Agenda – Council – July 17, 2025

Report – Standing Policy Committee on Property and Development – July 4, 2025

Item No. 4 Option to Purchase Agreements – CentreVenture Development Corporation

STANDING COMMITTEE RECOMMENDATION:

On July 8, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That CentreVenture Development Corporation be granted the option to purchase, until December 31, 2028, the following properties for $1.00 subject to the terms and conditions outlined in Schedules C and D:

    A. The property identified as "Subject City Property" on Misc. Plan 13684/15 (attached as Schedule A); and

    B. The properties identified as "Option Agreement Properties" on Misc. Plan 15182/5 (attached as Schedule B).

2. That subject to approval of Recommendation 1, the City enter into, execute and deliver Option to Purchase Agreements and such other related agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the "Ancillary Agreements").

3. That the authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of all Agreements and any Ancillary Agreements in accordance with this report and such other terms and conditions determined necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

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

Report – Standing Policy Committee on Property and Development – July 4, 2025

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 8, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On July 4, 2025, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Option to Purchase Agreements – CentreVenture Development Corporation

Critical Path: Standing Policy Committee on Property and Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Chappell (Acting)	H. Borys	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

On May 24, 2018, Council granted CentreVenture Development Corporation ("CentreVenture") the option to purchase various City-owned properties. On September 30, 2020, Council granted an extension of time to December 31, 2022, for completing the options to purchase.

CentreVenture has exercised the majority of the options to purchase except for the following properties:

- The north portion of the Market Lands identified as "Subject City Property" on Misc. Plan 13684/15 (attached as Schedule A).
- Parcels #1, #2 and #3 identified as "Option Agreement Properties" on Misc. Plan No. 15182/5 (attached as Schedule B).

CentreVenture has requested a new option to purchase agreements in order to finalize the transfer of these properties. The options can be exercised for $1.00, in accordance with the terms and conditions noted in Schedules C and D. The Public Service recommends the new options to purchase to CentreVenture expire on December 31, 2028. CentreVenture expects to proceed with development on two of the option properties in 2025, while the other two properties may require more marketing.

The proposed new options to purchase will enable the CentreVenture to assemble land for downtown growth and development.

RECOMMENDATIONS

1. That CentreVenture Development Corporation be granted the option to purchase, until December 31, 2028, the following properties for $1.00 subject to the terms and conditions outlined in Schedules C and D:

    A. The property identified as "Subject City Property" on Misc. Plan 13684/15 (attached as Schedule A); and

B. The properties identified as “Option Agreement Properties” on Misc. Plan 15182/5 (attached as Schedule B).

2. That subject to approval of Recommendation 1, the City enter into, execute and deliver Option to Purchase Agreements and such other related agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the “Ancillary Agreements”).

3. That the authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of all Agreements and any Ancillary Agreements in accordance with this report and such other terms and conditions determined necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

4. 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

There are no direct financial implications to the recommendations of this report. Council previously approved CentreVenture's options to purchase City-owned property and the recommendations of this report are related to Council's previous decision.

Direct sales to CentreVenture comply with Section 3.2.B.ii of the “Real Estate – Declaration of Surplus and Sale of Property Policy.”

IMPLICATIONS OF THE RECOMMENDATIONS

The recommended new options to purchase, if approved, will provide CentreVenture an opportunity to effectively carry out its mandate to revitalize various underdeveloped City-owned land in the downtown area.

The City’s standard terms and conditions of a sale option will be in keeping with the intent of the original Asset Agreement and include provisions to protect City interests (in the event that environmental contamination is discovered or easements are required).

HISTORY/DISCUSSION

On July 9, 1999, CentreVenture Development Corporation (“CentreVenture”) was duly incorporated under the laws of the Province of Manitoba to provide leadership in creating and sustaining business opportunities and economic growth in downtown Winnipeg. This was based on the recommendations of the study “A New Approach to Downtown Revitalization Report,” dated May 5, 1999. CentreVenture was granted the options to purchase various City properties in accordance with an Asset Agreement.

On May 24, 2018, Council approved the recommendation for CentreVenture to be granted additional options to purchase for lands not covered by the original Asset Agreement.

On September 30, 2020, Council extended the options to purchase until December 31, 2022.

CentreVenture has exercised the majority of their options to purchase except for the following properties:

- The north portion of the Market Lands identified as “Subject City Property” on Misc. Plan 13684/15 (attached as Schedule A).
- Parcels #1, #2 and #3 identified as “Option Agreement Properties” on Misc. Plan No. 15182/5 (attached as Schedule B).

CentreVenture recently made a formal request to the City for a renewed time to complete the outstanding options to purchase.

The Public Service supports and recommends approval of the proposed new options to purchase to CentreVenture until December 31, 2028. Approval of this recommendation will enable CentreVenture to facilitate critical land assemblies for fostering economic growth and development, in keeping with its directive to provide leadership in creating and sustaining business opportunities and economic growth in downtown Winnipeg.

The options to purchase represent best value to the City as the options enable continued planning and development of underutilized City lands through a strategic partnership, leveraging public assets for downtown revitalization.

It is noted that, with the exception of Property #2 on Misc. Plan 15182/5, the remaining option properties have been part of a prior Independent Fairness Commissioner (“IFC”) audit process. Property #2 was previously optioned to CentreVenture just prior to the implementation of the Real Estate Transaction Framework and related IFC auditing. Due to the policies in place at the time, Property #2 may not comply with current auditing requirements.

FINANCIAL IMPACT

Financial Impact Statement

Date: May 29, 2025

Project Name:

Option to Purchase Agreements – CentreVenture Development Corporation

COMMENTS:

There are no direct financial implications associated with the recommendations contained in this report. There is, however, a potential opportunity cost of +/- $2.9 million associated with the optioning of the subject properties based on the assumptions that the 2025 assessed value of the properties is equivalent to fair market value and that a market for the properties exists.

Mike McGinn May 29, 2025

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

The Project aligns with the policies set out in OurWinnipeg 2045:

Goal: Economic Prosperity

Policy 3.6: Downtown Economic Investment
Prioritize the Downtown by leveraging private and public investments

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #4 - Facilitate Compact, Complete Development and Increase Density.

Key Directions:

- Section 4.1 - Increase Strategic Infill Development That Provides Access to and Capitalizes on Existing and Planned Corridors with Frequent Transit Service

  Action - Explore opportunities for the City of Winnipeg to take a more direct role in advancing mixed use development that may include developing City-owned lands, assembling land for resale, partnering on development, or using City funds to leverage private investment

- Section 4.4 –Support Redevelopment of Former Commercial and Industrial Lands into Active Use

  Action - Brownfield Redevelopment Strategy for public and private lands.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Goal 2: The City actively plans for, and partners in affordable housing

Guiding Principle: Promote and Maintain the Welfare of all residents

SUBMITTED BY

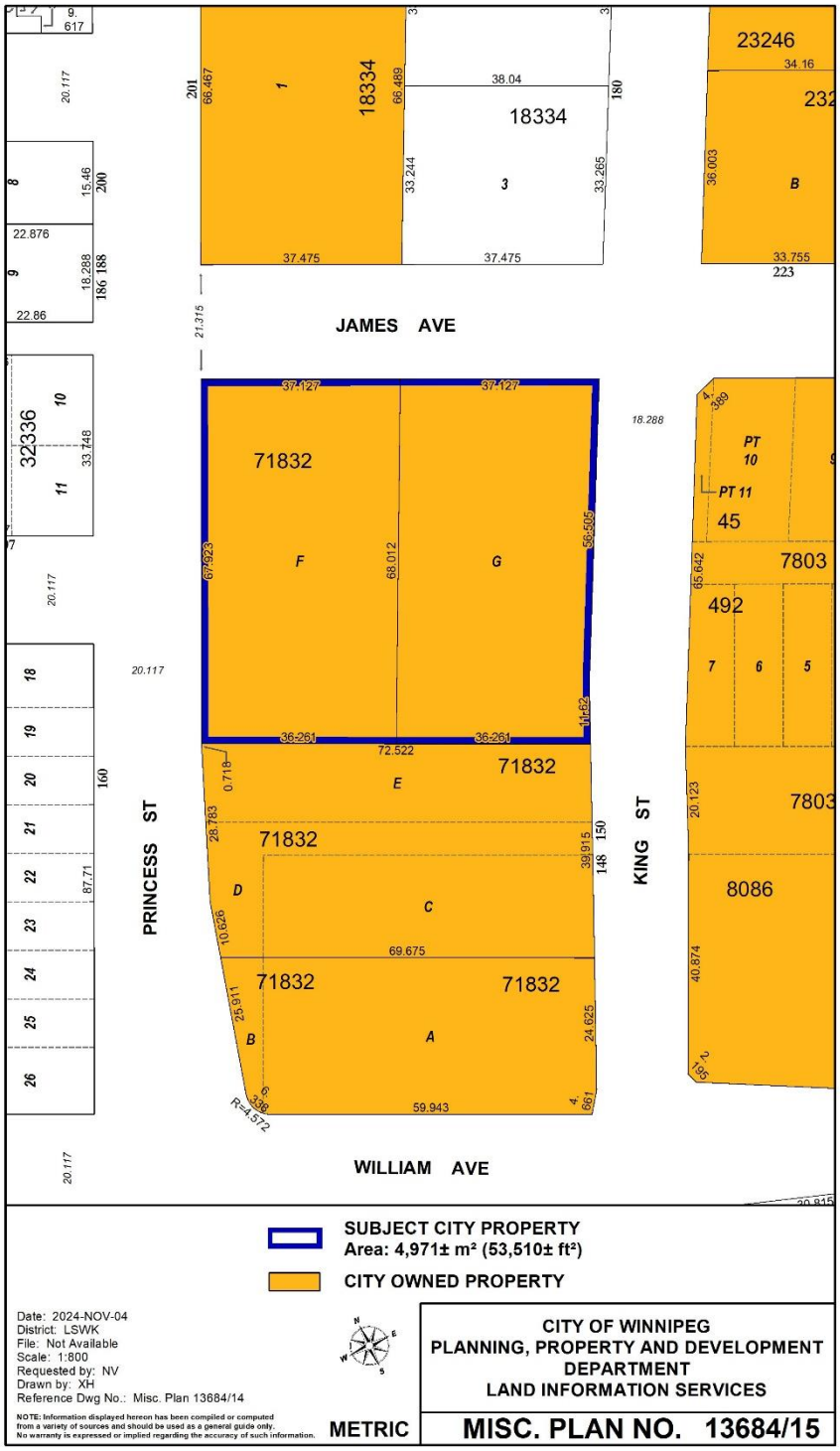
Department: Planning, Property and Development
Division: Real Estate and Land Development Division
Prepared by: Clifford Bignall, Supervisor of Sales and Acquisitions
Date: June 2, 2025
File No: 75/1-1(V2) and

Attachments:

- Schedule A – Misc. Plan No. 13684/15
- Schedule B – Misc. Plan No. 15182/5
- Schedule C - Proposed Terms and Conditions of Option to Purchase Property
- Schedule D - Indemnity

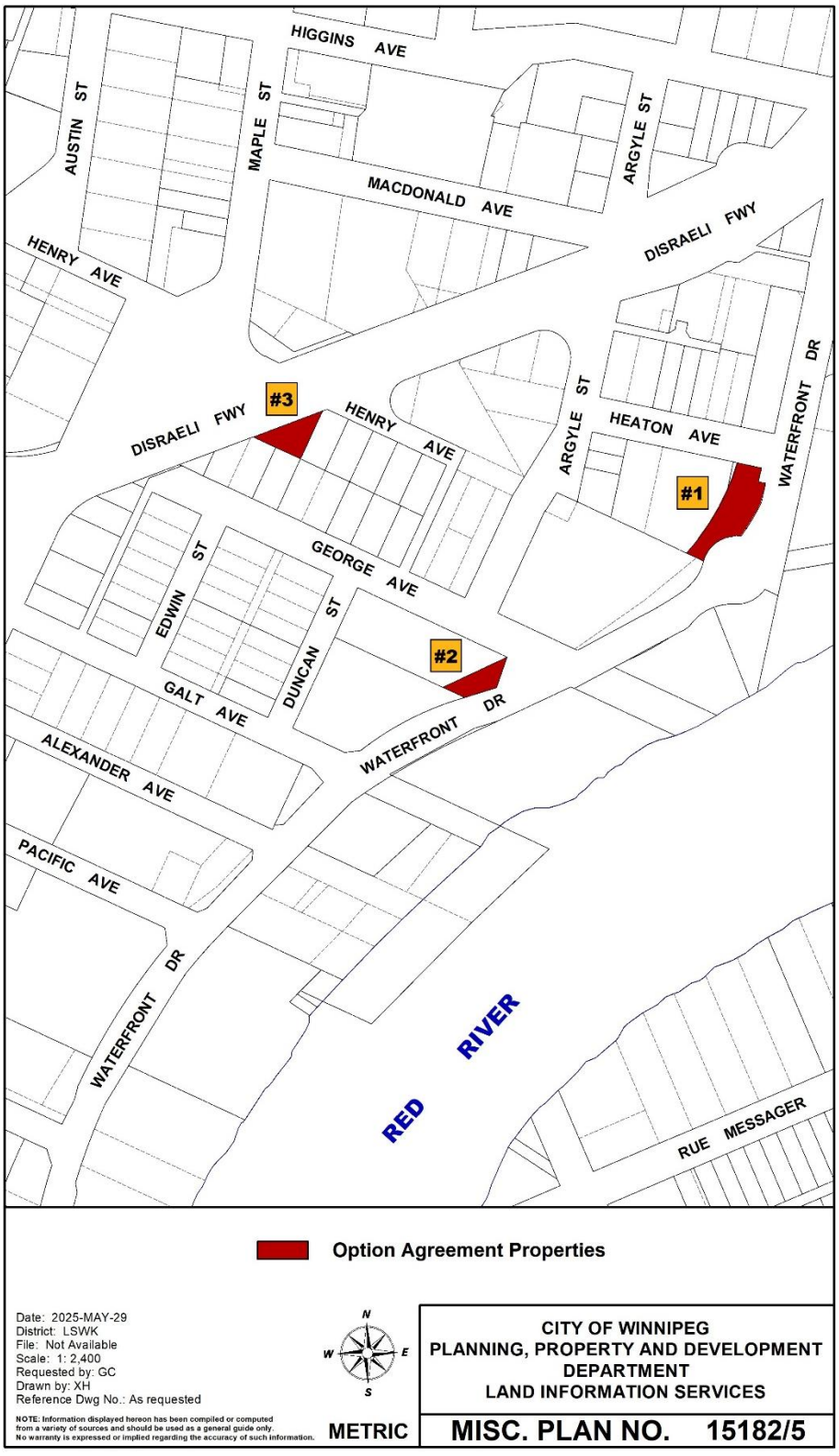
Schedule A

Misc. Plan No. 13684/15



Schedule B

Misc. Plan No. 15182/5



Schedule C

Proposed Terms and Conditions of Option to Purchase Property

1. Until December 31, 2028, CentreVenture, at its sole discretion, may exercise its option to purchase on any one or more of the City Properties identified on Misc. Plan 13684/15 or 15182/5 for the sum of $1.00 for each property with respect to which it exercises its option to purchase.

2. In order to acquire one or more of the City Properties, CentreVenture shall submit request for approval in writing to the City in care of the Director of the Planning, Property and Development Department (the "Director"). Such request must include an appraisal of the City Property, a declaration that the proposed sale price of the City Property to the third party is not less than an appropriate threshold to be determined by the Chief Administrative Officer, contain the identity of the property, and the proposed Closing Date in respect thereof. The Closing Date shall be not more than ninety (90) days following the date of the Request or as may be otherwise agreed between CentreVenture and the City and approved by the Director.

3. CentreVenture may, at its sole discretion and without restriction, assign its right to purchase one or more of the City Properties subject to delivery to the City of an indemnity from CentreVenture in favour of the City saving the City harmless from all liabilities, damages, costs, expenses, causes of action, suits, claims or judgments arising from or out of any assignment of rights to purchase one or more of the City Properties by CentreVenture in form and having content as set out in Schedule "D" Indemnity attached.

4. In the event of CentreVenture assigning its right to purchase a City Property, CentreVenture shall, prior to the Closing Date, provide the legal description of the assignee for purposes of transferring title to the City Property.

5. There shall be no adjustments as between the City and CentreVenture or its assignee in respect of Purchased Property except for:
   a) Rent in the event the City Property, or any part thereof, is leased by the City to a third party and such lease is not terminated prior to the Closing Date; and
   b) All other amounts, items and matters as would normally be adjusted between a vendor and purchaser on the sale of real property unless otherwise excluded pursuant to the provisions of this Schedule.

6. CentreVenture, or its assignee, shall obtain possession of the City Property at its own expense. For greater clarity and without limitation, CentreVenture shall be responsible for all its closing costs, including legal, Winnipeg Land Titles Office registration, Land Transfer Tax, Provincial Sales Tax, if any, Goods and Services Tax, environmental site assessments and survey costs as may be required as a condition of sale. In addition,

CentreVenture shall be responsible at its sole cost, effort and expense to close City Property if it is legally open street or public lane.

7. The City Property is presently owned by The City of Winnipeg and is therefore tax-exempt to the extent provided for under the provisions of The Municipal Assessment Act, C.C.S.M. c. M226. The City Property will no longer be tax-exempt to the extent presently provided for under the provisions of The Municipal Assessment Act on and after the Date of Closing, Possession and Adjustments or the transfer of title, whichever is the earlier. CentreVenture, or its assignee, is responsible for payment of the taxes applicable to the City Property on and after the Date of Closing, Possession and Adjustments or transfer of title, whichever is the earlier, and will be sent a statement of, and demand for payment of, taxes in accordance with the provisions of The Municipal Assessment Act and The City of Winnipeg Charter, S.M. 2002 c. 39 as amended from time to time. All adjustments of other taxes, levies and charges, and other adjustments, if any, will be made as at the Date of Closing, Possession and Adjustments.

8. CentreVenture, or its assignee, shall accept title subject to all exceptions, reservations and encumbrances expressed or implied in the City's title to the City Property unless otherwise agreed between CentreVenture and the City and approved by the Director. Further, CentreVenture, or its assignee, shall accept title subject to any utility easements required by The Manitoba Hydro-Electric Board, Bell MTS Inc., Centra Gas (Manitoba) Inc., Shaw Cablesystems Limited, The City of Winnipeg or any similar entity as a result of the transfer of the City's Property, and any other instrument required by the City to be registered in favour of the City against title to the City Property including but not limited to caveats based on development agreements and conservation agreements. For clarity, it is understood and agreed that, in the event that the City's Property is Old System Land to which The Registry Act of Manitoba applies, CentreVenture, or its assignee, shall accept title subject to any instruments registered against the City's Property pursuant to The Registry Act of Manitoba.

9. The sale of the City Property to CentreVenture, or its assignee, shall be subject to the provisions of all laws, by-laws, regulations, restrictions, ordinances and the like of any municipal, provincial, federal or statutory authority having jurisdiction. Furthermore, CentreVenture, or its assignee, acknowledges and understands that its proposed use and development of the City Property may require applications for re-zoning, variances or conditional uses, amendments to OurWinnipeg 2045, which applications and resulting land dedication charges (if any) are to be at the sole cost and responsibility of CentreVenture or its assignee. Nothing in this Offer shall be construed as placing any duty or obligation upon the City to grant such rezoning, variance or conditional use orders and/or amendments to OurWinnipeg when the Purchaser's application for same is made to the City.

10. On or before the Closing Date in respect of the City Property, the City shall provide to CentreVenture, or its assignee if so directed by CentreVenture, the transfer documentations set out as follows:

    a. an executed registerable transfer of land in favour of CentreVenture, or its assignee, in accordance with The Real Property Act (Manitoba) which, upon registration in the Winnipeg Land Titles Office, will vest good and marketable title to the City Property in the transferee subject to all exceptions, reservations and encumbrances, expressed or implied, in the City's title to the City Property unless otherwise agreed between CentreVenture and the City, and subject to any and all standard utility easements;
    b. a statement of adjustments to the purchase price of the City Property in form and content satisfactory to CentreVenture and the City; and
    c. an Indemnity Agreement given by the City in favour of CentreVenture and its assignee saving CentreVenture and its assignee harmless from any and all liabilities, damages, costs, expenses, causes of actions, suits, claims or judgments arising from or out of leases, contracts, agreements or any other matter whatsoever with respect to the City Property in respect of which CentreVenture has exercised its right to purchase, or any part thereof, and arising before or after the Closing Date but in existence at or relating to the period of time up to the Closing Date.

11. On or before the Closing Date in respect of the City Property, CentreVenture shall provide to the City: a. the balance due on closing in accordance with the statement of adjustments; and b. an Indemnity Agreement given by CentreVenture's assignee in favour of CentreVenture and the City saving CentreVenture and the City harmless from any and all liabilities, damages, costs, expenses, causes of actions, suits, claims or judgments arising from or out of the leases or any contract or agreement assumed by such assignee or any other matter whatsoever with respect to the City Property in respect of which CentreVenture has exercised its right to purchase, or any part thereof, arising after the Closing Date but not existing at or relating to the period prior to the Closing Date. In the event that CentreVenture exercises its option to purchase any one of more or the City Properties but does not assign its right to purchase such property or properties, such Indemnity Agreement with the necessary changes being made shall be given by CentreVenture in favour of the City.

12. CentreVenture, or its assignee, may at any time conduct an environmental site assessment of any one of the City properties. CentreVenture agrees that in the event it or its assignee conducts or causes to be conducted an environmental site assessment and/or soil testing of any one of the City Properties it shall do so at its cost or at the cost of the assignee and it shall:
    a. ensure all work done in connection with such environmental site assessment and/or soil testing is completed within ninety (90) days from the commencement

of such work and, if such work is being done on a City Property, such work shall be completed prior to the Closing Date in respect of such City Property;

b. maintain the City Property in a safe condition at all times during the conduct of any work done in connection with such environmental site assessment and/or soil testing;
c. restore the City Property to the same condition as prior to the commencement of such work;
d. indemnify and save harmless the City from and against all damages and claims arising out of or in any way attributable to the conduct of any such environmental site assessment and/or soil testing;
e. provide true copies of any such environmental site assessment and/or report concerning soil testing to the City for its own use; and
f. In the event the environmental site assessment and/or soil testing is done in connection with a City Property and it is determined that as result of the environmental site assessment and/or soil testing that contamination levels exceed provincial environmental standards for the intended use of the City Property, CentreVenture shall be entitled to cancel and withdraw the exercising of its option to purchase within fourteen (14) days of receipt of notice that contamination levels exceed provincial environmental standards. In such event any monies paid to the City by CentreVenture, or its assignee shall be immediately refunded, without interest, in full without deduction of any kind. In the event CentreVenture fails to cancel and withdraw the exercising of its option to purchase, CentreVenture hereby agrees to complete the purchase of the City Property and to indemnify and save harmless the City from and against any and all claims from or in any way attributable to the existence of contaminants of any kind whatsoever, at, in or upon the City Property.

13. CentreVenture shall bear the full responsibility of attending to the completion of the transfer of the City Property, subject to the City providing the transfer documentation as set out above, without liability to the City following the transfer of the City Property. In doing so CentreVenture shall make no representations or give any warranty on behalf of the City without the expressed authority of the City to do so.

14. In the event of any condition or conditions imposed upon the purchaser of the City Property such condition or conditions shall be between CentreVenture and such purchaser and shall be the sole responsibility of CentreVenture to enforce or satisfy, as the case may be.

15. The City shall continue to operate and manage the City Properties to the Closing Date in respect of each City Property in as prudent and responsible a manner as would a reasonable and prudent proprietor of similar properties.

16. At all times and without restriction CentreVenture by its authorized representatives shall have full and complete access to each one of the City Properties subject however to reasonable notice to tenants, if any.

17. CentreVenture shall exercise its best efforts to ensure that any City Property in respect of which CentreVenture has exercised its right to purchase be recoverable in the event that the transferee of such City Property shall fail to complete development of the City Property as contemplated.

18. Each party covenants and agrees to do and cause all things to be done and to execute and deliver all such documents as may be required fully and effectually to carry out the terms of this Schedule.

19. Any tender of documents or money hereunder may be made upon the City or CentreVenture or the solicitors acting in their respective behalves. The solicitors for the parties shall be entitled to impose reasonable trust conditions each upon the other, consistent always with the provisions hereof, in order to protect the interests of their respective clients.

SCHEDULE D
INDEMNITY

TO: THE CITY OF WINNIPEG
(the "City")

WHEREAS pursuant to Council approval of , 2025, CentreVenture exercised its right to purchase the property described as follows:

_____

_____

_____

(the "Subject Property");

NOW THEREFORE IN CONSIDERATION of the sum of One ($1.00) Dollar paid by the City to CentreVenture and in consideration of other good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged by CentreVenture), CentreVenture covenants and agrees as follows:

1. The preamble hereto shall be deemed to be a part hereof to the same extent and as effectually as if again set forth.

2. CentreVenture indemnifies and saves harmless the City from and against all liabilities, damages, costs, expenses, causes of actions, suits, claims and judgments arising from or out of the assignment by CentreVenture to the Assignee of CentreVenture's right to purchase the Subject Property.

3. This Indemnity is intended to effect as a document under seal.

IN WITNESS WHEREOF this Indemnity has been executed by CentreVenture Development Corporation this _____ day of _____20____

CENTREVENTURE DEVELOPMENT CORPORATION

Per:_____
Authorized Signatory

Per:_____
Authorized Signatory
I/We have been authorized to bind the Corporation