Gardewine North, North

West Company, GE Aviation, Payne Transportation, Manitoba Harvest Hemp Foods, Rosedale Transport and Peak of the Market. High-profile companies such as Canada Goose, Canadian Tire and IKEA have flagship operations in Winnipeg.



The plan to build an inland port in Winnipeg began as a vision of the broader community, which included leaders from business, labour, academia, the transportation industry and various levels of government.

This beginning as a private-public sector partnership is reflected in the nomination structure of the corporation's board of directors and continues today in the way CentrePort engages industry and the community.

CentrePort's Advisory Committee meets up to three times annually to help ensure that key stakeholders are apprised of new developments and that their interests are taken into account by the corporation.

The corporation also launched the CentrePort Landowners' Association in 2014 to facilitate consultations



Working with CentrePort, we have been able to successfully close deals – which is great for our city and great for our province.

ROBERT SCALETTA, SHINDICO REALTY

and engage landowners, developers and CentrePort-area businesses on infrastructure and transportation planning, land-use planning and other relevant developments. The association had 31 members by the end of 2014-2015 fiscal year.

The corporation's Marketing Partnership Program was also launched in 2014 (*Appendix C*). The program, which had 27 members at year end, helps partner organizations increase their profiles, and provides unique networking opportunities

and a way to connect with other CentrePort-related businesses and initiatives.

Many of CentrePort's day-to-day activities are done in partnership with other companies, economic development agencies, business organizations, private industry, real estate developers, CentrePort tenants and various levels of government. Progress to date in building the inland port is reflective of the work of the corporation, as well as the efforts of the entire CentrePort community.



2014

Full Steam Ahead

2014-2015 Milestones



Over 200 acres in various stages of development by 39 different companies

Design completed for new 700-acre CentrePort Canada Rail Park



Construction underway for new \$43-million water treatment plant and wastewater servicing

Business Directory launched as part of the Marketing Partnership Program



Third customs-bonded warehouse opened (WETT Sales & Distribution)

Planning underway for a new 500-acre residential community



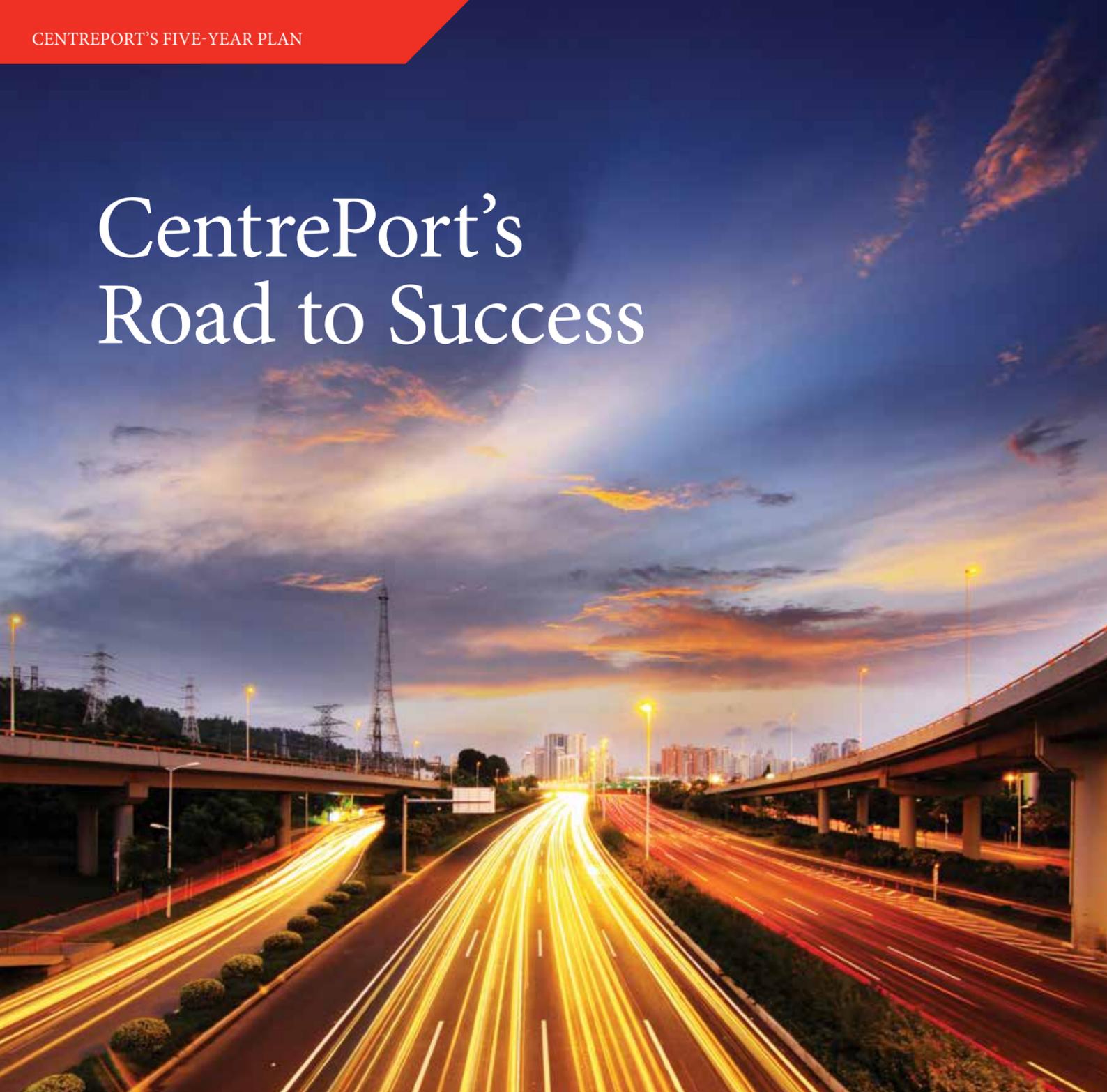
Provincial legislation introduced establishing a special planning area at CentrePort

Successful business attraction missions to the United States, Mexico, Europe and Asia, with a focus on the Bakken, Korea and China



2015

CentrePort's Road to Success



CentrePort Canada Inc.'s 2015-2016 business plan outlines strategic priorities for the upcoming year, which also serve to advance the corporation's five-year goals. CentrePort's five-year plan is updated annually to reflect recent developments, identify new and emerging opportunities, and account for changing circumstances.

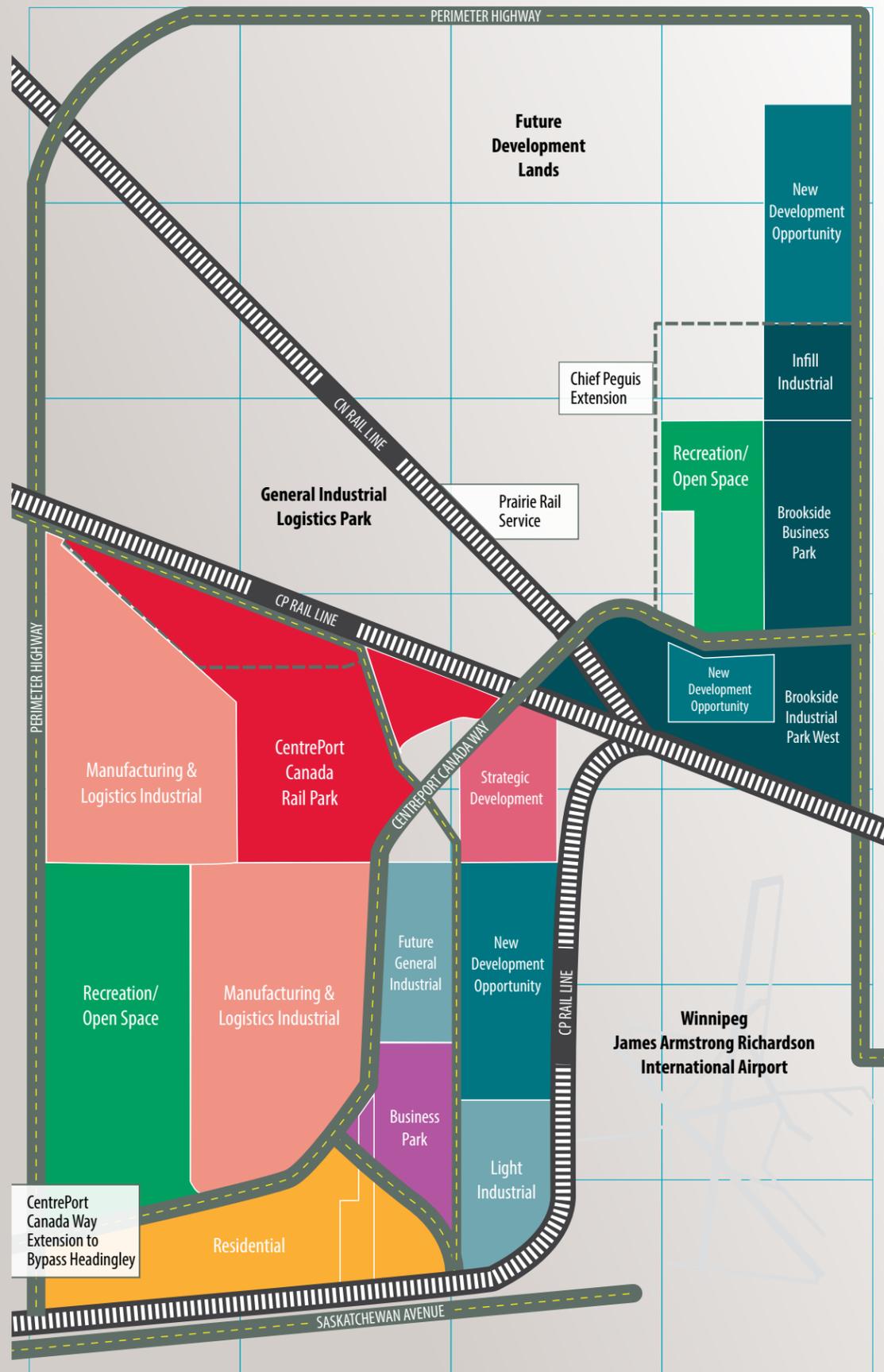
Key Five-Year Goals (2015-2020)

- **New Rail Options** - CentrePort Canada Rail Park open for business, including a common-use rail facility and operational tenants (including at least one anchor tenant) on site.
- **Outreach to Investors** - Quantifiable information about CentrePort's competitive advantages for the six key growth sectors: agribusiness, composites, mining/ energy, biomedical, regional distribution (retail/ manufacturing components/ goods), and e-commerce.
- **Corporate Self-Sufficiency** - CentrePort Canada Inc. financially self-sufficient by March 31, 2017, the end of current multi-year government contribution agreements.
- **Service in Place** - Water, wastewater and utilities servicing extended to CentrePort lands on a phased-in basis, with the first stage of water/ wastewater in-service in 2016.
- **A Thriving CentrePort Community** - Excellent working relationships with all partners (governments, industry and the community), and a clear understanding of CentrePort's strong value proposition and importance to the economies of Winnipeg, the capital region, Manitoba and Canada.
- **Development Opportunities** - Land available within a minimum of three additional industrial parks (non-rail), with nine major tenants and 56 other tenants invested or committed to invest, plus five new FTZ operations.
- **Strong Supply Chain** - Unique soft infrastructure services linking the global supply chain to specific intermodal activities, including working with partners on new technologies and other measures to enhance the safe and secure flow of goods across borders.
- **Single-Window Services** - Streamlined land-development approvals as a key component of CentrePort's single-window services for investors. This includes promoting and improving sustainability via zoning laws that incorporate green measures.
- **Live, Work, Play, Learn** - This approach well-established at CentrePort with new residential development, greener zoning bylaws, the protection of Little Mountain Park, increased active transport opportunities, and partnerships with post-secondary universities and colleges.
- **Training for New Jobs** - Post-secondary schools engaged on new developments so universities and colleges can plan for emerging employment opportunities and help ensure there is a skilled workforce to support inland port growth.

VISION 2020

The new CentrePort Canada Rail Park expects to have at least one anchor tenant in operation, plus commitments from two other anchor tenants (300+ rail movements/ month) and five other rail tenants by 2020.





Strategic Priorities Overview



STRATEGIC PRIORITY #1

CentrePort Canada Rail Park

Enhance CentrePort's tri-modal transportation options with the phased-in development of the 700-acre Rail Park



STRATEGIC PRIORITY #2

Business Development & Sales

Work with companies to establish new operations at the CentrePort Canada Rail Park and within other CentrePort-based industrial developments



STRATEGIC PRIORITY #3 -

Inland Port Management

Prepare CentrePort Canada lands for development, investment and revenue generation



STRATEGIC PRIORITY #4 -

Marketing & Investment Promotion

Develop and refine investment promotion and targeted marketing for investors, tenants and site selectors



STRATEGIC PRIORITY #5 -

Sustainable Approach to Development

Champion a "live, work, play, learn" approach to inland port development, work towards financial self-sufficiency, and demonstrate a strong value proposition to government and the community

CentrePort Canada Rail Park

Three class I rail carriers – Canadian National, Canadian Pacific and BNSF Railway – have access to CentrePort, with both CN and CP operating well-established intermodal yards in Winnipeg.



**NEW RAIL PARK
ON 700 ACRES**

#1 Enhance CentrePort's tri-modal transportation options with the phased-in development of the 700-acre Rail Park:

- Secure the initial tenants for the CentrePort Canada Rail Park, which will trigger construction on the first phase of development. (March 2016)
- Receive development approvals (subdivision, zoning, road realignment) from the Province of Manitoba and Rural Municipality of Rosser for the construction of the Rail Park. (March 2016)
- Finalize the business model for the Rail Park and its common-use rail facility, including issuing a Request For Proposal for CentrePort's new port railway operation. (March 2016)
- Continuously work with rail carriers and other industry partners on the phased-in development of the CentrePort Canada Rail Park.

CentrePort Canada is the country's only tri-modal inland port with on-site access to national and international rail, truck and air cargo operations.

The corporation works with all modes of transportation to promote their operations and explore new business opportunities. This also includes working with the community on the greater utilization of the Port of Churchill, Manitoba's northern deep-sea port.

To enhance CentrePort's tri-modal

transportation advantage and provide increased rail services for business, the corporation is developing the CentrePort Canada Rail Park on 700 acres south of the CP main line and served by the expressway, CentrePort Canada Way.

The Rail Park will be developed in phases as negotiations continue with several potential tenants that are currently in non-disclosure agreements with the corporation.

CentrePort will also continue planning

for additional phases of the Rail Park, which will include a common-use rail facility and an adjacent industrial park for rail-intensive companies to build new operations.

The new Rail Park will add to considerable rail activity already occurring at CentrePort including an interior rail cross-dock facility in the Bison Warehouse, a new loop track between the CP and CN lines at the Paterson Grain inland terminal, and sidings into Murray Industrial Park.

Business Development & Sales

#2 Work with companies to establish new operations at the CentrePort Canada Rail Park and within other CentrePort-based industrial developments:

- Work one-on-one with rail-intensive companies interested in establishing new operations within the new CentrePort Canada Rail Park.
- Secure two "other rail tenants" and seven "other tenants" (non-rail park) from targeted investment attraction outreach involving a minimum of 45 new companies.
- Develop investment attraction strategies for six priority sectors including agribusiness, composites, mining/ energy, biomedical, regional distribution (retail, manufacturing components, goods) and e-commerce.
- Assist investors in accessing federal Foreign Trade Zone (FTZ) benefits and other cost-saving incentives via CentrePort's single-window support for business.

MAJOR COMPANIES AT CENTREPORT

- Bison Transport
- Boeing
- Bristol Aerospace
- Convicon
- Fort Garry Fire Trucks
- Gardewine North
- GE Aviation
- MacDon
- North West Company
- Paterson GlobalFoods
- Payne Transportation
- Peak of the Market
- StandardAero
- TransX
- Winpak



SIX PRIORITY SECTORS

CentrePort works closely with Economic Development Winnipeg including Yes! Winnipeg and other partners on business attraction in **six priority sectors**:

- Agribusiness
- Composites Manufacturing
- Mining/ Energy
- Biomedical
- Regional Distribution
- E-commerce



Business development and sales is at the heart of CentrePort Canada Inc.'s operations. The corporation's strategic priorities are chosen and implemented with a common goal in mind – attracting new and expanded investment to CentrePort, and ensuring the ongoing development of the inland port.

One of CentrePort's most important initiatives in 2014-2015 was working to secure an anchor tenant or tenants with significant rail activity in order to trigger the construction of the CentrePort Canada Rail Park. Finalizing negotiations with these tenants is a top priority for 2015-2016.

The corporation is also working one-on-one with at least 45 companies on establishing new operations at

CentrePort. This outreach is divided into two critically-important targets – companies with rail-intensive operations who would be a good fit for the new Rail Park (rail tenants); and companies that would be a match for other industrial areas that are underway within CentrePort (other tenants).

CentrePort is continuing to work closely with its real estate partners on business attraction to the various industrial parks located within the footprint. Since CentrePort began, 39 companies have built new facilities or are in the process of developing new operations on more than 200 acres in areas represented by Shindico Realty and DTZ Winnipeg. They join hundreds of other

companies already on site, many of them in the transportation, logistics, warehousing and manufacturing sectors.

CentrePort's position at the hub of key gateways means the corporation is continuing to explore new opportunities within the Asia-Pacific Region and Europe, as well as in North America. New trade agreements with the European Union and South Korea are helping to build new connections between Manitoba business and those countries.

The corporation is also working on a new initiative to increase trade with Mexico and is exploring the opportunities presented by the Bakken region, as Winnipeg is the closest major manufacturing centre.

Inland Port Management



As the master planner and facilitator of development, CentrePort works with government, industry and the community on a number of planning initiatives that are essential to the continued success of the inland port.

One of the most significant milestones in 2015-2016 will be implementation of the special planning area and authority for the Rosser lands at CentrePort.

The initiative, the result of provincial legislation that was introduced in 2014, is expected to speed up land development approvals and is a key addition to CentrePort's suite of single-window services for investors.

The special planning authority, which will be chaired by the RM of Rosser and include representatives from the City of Winnipeg, Winnipeg Airports Authority, CentrePort and the Manitoba government, will help ensure planning is coordinated and consistent across the inland port footprint.

The initiative will also provide the broader community with an accountable and transparent process for land development approvals.

The corporation will also be working with various government and industry partners to identify which roadworks are required to support

the development of the Rail Park and the inland port in its entirety; undertake a study of the drainage needs for the Rosser lands; and develop a servicing plan to support future phases of development throughout the footprint.

As planning and development matters continue to be a significant part of CentrePort's day-to-day operations, the corporation will continue to engage key stakeholders through the CentrePort Landowners' Association, the CentrePort Advisory Committee and other relevant forums for consultation.

#3 Prepare CentrePort Canada lands for development, investment and revenue generation:

- Implement a new streamlined land-development approval process through the creation of a special planning area and authority for the Rosser lands within CentrePort, in partnership with the Province of Manitoba, RM of Rosser, City of Winnipeg, and Winnipeg Airports Authority. (October 2015)
- Work with government partners to prioritize road/ highway works that support the successful operation of the CentrePort Canada Rail Park; access to other industrial parks and westside air cargo operations; the overall development of the inland port; and the efficient flow of cargo along key trade corridors.
- Undertake a drainage study for the Rosser lands within CentrePort in cooperation with the RM and the Province of Manitoba. (March 2016)
- Work with government partners to meet timelines on extending the first phase of water and wastewater servicing to CentrePort in 2016.
- Develop a servicing plan for future phases of development (water, wastewater, roads, connectivity, etc.) in conjunction with government partners, service providers and business. (March 2016)
- Continue working with members of the CentrePort Landowners' Association to ensure landowners, developers and businesses are engaged in planning matters.



The special planning area has the potential to be a huge differentiator for CentrePort. Single-window approvals for applications is what the investment community has been waiting for. Ensuring speed to market will give CentrePort a competitive edge when it comes to attracting new companies to Manitoba.

MARTIN MCGARRY, DTZ WINNIPEG

NEW INFRASTRUCTURE



The **CentrePort Canada Rail Park** is in development on 700 acres and will provide increased access to three class I rail carriers and offer prime industrial space for rail-intensive business to co-locate.



CentrePort Canada Way (PR 190) will more than double when it is expanded to bypass the community of Headingley and connect directly to the Trans-Canada Highway. The expressway makes it more efficient to move cargo from loading dock to highways.



Water and Wastewater Servicing is being extended to CentrePort lands in phases, with the first phase expected to be in service in 2016.



Marketing & Investment Promotion

#4 Develop and refine investment promotion and targeted marketing for investors, tenants and site selectors:

- Create targeted marketing materials to support business attraction efforts for the new CentrePort Canada Rail Park, as well as to promote investment in the inland port.
- Develop a marketing strategy to support the launch of the special planning area and authority for Rosser lands, as part of the promotion of CentrePort's suite of single-window services.
- Expand the Marketing Partnership Program to include a minimum of 35 partners and partner benefits that support the ongoing development of a strong CentrePort Community.
- Promote the assets of the inland port and the single-window offerings of the corporation nationally and internationally to investors, site selectors and others making location decisions.

Supporting investment attraction to CentrePort, raising awareness about the inland port, and ensuring continued government and community support are the key objectives of the corporation's marketing and investment promotion strategy, which is updated and implemented annually.

The corporation's initiatives are local, national and global in nature, and are often executed in partnership with the private and public sector.

CentrePort's marketing team is continually updating its marketing materials to support business attraction efforts, and this will continue in 2015-2016 with greater emphasis on the new CentrePort Canada Rail Park.

Another priority will be the formal launch of the special planning area and authority – a key component of CentrePort's single-window service for investors which will allow for fast-tracked development approvals.

CentrePort will work with government and other partners to ensure information is readily available to investors, and these efforts will include a revamped website.

CentrePort will also continue working with Economic Development Winnipeg and others on outreach to American site selectors and other executives making investment location decisions.

CentrePort has been successful in making one-on-one contact with 40 to 50 site selectors each year, which has helped to raise awareness about CentrePort and the broader

community, and has deepened relationships with influential decision makers. Data and insight gained from these relationships has helped inform and refine CentrePort's marketing and business attraction strategies.

In early 2014, CentrePort launched its successful Marketing Partnership Program, which had 27 members after its first full year in action. (*Appendix C*)

The new program is providing participants with unique marketing and networking opportunities, building brand awareness for CentrePort and its partner organizations, while also financing a modest portion of the corporation's marketing initiatives.

The corporation expects to expand the program to 35 partners in 2015-2016 and stage several networking

events as part of its overall approach to building a strong CentrePort Community of supporters and ambassadors.

CentrePort participated in a number of important announcements last year including plans for the extension of water and wastewater servicing to CentrePort; the introduction of provincial legislation establishing a special planning area and authority for CentrePort; and the openings of several new operations at CentrePort including Goodman Manufacturing, SMS Equipment, Arctic Beverages, and WETT Sales & Distribution.

CentrePort will continue to participate in announcements and other public events and activities designed to keep the community engaged and informed about new developments.



Sustainable Approach to Development

#5 Champion a “live, work, play, learn” approach to inland port development, work towards financial self-sufficiency, and demonstrate a strong value proposition to government and the community:

- Continue to build a high-performance corporation including generating own-source revenues through the development of CentrePort’s Rail Park and other business activities that will sustain operations and result in financial self-sufficiency. (March 2017)
- Enhance government and community relations in order to raise awareness of CentrePort, demonstrate its strong value proposition, and ensure understanding of its importance to the economies of Winnipeg, the capital region, Manitoba and Canada.
- Encourage a “live, work, play, learn” approach to development at CentrePort by supporting the creation of a 500-acre residential community on site, new partnerships with post-secondary institutions, and the protection of Little Mountain Park.
- Improve overall sustainability with the implementation of the RM of Rosser’s form-based zoning bylaw for CentrePort lands, which includes a greener approach to new development.
- Grow the CentrePort Community in partnership with nominating organizations, business, economic development agencies, real estate companies, developers, landowners, tenants, the transportation industry, post-secondary schools and others.
- Meet the requirements of the CentrePort Canada Act including the preparation and public release of an annual business plan, budget and annual report.

CentrePort Canada Inc. is continuing to make progress towards its goal of being financially self-sufficient by March 2017, when the corporation’s current contribution agreements expire. Many of CentrePort’s revenue generating activities are well underway and include the development of the CentrePort Canada Rail Park, the launch of the Marketing Partnership Program and the receipt of proceeds from the 2014 sale of 63 acres designated for residential development.

The nature of CentrePort’s operations and mandate mean that the corporation is constantly working in partnership with government and the

private sector. Strong partnerships with nominating organizations, business, economic development agencies, real estate companies, developers, landowners, tenants, the transportation industry, educational institutions and others are essential to CentrePort’s ongoing success.

Continuing to grow the CentrePort Community – and the benefits that come from having a group of ambassadors as well as their collective input and experience – is a key part of ensuring a sustainable approach to inland port development and the corporation’s operations well into the future.



CentrePort’s development is of critical importance to the economies of Winnipeg, the capital region, Manitoba and Canada. We strive to build great working relationships with all levels of government, industry and the community.

**DON STREUBER, BOARD CHAIR,
CENTREPORT CANADA INC.**

A GREENER DEVELOPMENT

CentrePort Canada Inc. is championing a “live, work, play, learn” approach to development through a number of initiatives including the creation of a 500-acre residential community on City of Winnipeg lands in the southwest corner of the footprint, new partnerships with post-secondary schools, support for the protection of Little Mountain Park and increased active transport opportunities.

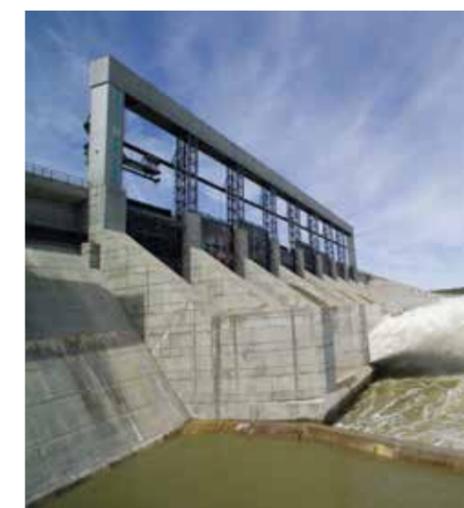
Since its inception, CentrePort has taken an active role in ensuring post-secondary institutions are aware of industry trends and training needs. The corporation is engaged in partnership activities with several schools including the Manitoba Institute of Trades and Technology, Red River College (which has two campuses at CentrePort) and the University of Manitoba.

The corporation is also encouraging greener development. A new CentrePort form-based zoning bylaw will be implemented in 2015 by the RM of Rosser and includes measures to encourage more sustainable development and active transport within the inland port footprint.

The new bylaw requires that development proposals include sustainability measures from an accepted list of initiatives including energy efficient/ green building construction/ renovation; green product sales; green roof installation; heat island reduction; rail usage; renewable energy sources and tree planting. Active transport measures such as bike paths, bike storage spaces and walkable streets are included as well.

Developers are also encouraged to tap into Manitoba Hydro’s Power Smart incentives for industrial and commercial operations. Manitoba Hydro is a tremendous resource for business – powering the province with renewable, reliable, low-cost hydroelectricity that does not emit greenhouse gases (GHGs). This helps companies locating in Manitoba – and at CentrePort – achieve their own environmental goals while reducing energy-related operating expenses.

CentrePort Canada Inc. supports and encourages these initiatives, which will be further enhanced by the new CentrePort Canada Rail Park. The Rail Park will increase rail usage by companies and reduce drayage (short-haul truck) requirements for new business operations that co-locate on site. Rail is considered the greenest form of ground transportation, with freight trains on average being four times more fuel efficient than trucks. Each ton-mile of freight moved by rail (versus road) reduces GHGs by 75 per cent (Association of American Railroads).



Outlook for CentrePort Canada

	2014-2015 FORECAST	2015-2016 BUDGET
Revenue		
Funding Agreements		
Province of Manitoba	1,402,239	374,500
Western Economic Diversification	348,377	313,600
Land Sales (net)	2,886,600	3,242,632
Own Source	72,149	127,000
Total Revenue	4,709,365	4,057,732
Expenses		
Land Infrastructure Costs	-	1,300,000
Business Investment	859,206	1,043,139
Professional Services, Consulting, and Board Fees	311,745	748,000
Marketing and Promotion	529,560	549,298
Office and Operating	308,350	342,295
Total Expenditures	2,008,861	3,982,732
Surplus of Revenue over Expenses*	2,700,504	75,000

*Surplus is a result of projected proceeds from land sales, which will be used to support operations in 2015-2016 and 2016-2017.



Economic Outlook

CentrePort Canada Inc. carefully monitors trends that could impact the development of Canada's only tri-modal inland port and Foreign Trade Zone (FTZ). These trends are local, national and international in nature, and include factors influencing economic growth, industrial development and trade.

Canada's real GDP is expected to increase two and a half percent in 2015 and two percent in 2016, while inflation is projected to remain near two percent for both years (Bank of Canada). At present, national economic activity is being driven by a lower Canadian dollar, a reduction in the price of oil, higher household spending, and a pick-up in exports. National and global demand for Canadian goods and services,

along with business investment, are expected to improve throughout 2015 and 2016, while household spending is expected to moderate.

The Conference Board of Canada predicts that Manitoba's three per cent growth in 2016 will lead the country. RBC attributes Manitoba's growth projections to normalized agriculture production, stronger manufacturing sales (led by transportation equipment

manufacturing), as well as increased construction activity.

KPMG's 2014 Competitive Alternatives study again rated Winnipeg as the most cost-effective location for doing business in a survey of 26 major cities in the North American Midwest.

In addition, Canada had the lowest total tax index – a significant 46.4 per cent lower than the United States – among countries studied for KPMG's Special Report on Tax.



Key Industries Overview

AGRICULTURE

Crop production returned to normal in 2014 after an exceptional 2013 crop year. TD Economics notes that while global crop prices have fallen, Manitoba will benefit from relatively high livestock prices.

Manitoba's 5.6 per cent increase in farm cash receipts during the first three quarters of 2014 was the largest increase in Canada.

MANUFACTURING

Industrial capacity in Canada increased to 83.4 per cent in the third quarter of 2014. Several manufacturing industries, along with the construction industry, contributed to this increase, most notably: transportation equipment, wood, paper, textile mills, rubber, primary metals, and furniture.

RBC predicts that a weaker Canadian dollar and stronger U.S. economy will contribute to growth in Manitoba's manufacturing sector into 2016, which will continue to be led by transportation equipment manufacturing.

WAREHOUSING

The warehouse industrial sub-sector has the greatest potential for investment and development, according to 2015 Emerging Trends in Real Estate (Canada and U.S., PriceWaterhouseCoopers & the Urban Land Institute).

Warehouse development will continue to be affected by e-commerce and the resulting relationship between the industrial and retail sectors; reverse logistics; and mega distribution centres

versus smaller break-bulk centres. Increased manufacturing activity in the U.S. and Mexico, re-shoring operations, and the expanded Panama Canal are also expected to impact the warehouse industrial sub-sector.

INDUSTRIAL REAL ESTATE

According to CBRE, 44.6 per cent of industrial development within Canada is taking place in Winnipeg, Calgary, Edmonton and Vancouver, while 41 per cent of new space construction is taking place in Western Canada.

Colliers International notes that the northwest section of Winnipeg - the city's largest industrial sector and home to CentrePort - has been successful in attracting manufacturing, transportation and warehousing operations. Boeing Canada is planning to expand by 22 per cent, and new capital investments at GE's jet engine testing facility will add up to 40 jobs.

According to the 2015 Emerging Trends in Real Estate, Canada will continue to provide a stable, low-risk environment for developers and investors in 2015. Western Canada, driven by its comparatively strong economic growth, will continue to provide the most significant development opportunities in Canada.

CBRE Limited Winnipeg: The recent completion of CentrePort Way, a highway in north-east Winnipeg, is expected to be a huge boon for trucking companies and subsequent development in the CentrePort area.

“ The plan for CentrePort is to have that highway unlock large tracks of land for industrial development and provide access to rail transport as well.

TREVOR CLAY, CBRE LIMITED WINNIPEG

TOP SITE SELECTION FACTORS 2015

- Highway accessibility
- Construction/ occupancy costs
- Available land
- Available buildings
- Skilled labour

Challenges to Growth

COMPETITION RISKS

CentrePort Canada has benefitted from being the country's first tri-modal inland port and Foreign Trade Zone, and from receiving strong support from multiple levels of government and the private sector.

CentrePort enjoys distinct natural and geographical advantages; supportive legislative and financial policies, such as special planning area legislation and tax increment financing; and significant infrastructure investments such as CentrePort Canada Way and its planned extension to bypass Headingley, the future Chief Peguis extension, and upgrades to the Perimeter Highway and Highway 75.

To ensure the inland port doesn't lose its competitive advantages, CentrePort continues to work with partners in government and the private sector on offerings to support its business case.

Actions underway include:

- Developing the CentrePort Canada Rail Park and ongoing discussions to confirm potential anchor and other tenants;
- Strengthening CentrePort's brand awareness and reputation through marketing partnerships, targeted media, business missions, engagement of U.S. site selectors, and a presence at relevant industry conference and forums;

- Working with government partners to implement a special planning area and expedited development approvals as part of CentrePort's single-window service for investors; and,
- Working with partners to promote new free trade agreements, infrastructure investments, agreeable taxation rates and a competitive incentive environment.

In the last year, tenders were awarded for the extension of water and wastewater servicing to CentrePort. Construction is underway on both projects, which are expected to be complete in 2016.

CentrePort will continue to advocate for strategic infrastructure investments that support the successful development of its inland port.





Financial Outlook

CentrePort Canada Inc. works continuously with partners on initiatives to ensure the corporation is financially self-sustaining by March 2017, when the corporation's current government contribution agreements expire. This goal is also consistent with CentrePort's legislative requirement to be financially self-sufficient over time.

The initiatives the corporation is pursuing to meet these requirements include: phased-in development of the CentrePort Canada Rail Park and other business activities designed to sustain operations, as well as the expansion of the Marketing Partnership Program.

Governments will continue to be key partners in implementing several of these initiatives, and timely progress is necessary for CentrePort to meet its financial targets.

As CentrePort Canada Inc. does not have control over several factors that could impact the inland port's development, the corporation monitors local, national and international happenings, and

mitigates negative effects where possible. This approach includes:

- Monitoring pertinent industries, markets, industry players, transportation modes, and other environmental risks;
- Working with partners, including Western Economic Diversification Canada and Transport Canada, to support communication and coordination with other Canadian gateways and hubs;
- Working with a range of industries to promote business opportunities locally, nationally and internationally; and assisting export industries in Manitoba that could benefit from better access to other markets via an inland port; and,
- Promoting CentrePort as a staging location for growing markets in northern and western Canada, as well as proximate markets in the United States, such as the Bakken region.



CentrePort into the Future

CentrePort Canada is unique – it is the only inland port in the country to provide access to tri-modal transportation and a strategic location at the heart of Canadian and North American supply chains moving in all geographical directions.

CentrePort is adding to these advantages with other important differentiators such as the development of the new CentrePort Canada Rail Park, and by expanding its suite of single-window services for investors to include expedited land development approvals.

The inland port also benefits from being in Winnipeg, a city that routinely ranks as one of the most

cost competitive in Midwestern North America – as well from being in Canada, where combined corporate income taxes are on average 33 per cent lower than those in the United States.

Community support for CentrePort remains strong as leaders from industry, government, labour and academia recognize that developing an inland port will create jobs and attract new

private investment to Winnipeg, the capital region, Manitoba, Western Canada and the country as a whole.

With more land within CentrePort becoming available for development and water and wastewater servicing on the way in 2016 - in addition to new rail and highway infrastructure - investor interest in CentrePort is expected to remain strong in 2015-2016 and grow into the future.



From coast to coast, inland ports are poised to revolutionize both supply chain logistics and industrial real estate strategy. Maximizing the efficacy and value of distribution by developing modern intermodal facility space can improve connectivity between the nation's markets, as well as add significant value to the entire network of supporting partners, from developers and corporate occupiers to distribution, logistics, and transport professionals alike.

RICHARD H. THOMPSON, MANAGING DIRECTOR, JONES LANG LASALLE (2014)

Appendix A: The CentrePort Canada Act

The legislative mandate of the corporation is as follows:

- (a) to facilitate the long-term development and operation of the inland port as follows:
- (i) by participating in the transportation, infrastructure and land use planning process,
 - (ii) by coordinating land development and business investment in the inland port area to maximize economic development in keeping with the transportation, infrastructure and land use plan,
 - (iii) by participating — in cooperation with governments and private sector trade corridor organizations — in identifying and implementing security measures to maximize the safe flow of goods in the inland port and to and from gateways, trade corridors and borders,
 - (iv) by promoting inland port policies and operations that are environmentally sustainable,
 - (v) by consulting with community stakeholders and inland port users about development and investment in the inland port area;
- (b) to facilitate and encourage investment in the inland port as follows:
- (i) by acting as the primary point of contact for potential investors in the inland port area, in order to expedite their investment decisions,
 - (ii) by attracting new investment and economic development in the inland port area,
 - (iii) by collaborating with governments in the design of investment incentives;
- (c) to promote the inland port as follows:
- (i) by marketing the inland port domestically and internationally,
 - (ii) by participating in organizations formed to develop or promote inland ports, transportation gateways and trade corridors with links to the inland port area.

Appendix B: Board Of Directors

NAME	OFFICE HELD	NOMINATING ORGANIZATION
Don Streuber <i>(President & CEO, Bison Transport)</i>	Chair	Manitoba Trucking Association
Chris Lorenc <i>(President, Manitoba Heavy Construction Association)</i>	Vice-Chair	Winnipeg Chamber of Commerce
Wayne Anderson <i>(President, St. Boniface Pallet Company)</i>	Director	Government of Canada
David Barnard <i>(President & Vice-Chancellor, University of Manitoba)</i>	Director	CentrePort Board of Directors
John Falcetta <i>(Vice-President of Transportation, AECOM)</i>	Director	CentrePort Board of Directors
David Filmon <i>(Partner, Aikins Law)</i>	Director	City of Winnipeg
David Fung <i>(Chairman & CEO, ACDEG Group)</i>	Director	CentrePort Board of Directors
Monica Girouard <i>(Director of Operations, Manitoba Nurses Union)</i>	Director	Manitoba Federation of Labour
Clifford Kolson <i>(Executive Vice-President, Maxim Truck & Trailer)</i>	Director	Rural Municipality of Rosser
Eugene Kostyra <i>(Corporate Director)</i>	Director	Province of Manitoba
Carol Paradine <i>(Partner, Deloitte)</i>	Director	Manitoba Chambers of Commerce
Maureen Prendiville <i>(President & CEO, Prendiville Industries)</i>	Director	CentrePort Board of Directors
Michael Pyle <i>(President & CEO, Exchange Income Corporation)</i>	Director	Business Council of Manitoba
Bob Silver <i>(President & Partner, Western Glove Works)</i>	Director	Economic Development Winnipeg
Warren Thompson <i>(Senior Associate, Stantec Consulting Ltd.)</i>	Director	Winnipeg Airports Authority

Appendix C: Marketing Partners

STRATEGIC PARTNERS



PREFERRED PARTNERS

Bel Acres Golf & Country Club

DTZ Winnipeg

Manitoba Heavy Construction Association

Manitoba Institute of Trades
& Technology

MHPM Project Leaders

MTS

Pegasus Publications Inc.

Prairie Rail Solutions

Thompson Dorfman Sweatman LLP

ASSOCIATE PARTNERS

Bison Fire Protection

CanDo Rail Services Ltd.

Downtown Winnipeg BIZ

GHY International

HUB International

MOSKAL electric Ltd.

MacDon

Manitoba Trucking Association

NASCO

OPUS Project

Stantec

Winnipeg Construction Association

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*Feedback on this report, the corporation's priorities, or other CentrePort-related issues is always welcome.
Please forward your comments or suggestions to busdev@centreport.ca*

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