

Township of Southgate

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Staff Report CAO2022-001

Title of Report: Dundalk Olde Town Hall Update Report

Department: Administration

Council Date: January 19, 2022

Council Recommendation:

Be it resolved that Council receive Staff Report CAO2022-001 as information.

Background:

The CAO has provided staff reports at the previous Council meeting as information and updates on the Team Town Hall's 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.

Staff presented staff report CAO2021-086 titled Southgate TTH Dundalk Olde Town Hall Financial Partnership Use, providing an agreement with Team Town Hall Council approved the following resolution:

Moved By Councillor Shipston; **Seconded By** Councillor Rice;

Be it resolved that Council receive Staff Report CAO2021-086 as information; and

That Council direct staff to continue to work to finalize the Draft Southgate-Team Town Hall Dundalk Olde Town Hall Cultural Space Financial Commitment and Use Partnership Agreement with Team Town Hall; and

That Council direct staff to send the final drafted Southgate-Team Town Hall Dundalk Olde Town Hall Cultural Space Financial Commitment and Use Partnership Agreement with Team Town Hall acceptance to our lawyer for review; and

That Council direct staff to bring back the final version of the Southgate-Team Town Hall Dundalk Olde Town Hall Cultural Space Financial Commitment and Use Partnership Agreement for Council approval and consider approval by Municipal By-law at the January 19, 2022 meeting.

Yay (6): Mayor Woodbury, Deputy Mayor Milne, Councillor Dobreen, Councillor Sherson, Councillor Frew, and Councillor Shipston

Nay (1): Councillor Rice

Carried No. 2021-772 (6 to 1)

Staff presented staff report CAO2021-087 providing a draft agreement with Wellington Capital Corp to purchase the Dundalk Olde Town Hall and Council approved the following resolution:

Moved By Deputy Mayor Milne; **Seconded By** Councillor Dobreen;

Be it resolved that Council receive Staff Report CAO2021-087 as information; and

That Council direct staff to continue to work to finalize the Draft Dundalk Olde Town Hall Building Property Purchase and Sale Agreement with 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 direct staff to send for legal review the final drafted Dundalk Olde Town Hall Property Sale Agreement with Wellington Capital Corporation, which includes the Building Cultural Space Lease Agreement to the Township of Southgate with Wellington Capital Corporation as the landlord following their preliminary acceptance of these complimentary agreements; 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 to approve by Municipal By-law at the January 19, 2022 meeting.

Carried No. 2021-773

Staff Comments:

Staff has nothing new to report in relation to advancing the agreements with Team Town Hall or Wellington Capital Corp.

Since the December 15th, 2021 Council meeting staff have been working on ways to develop the future use of the Dundalk Olde Town Hall as a cultural facility and how to best manage the building, capital upgrades, operating costs, fundraising and its use. With that in mind staff have looked into the following issues and have had discussions on the following issues:

- Insurance Costs – NFP Insurance staff are researching the cost of Southgate carrying the cost of building and liability insurance.
- Cultural Space Naming Rights on the Building – Southgate staff have had recent discussions with Flato and reached a verbal commitment to execute a Naming Sponsorship Agreement for \$35,000.00 per year for 20 years for the Olde Town Hall Theatre and Cultural Space. The 2 conditions are use of the building for Flato meetings and some events possibly, plus continued cultural event use of the building during the 20 years.
- Boarder Community Involvement – Staff have been in discussions with JunCtian Community Initiatives to explore their involvement in the facility through boarder use options, through broader inclusiveness, integration in our community and capital funding options to support the building uses. Since this report was written we have also met with Heritage Canada to look at funding opportunities and the structure that could qualify through a municipal and/or not-for-profit partner.

The next step is to consider our best option(s) going forward based on the new information, municipal investment over 20 years, fundraising potential, ownership and partnerships, as well as the roles of each we should consider going forward.

Financial Impact or Long-Term Implications

There is no financial impact to the 2022 Budget to the municipality that will impact ratepayer taxation at the present time other than some costs for legal review of the agreement.

The financial impact is likely to begin in the 2023 budget year costing \$3,000.00 per month (\$36,000.00 per year) plus COLA each year for the cultural space lease payment, less the Team Town Hall annual commitment of \$10,000.0 per year. Recent discussions with Flato has forged a verbal commitment to execute a Naming Sponsorship Agreement for \$35,000.00 per year for 20 years for the Olde Town Hall Theatre and Cultural Space.

Southgate's other financial commitment in the agreement is a one-time payment of \$175,000.00 due 90 days (anticipated due March 31, 2023) following the start of the lease (anticipated due January 1, 2023) to support capital project work investment in the Dundalk Olde Town Hall. Discussion to include JunCtian Community in the conversation has also been advanced to consider them as a partner, with not-for-profit status that would have access to funding to complete capital project in the building.

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 CAO2022-001 as information.
2. Staff will acquire a report on the insurance cost for the building and public use liability for the Draft Dundalk Olde Town Hall Building.
3. Staff will meet with Team Town Hall and JunCtian Community Initiatives to redefine each partners role in the operation and use of the Dundalk Olde Town Hall Building Cultural space.
4. Staff will explore funding opportunities for the Dundalk Olde Town Hall Building.

5. Staff will look to finalize the draft Dundalk Olde Town Hall Building Property Purchase and Sale Agreement with Wellington Capital Corporation for consideration at a future Council meeting and specifically in relation to the long term financial commitments.

Respectfully Submitted,

CAO approval: Original Signed By
Dave Milliner – CAO dmilliner@southgate.ca 923-2110 x210