

Township of Southgate

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Staff Report CAO2021-080

Title of Report: Sale of the Dundalk Olde Town Hall Property to
Wellington Capital Corporation and Building Cultural Space
Lease Agreement Report

Department: Administration

Council Date: December 1, 2021

Council Recommendation:

Be it resolved that Council receive Staff Report CAO2021-080 as information; and

That Council review the Draft Dundalk Olde Town Hall Building Property Purchase and Sale Agreement to Wellington Capital Corporation, which includes the property sale conditions, a listing of the building's capital projects to be completed for public occupancy and a facility lease of the cultural space to the Township of Southgate from Wellington Capital Corporation as the landlord; and

That Council provide staff with comments and feedback in order to finalize the Purchase and Sale Agreement for approval and execution by the Township of Southgate and Wellington Capital Corporation; and

That Council direct staff to forward the Draft Dundalk Olde Town Hall Property to Wellington Capital Corporation and Building Cultural Space Lease Agreement to Team Town Hall and Wellington Capital Corporation for their input; and

That Council direct staff to bring back the final version of the Dundalk Olde Town Hall Property to Wellington Capital Corporation and Building Cultural Space Lease Agreement for Council approval and consider approval by Municipal By-law at the December 15, 2021 meeting.

Background:

The CAO has provided staff reports at the previous Council meeting as information and updates on the Team Town Halls interest and proposals to operate the Dundalk Olde Town Hall as cultural facility in partnership with the Township. Staff have also provided information on the Wellington Capital Corporation bid proposal to purchase the Dundalk Olde Town Hall. The Township also hosted a meeting on October 7th, 2021 in the Macintyre Building with Team Town Hall representatives, the proponent Ray Stanton representing Wellington Capital Corporation, Southgate Mayor John Woodbury and Southgate staff members from Recreation and the CAO's Office. As a result of all this information gathering and discussions the CAO created staff report CAO2021-069 and Council approved the following resolution:

Moved By Councillor Frew; **Seconded By** Councillor Rice;

Be it resolved that Council receive Staff Report CAO2021-069 as information; and That Council provide any feedback on the Olde Town Hall building sale conditions report in this report, the proponent bid response and the October 4th, 2021

meeting with Team Town Hall and the proponent Wellington Capital Corporation;
and

That Council direct staff to develop an agreement of terms for consideration with Wellington Capital Corporation to sell the Dundalk Olde Town Hall to the bidder;
and

That Council direct staff to develop an agreement with Team Town Hall for consideration related to their financial and operation commitments to the Township of Southgate realizing it is a good will agreement without assurance compensation beyond the pledged fundraising and surplus operating funds they raise.

Carried No. 2021-586

Staff Comments:

Staff have drafted an agreement of terms and conditions for a Wellington Capital Corporation (WCC) Agreement with the Township of Southgate in relation to the following:

1. Transaction dates, 60 days for property inspection and 90 days for a building assessment by WCC architects and engineers to assess Ontario Building Code upgrades and Life Safety requirements to allow public access to the building;
2. Defines WCC purchase and sale agreement covenants and conditions related to the Dundalk Olde Town Hall building operating costs;
3. Defines the leased space terms and conditions for the shared building spaces in Dundalk Olde Town Hall assigned for cultural event uses;
4. Defines leased space and shared building spaces in Dundalk Olde Town Hall assigned for cultural event uses and the use of the building by WCC;
5. Southgate's annual lease payment commitments for the Dundalk Olde Town Hall building cultural space use to WCC; and
6. Defines WCC share of the Dundalk Olde Town Hall building operating costs;
7. Defines WCC responsibility related to the Dundalk Olde Town Hall building capital upgrades and maintenance costs.

Staff have presented this agreement for Council to review, to provide and for staff to receive feedback. Once approved in draft, staff will forward this agreement onto Wellington Capital Corporation and Team Town Hall for their review, approval and execution of the Draft Dundalk Olde Town Hall Building Property Purchase and Sale Agreement to Wellington Capital Corporation, including the lease agreement document schedule. Staff will then present this agreement for Council approval.

Financial Impact or Long-Term Implications

There is no financial impact to the 2021 Budget to the municipality that will impact ratepayer taxation at the present time other than some costs for legal review of this agreement.

The financial impact in the 2022 budget could be from zero cost to \$18,000.00 for up to 6 months (\$3,000.00 per month) of cultural space lease payment, less the Team Town Hall portion of \$5,000.0 for the same 6 months. The net amount of the Southgate lease payments for the 6 months from July to December, 2022 would up to \$13,000.00. Southgate has also committed in the agreement to make 3 annual payments of \$40,000.00 starting in 2022 through to 2024 to support capital project work in the Dundalk Olde Town Hall.

In 2023 and for the life of the 20 year lease agreement with Wellington Capital Corporation, Southgate will pay \$36,000.00 per year (\$3,000.00 per month), less Team Town Hall's \$10,000.00 annual payment for use and operating the Dundalk Olde Town Hall as a Cultural Community space.

Communications & Community Action Plan Impact:

This report has been written and presented to Council to communicate accurate information to the public.

Goal 4 - Adequate and Efficient Public Facilities

Action 4:

The residents and businesses of Southgate expect the Township to plan and adequately provide for public facilities for gatherings, recreation and doing business with the Township, while recognizing at the same time that facility needs can change with age and a changing population.

Strategic Initiatives 4-B (2019-2023):

The Township will have made a decision on the future viability or uses of the Olde Town Hall, and taken action accordingly.

Concluding Comments

1. That Council receive staff report CAO2021-080 as information.
2. Council review and provide feedback on the Draft Dundalk Olde Town Hall Property to Wellington Capital Corporation and Building Cultural Space Lease Agreement.
3. Staff will forward the Draft Dundalk Olde Town Hall Property to Wellington Capital Corporation and Building Cultural Space Lease Agreement to Team Town Hall and Wellington Capital Corporation for their input.

4. Staff to create the final version of the Dundalk Olde Town Hall Property to Wellington Capital Corporation and Building Cultural Space Lease Agreement for Council to approve and consider approval of the agreement by Municipal By-law as early as the December 17, 2021 Council meeting.

Respectfully Submitted,

CAO approval: Original Signed By

Dave Milliner – CAO dmilliner@southgate.ca 923-2110 x210

- Attachment 1 – Draft Southgate-Wellington Capital Corporation Purchase and Sale Agreement for the Dundalk Olde Town Hall Property and Building Cultural Space Lease Agreement