Minutes – Executive Policy Committee – June 26, 2024

REPORTS

Item No. 1 Shareholder Approval of a further extension of up to 90 days to the Option to Purchase Agreement for the Portage Place Mall Assets by North Portage Development Corporation to True North Real Estate Development Limited

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the City of Winnipeg, as a shareholder of the North Portage Development Corporation (NPDC), approve a further extension of up to 90 days to the Option to Purchase Agreement as amended by the Option to Purchase Extension, from June 30, 2024, to September 28, 2024, to sell the NPDC assets at Portage Place Mall (as hereinafter defined) to True North Real Estate Development Limited (TN).

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: Shareholder Approval of a further extension of up to 90 days to the Option to Purchase Agreement for the Portage Place Mall Assets by North Portage Development Corporation to True North Real Estate Development Limited

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Dryburgh	M. Geer	T. Graham	M. Geer, Acting CAO

EXECUTIVE SUMMARY

North Portage Development Corporation (NPDC) is recommending approval from its three shareholders – the City, the Province of Manitoba, and the Government of Canada – for a further extension of up to 90 days to the Option to Purchase Agreement to sell its land, parking and air rights (The Assets) at Portage Place Mall to True North Real Estate Development Limited (TN).

If this extension is approved, it would further extend the deadline for TN to exercise its option to purchase The Assets from June 30, 2024, to September 28, 2024. In December 2023, the shareholders approved a six-month extension to the Option to Purchase Agreement from December 31, 2023, to June 30, 2024. The Option to Purchase Agreement is attached as Appendix A.

A further extension of up to 90 days is required by TN to finalize the terms of a Purchase and Sale agreement of The Assets.

The Federal Government and Province of Manitoba have not yet approved a further extension to the Option to Purchase Agreement. However, it is recommended that the City of Winnipeg, as one of three shareholders of NPDC, approve a further extension of up to 90 days at this time.

Should this further extension be approved by all three shareholders, NPDC and TN will continue to finalize the terms of a Purchase and Sale Agreement for The Assets that would be subject to shareholder approval at a future time.

RECOMMENDATIONS

1. That the City of Winnipeg, as a shareholder of the North Portage Development Corporation (NPDC), approve a further extension of up to 90 days to the Option to Purchase Agreement as amended by the Option to Purchase Extension, from June 30,

2024, to September 28, 2024, to sell the NPDC assets at Portage Place Mall (as hereinafter defined) to True North Real Estate Development Limited (TN).

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

The Board of The Forks North Portage has approved a further extension of up to 90 days to the Option to Purchase Agreement for the sale of the Portage Place Mall assets to TN and is recommending approval of this extension by all three of its shareholders. The City of Winnipeg, as a shareholder, must give permission for the extension to be granted.

IMPLICATIONS OF THE RECOMMENDATIONS

City of Winnipeg approval, as one of three shareholders of NPDC, will help to ensure the proposed extension is approved which will provide TN up to 90 additional days to finalize the terms of a Purchase and Sale Agreement of the Portage Place Mall assets from NPDC.

HISTORY / DISCUSSION

North Portage Development Corporation (NPDC) is recommending approval from its three shareholders – the City, the Province of Manitoba, and the Government of Canada – for a further extension of up to 90 days to the Option to Purchase Agreement to sell its land, parking and air rights (The Assets) at Portage Place Mall to True North Real Estate Development Limited (TN).

If this extension is approved, it would extend the deadline for TN to exercise its option to purchase The Assets from June 30, 2024, to September 28, 2024. In December 2023, the shareholders approved a six-month extension to the Option to Purchase Agreement to June 30, 2024. The Option to Purchase Agreement is attached as Appendix A.

The Option to Purchase Agreement reflects the terms and conditions in the Option Agreement Term Sheet that was originally approved by the shareholders in March 2023. Key terms and conditions in this Agreement include an asset purchase price of not less than $34.5 million, a requirement for TN to conduct stakeholder and community engagement on the redevelopment of the mall and a requirement to maintain public access to the skywalks as part of a future Purchase and Sale Agreement.

A further extension to the Option to Purchase Agreement is required by TN to finalize the terms of a Purchase and Sale Agreement for The Assets.

Should this extension be approved by all three shareholders, NPDC and TN will continue to finalize the terms of a Purchase and Sale Agreement for The Assets that would be subject to shareholder approval at a future time.

FINANCIAL IMPACT

Financial Impact Statement Date: June 24, 2024

Project Name:
Shareholder Approval of a further extension of up to 90 days to the Option to Purchase Agreement for the Portage Place Mall Assets by North Portage Development Corporation to True North Real Estate Development Limited

COMMENTS:

There are no financial implications associted with the recommendations in this report.

Randy Bernard
Randy Bernard, CPA, CMA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services

OURWINNIPEG POLICY ALIGNMENT

Economic Prosperity - 3.6 Downtown Economic Investment. Prioritize the Downtown by leveraging private and public investments.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan and its Goals and Objectives, and it was determined that this Plan is not applicable to this report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy and its Goals and Objectives, and it was determined that this Strategy is not applicable to this report.

SUBMITTED BY

Department: Office of the Chief Administrative Officer
Prepared by: Matt Dryburgh, Senior Manager, Economic Development and Policy
Date: June 21, 2024

Appendix A: Option to Purchase Agreement