Agenda – Standing Policy Committee on Property and Development – May 6, 2026

REPORTS

Item No. 5 Proposed Sale of 491 Salter Street to Machray Day Nursery Inc. (Mynarski Ward)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the proposed sale of the "Subject City Property" as identified on Misc. Plan 10914/1 (attached as Schedule A to this report) to Machray Day Nursery Inc. for the sum of Two Hundred Thousand Dollars ($200,000.00) in accordance with the terms and conditions set out in Schedule B of this report, be approved.

2. That the City enter into, execute and deliver an Offer to Purchase Agreement with Machray Day Nursery Inc. and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

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

ADMINISTRATIVE REPORT

Title: Proposed Sale of 491 Salter Street to Machray Day Nursery Inc.

Critical Path: Standing Policy Committee on Property and Development

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 negotiate with its non-profit tenants who may want to buy the City buildings they currently rent.

The Public Service began discussions with Machray Day Nursery Inc., which rents 491 Salter Street. Machray Day Nursery Inc. has proposed to buy the property for $200,000. They will continue to operate the Day Nursery at this location.

The Ward Councillor has been informed and supports the sale.

RECOMMENDATIONS

1. That the proposed sale of the “Subject City Property” as identified on Misc. Plan 10914/1 (attached as Schedule A to this report) to Machray Day Nursery Inc. for the sum of Two Hundred Thousand Dollars ($200,000.00) in accordance with the terms and conditions set out in Schedule B of this report, be approved.

2. That the City enter into, execute and deliver an Offer to Purchase Agreement with Machray Day Nursery Inc. and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

3. 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” Council policy, approval by the Standing Policy Committee on Property and Development is required for all Sales where the sale price is less than 80 percent of the Appraised Value.

IMPLICATIONS OF THE RECOMMENDATIONS

As Machray Day Nursery Inc. is the current tenant of the Subject Property, the existing lease would be terminated as the date of closing.

Any net proceeds from the sale of Surplus Golf Courses or the sale of Surplus Leased Buildings, collectively known as “City Assets” will be reinvested and deposited into the Transformative Fund as per the Transformative Reserve Fund Policy.

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.

HISTORY/DISCUSSION

491 Salter Street (the “Subject City Property”), formerly known and addressed as 348 Machray Avenue, was acquired through tax sale in 1982. It is located at the southeast corner of the intersection of Salter Street and Machray Avenue.

The Subject City Property has been leased to the Machray Day Nursery Inc. (the “Tenant”), since 1985. The Tenant has invested over $600,000.00 into the Subject City Property since entering the lease on items such as roof replacement, replacement of the heating and cooling systems, new flooring, kitchen renovations, asbestos and mold abatements.

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. Machray Day Nursery Inc., who occupies the Subject City Property, expressed interest in acquiring the property they lease. The Tenant operates a day nursery which serves infants through school aged children. The day nursery is presently fully occupied with a waitlist to take on new children.

The sale of the Subject City Property was circulated to City departments and public utilities for comments and no objections were received. The Subject City Property was declared surplus to the needs of the City of Winnipeg on October 18, 2024. All comments from the circulation shall be incorporated into the Offer to Purchase.

The Public Service procured an appraisal as part of its due diligence for the sale of the Subject City Property. The appraisal indicated a market value of $615,000.00. The highest and best use is deemed to be the continuation of its current use as a commercial property being utilized as a daycare. The Tenant has offered $200,000.00 to acquire the Subject City Property.

As a condition of the sale, the Tenant is required to continue operating the Subject City Property as a day care facility for the next 15 years or the land and building will revert back to the City.

The proposed sale of 491 Salter Street 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 lease renewals under the same conditions.

The Public Service has negotiated the sale terms with Machray Day Nursery Inc. (see Schedule B of this report) and seeks approval of the Proposed Sales Terms Sheet, with the sale expected to close in October 2026.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 3, 2026

Project Name:

First Year of Program 2026

Proposed Sale of 491 Salter Street to Machray Day Nursery Inc.

	2026	2027	2028	2029	2030
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	$ 16,389	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	204,934	5,107	5,286	5,471	5,662
Net Cost/(Benefit)	$ (188,545)	$ (5,107)	$ (5,286)	$ (5,471)	$ (5,662)
Less: Existing Budget Amounts	(188,545)	(5,107)	(5,286)	(5,471)	(5,662)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represents the net book value of the subject property while revenue in 2026 consists of the $200,000 sale price + municipal property taxes of $4,934. The latter amount is based on the assumption that the assessed value is equivalent to the appraised value of $615,000. Taxes from 2027 onward are assumed to increase by 3.5%.

Mike McGinn March 3, 2026

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

OurWinnipeg 2045 states the following:

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. It was determined that the Plan 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 2024 - 2027 Implementation Plan. It was determined that the Strategy is not applicable to this specific report.

SUBMITTED BY

Department: Planning, Property and Development Department
Division: Real Estate and Land Development
Prepared by: Darcy Staszkiewicz
Date: March 19, 2026
File No: 32/6245 (V2)

Attachments:
Schedule A – Misc. Plan No. 10914/1
Schedule B – Sales Term Sheet

Schedule A – Misc. Plan No. 10914/1



Schedule B – Sale Terms Sheet

Vendor:	The City of Winnipeg
Purchaser:	Machray Day Nursey Inc.
Sale Area:	6010 +/- sqft in accordance with Misc. Plan 10914/1
Property Address:	491 Salter Street
Sale Price:	$200,000.00
Terms and conditions:	Continued use as Daycare for 15 years or the property will revert back to the City of Winnipeg.
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 any environmental assessment for the property is completed or waived; or - Or such other date as the parties agree.