REPORTS

Item No. 11 Proposed Declaration of Surplus and Sale of 410 Desalaberry Avenue to Alhijra Islamic Foundation Inc. (Elmwood-East Kildonan Ward)

STANDING COMMITTEE RECOMMENDATION:

The Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the lands identified as "Subject City Property" on Misc. Plan 11376/10 (attached as Schedule A to this report) be declared surplus to the City's needs.

2. That, subject to being declared surplus, the sale of the lands identified as "Subject City Property" on Misc. Plan 11376/10 be approved to Alhijra Islamic Foundation Inc. for the sum of One Hundred Fifty Thousand Dollars ($150,000.00) is in accordance with the terms and conditions set out in Schedule B of this report.

3. That the City enter into, execute and deliver an Offer to Purchase Agreement with Alhijra Islamic Foundation Inc., an Amendment to the Existing Lease allowing continued use of the parking lot and any such other agreement determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

4. That authority be delegated to the Director of Planning, Property and Development to negotiate and approve the terms and conditions of the Offer to Purchase Agreement, an amendment to the existing lease with Alhijra Islamic Foundation Inc., and the Ancillary Agreement(s) in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

5. 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 Wyatt,

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

Carried

ADMINISTRATIVE REPORT

Title: Proposed Declaration of Surplus and Sale of 410 Desalaberry Avenue to Alhijra Islamic Foundation Inc.

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	J. Dunford

EXECUTIVE SUMMARY

On July 18, 2024, Council asked the Public Service to talk with non-profit groups that might want to buy the City-owned buildings they rent.

On January 14, 2025, the Public Service started talks with Alhijra Islamic Foundation Inc., the tenant at 410 Desalaberry Avenue. The Foundation agreed to buy the property for $150,000 and continue operating the Alhijra Islamic School.

The land recommended to be sold is marked as “Subject City Property” on Misc. Plan 11376/10 (attached as Schedule A). The remainder of the property will be retained by the City.

The Ward Councillor supports the proposed sale.

RECOMMENDATIONS

1. That the lands identified as “Subject City Property” on Misc. Plan 11376/10 (attached as Schedule A to this report) be declared surplus to the City’s needs.

2. That, subject to being declared surplus, the sale of the lands identified as “Subject City Property” on Misc. Plan 11376/10 be approved to Alhijra Islamic Foundation Inc. for the sum of One Hundred Fifty Thousand Dollars ($150,000.00) is in accordance with the terms and conditions set out in Schedule B of this report.

3. That the City enter into, execute and deliver an Offer to Purchase Agreement with Alhijra Islamic Foundation Inc., an Amendment to the Existing Lease allowing continued use of the parking lot and any such other agreement determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

4. That authority be delegated to the Director of Planning, Property and Development to negotiate and approve the terms and conditions of the Offer to Purchase Agreement, an amendment to the existing lease with Alhijra Islamic Foundation Inc., and the Ancillary Agreement(s) in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

5. 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

Pursuant to the "Real Estate – Declaration as Surplus and Sale of Property" policy adopted by Council on September 29, 2021, and amended on July 22, 2024, Council approval is required to declare all city lands surplus to the city's needs.

Pursuant to the "Real Estate – Declaration as Surplus and Sale of Property" adopted by Council on September 29, 2021, and amended on July 22, 2024, approval by the Standing Policy Committee on Property and Development is required to approve all Sales, Land Exchanges and Sale settlement claims in excess of $700,000.00 or where the sale price is less than 80 percent of the Appraised Value.

IMPLICATIONS OF THE RECOMMENDATIONS

If the property is sold, the existing lease needs to be amended to exclude the Subject City Property. Alhijra Islamic Foundation Inc. requires continued use of the parking lot (identified as part of the remnant City-owned property on Schedule A) which does not form part of the sale.

The Transformative Reserve Fund Policy requires that any net proceeds from the sale of Surplus Golf Courses or the sale of Surplus Leased Buildings, collectively known as "City Assets", be reinvested and deposited into the Transformative Fund.

The City's standard terms and conditions of sale include provisions to protect the City's interests in the event that environmental contamination is discovered.

A Development Application (DASZ) will be required to complete the sale. The tenant will need to subdivide and rezone the Subject City Property to create separate lots for the building identified as "Subject City Property" and for the "Remnant City Property" identified on misc. plan 11376/10.

HISTORY/DISCUSSION

On July 18, 2024, Council directed the Public Service to begin negotiations with existing non-profit tenants, who are interested in purchasing the building they lease from the City. The Alhijra Islamic Foundation Inc. (the "Tenant"), which occupies 410 Desalaberry Avenue (the "Subject City Property"), expressed interest in acquiring the property they lease. The Tenant operates the

Alhijra Islamic School, which serves Kindergarten through Grade 9 students. The school currently has an enrollment of two hundred and thirty (230) students.
The Subject City Property was leased to the Tenant in 2004 for 25 years based on the terms and conditions contained in Schedule C and the premises outlined in Schedule D. The Tenant has invested over $800,000.00 in the Subject City Property since entering the lease on items such as roof replacement, installation of a fire suppression system, replacement of the heating system, new flooring, and the augmentation of the facility to allow for the construction of two additional classrooms. The Tenant intends to build a 9,200 sq ft gym addition to allow for more classrooms to be constructed in the old gym area and increase the enrollment by one hundred (100) additional students.

On January 14, 2025, the Public Service began negotiations with the Tenant. The sale request was circulated to applicable City departments and public utilities for consideration and comments. All comments and concerns have been incorporated into the signed terms and conditions.

Water and Waste has critical infrastructure located throughout the parking lot area, including 1350 mm land drainage sewer and 2900mm storm relief sewer pipes. Therefore, the parking lot area was not included in the sale agreement to maintain continued access to the infrastructure.

Urban Planning advised that the purchaser would be required to rezone the property in order to maintain the existing use.

An appraisal was procured as part of its due diligence for the sale of the Subject City Property. The appraisal indicated a market value of $1,895,000.00. The highest and best use is deemed to be the continuation of its current use as a school.

The Public Service sought to recoup its inventory cost on the Subject City Property and recommended a sale price of $150,000.00 which was accepted by the Tenant. The Tenant will also be responsible for the cost to subdivide and rezone the Subject City Property and amend their existing lease to ensure continued use of the parking lot. The Tenant is required to continue operating the Alhijra Islamic School in the building for the next 40 years, or the land and building will revert back to the City.

The proposed sale of 410 Desalaberry Avenue aligns with Council's July 18, 2024, decision to approve the sale of leased City-owned buildings to non-profit tenants. Offering the property below market value helps ensure affordability for the purchaser while providing a modest financial return to taxpayers. This sale represents the best value for the City by eliminating the current $1-per-year lease for the building, relieving the City of potential future maintenance costs, and avoiding any subsequent 25-year lease renewals under the same conditions.

The Planning, Property and Development Department has negotiated the Sale Agreement terms with Alhijra Islamic Foundation Inc. (see Schedule B) and seeks approval of the Proposed Sales Terms Sheet, with the sale expected to close in 2026 or 2027.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 1, 2025

Project Name:

First Year of Program **2025**

Proposed Surplus and Sale of 410 Desalaberry Avenue to Alhijra Islamic Foundation Inc. for the Purpose of Continued Operation as a Kindergarten to Grade 9 School

	2025	2026	2027	2028	2029 to 2049
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 132,195	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	150,000	-	-	-	-
Net Cost/(Benefit)	$ (17,805)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (17,805)	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represent cost of land sold while incremental revenue represents the proposed sale price. Net proceeds of disposition will be transferred to the Transformative Reserve Fund. With an appraised value of $1.895 million, the proposed sale includes an opportunity cost of $1.745 million. ***No budget adjustment is required.***

Mike McGinn Oct. 1, 2025

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Legal Service as to legal issues

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg 2045 states the following:

Goal: Economic Prosperity

3.2 Strategic Enterprise Supports
Incorporate municipal asset investment and divestment criteria into decision-making that promotes sustainable economic growth, through the evaluation of long-term economic impact and community return on investment.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to any of the Strategic Opportunities and Key Directions in the Climate Action Plan (CAP). It was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

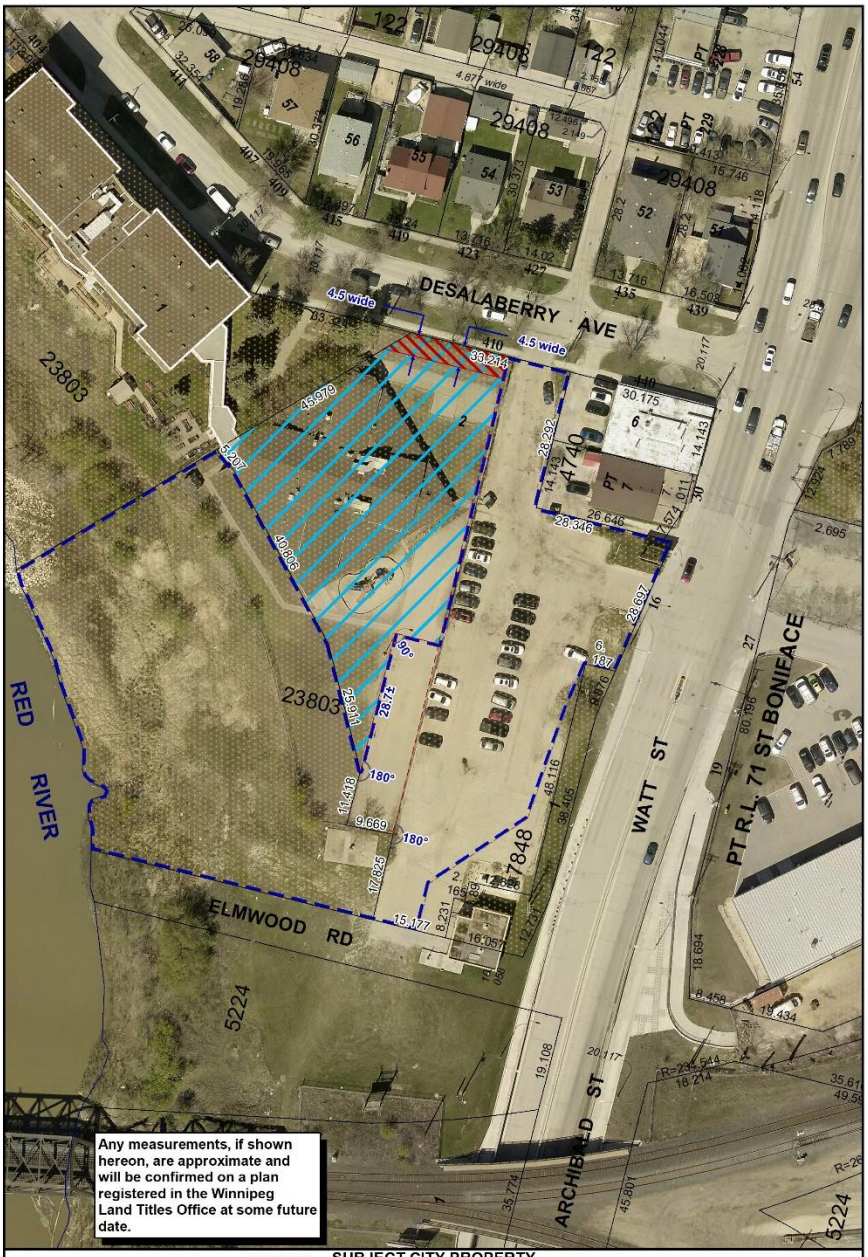
Consideration was given as to whether this report connects to any of the specific Goals and Objectives in the Poverty Reduction Strategy (PRS), as well as the corresponding 2021-2023 Implementation Plan. It was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Planning, Property and Development Department
Division: Real Estate and Land Development
Prepared by: Réjeanne Dorge
Date: October 20, 2025
File No: 32/151/2(V6)

Attachments:
Schedule A – Misc. plan No. 11376/10
Schedule B – Sales Term Sheet
Schedule C – Lease Terms Sheet
Schedule D – Misc. Plan No. 11376/4

Schedule A – Misc. Plan No. 11376/10



SUBJECT CITY PROPERTY
Area: 2,479.0± m² (26,678± ft²)
HYDRO EASEMENT AREA - 4.5m WIDE
REMNANT CITY OWNED PROPERTY
CITY OWNED PROPERTY

Date: 2025-JUN-04
District: EKT
File: 32/151/2(V6)
Scale: 1: 900
Requested by: RD
Drawn by: XH
Reference Dwg No.: Misc. Plan 11376/9

NOTE: Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.

AERIAL (2024) METRIC

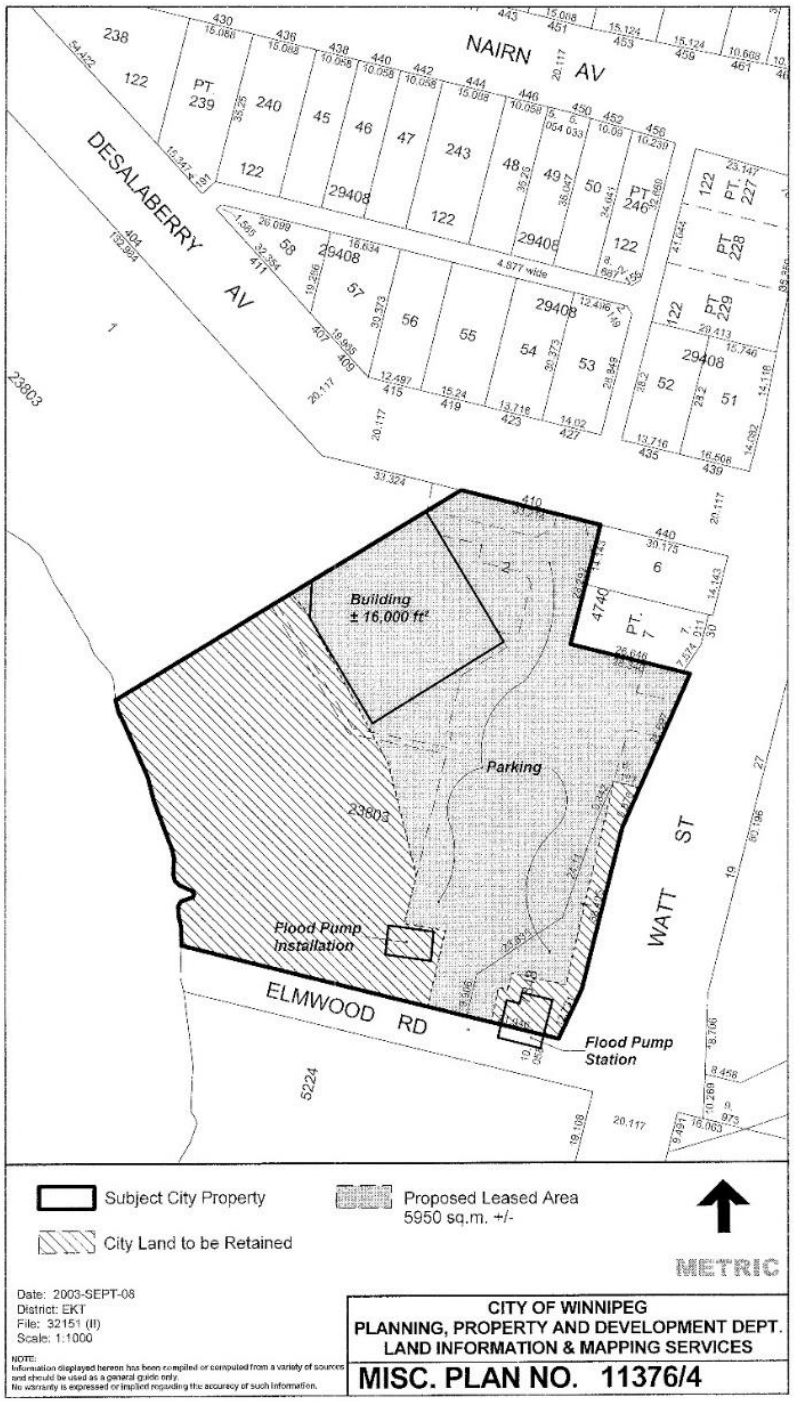
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPARTMENT
LAND INFORMATION SERVICES

MISC. PLAN NO. 11376/10

Schedule B – Sale Terms Sheet

Vendor:	City of Winnipeg
Purchaser:	Alhijra Islamic Foundation Inc.
Sale Area:	2,479.0 square meters in accordance with Misc. Plan 11376 /10
Legal Description:	PT Lot 2 Plan 23803
Sale Price:	$150,000.00
Appraised Value:	$1,895,000.00
The highest and best use:	Continuation of its current use.
Terms and conditions:	A Development Application and a plan of subdivision at the sole cost of the purchaser will be required to complete the sale; the plan will need to be approved for registration by the Winnipeg Land Titles office. Rezoning at the cost of the purchaser. Manitoba Hydro will require an easement registered on title which will require an easement plan at the expense of the purchaser. The leased area will need to be amended to only include the parking lot area. Continued use as a School for 40 years
Closing Date:	The date of closing, Possession and Adjustments shall be sixty (60) days following the latter of: - The date of approval; - the date that all conditions for the Development Application have been completed and approved for registration by the Winnipeg Land Titles Office; or - or such other date as the parties agree

Schedule C – Existing Lease Terms

Landlord:	City of Winnipeg
Tenant:	Alhijra Islamic Foundation Inc.
Leased Area:	5,950 square meters in accordance with Misc. Plan 11376 /4
Term:	Twenty-Five years
Renewal:	One, Twenty-Five-year term at the same rent
Commencement:	30 days after approval of the lease, subject to an occupancy permit
Termination:	One year's notice
Rent:	$1.00 per annum
Costs:	Responsibility of the tenant
Leasehold Improvements:	Responsibility of the tenant

Schedule D – Misc. plan No. 11376/4