

## **Township of Southgate**

### **Administration Office**

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## **Staff Report CAO2022-006**

**Title of Report:** Dundalk Olde Town Hall Update Report

**Department:** Administration

**Council Date:** March 2, 2022

### **Council Recommendation:**

**Be it resolved that** Council receive Staff Report CAO2022-006 as information; and

**That** Council direct staff finalize the Wellington Capital Corporation agreement for Council consideration at the March 16<sup>th</sup>, 2022 meeting; and

**That** Council approve the partnership with JunCtian Community Initiatives, Team Town Hall and Southgate in the management of the Dundalk Olde Town Hall Building Cultural space and that staff meet with partners to define roles and responsibilities in the operation, management and use of the building cultural spaces; and

**That** Council direct staff finalize the Team Town Hall Agreement as more of an MOU document for Council consideration at the March 16<sup>th</sup>, 2022 meeting; and

**That** Council direct staff to create a draft agreement with JunCtian Community Initiatives for Council consideration at the March 16<sup>th</sup>, 2022 meeting; and

**That** Council consider approving by municipal By-law the final agreement with Wellington Capital Corp and Team Town Hall at the April 6<sup>th</sup>, 2022 meeting.

### **Background:**

The CAO has provided staff reports at the previous Council meetings 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 7<sup>th</sup>, 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 at the December 15, 2021 Council meeting titled, Southgate TTH Dundalk Olde Town Hall Financial Partnership Use Agreement with Team Town Hall and 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

Since the December 15<sup>th</sup>, 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.

Staff report CAO2022-001 was presented at the January 19, 2022 Council meeting as agenda item 13.1.1, titled Dundalk Olde Town Hall Update as part of the Consent Agenda and was approved by the following:

**Moved By** Councillor Sherson; **Seconded By** Deputy Mayor Milne;  
Be it resolved that Council approve the items on the Regular Business consent agenda dated January 19, 2022 and direct staff to proceed with all necessary administrative actions.  
Carried No. 2022-031

### **Staff Comments:**

#### **Wellington Capital Corporation:**

The Wellington Capital Corporation agreement is ready to go subject to minor changes we are working through minor changes and then a final legal review. This agreement will be presented to Council on March 16<sup>th</sup>, 2022 for final approval and acceptance by By-law on April 6<sup>th</sup>, 2022. The present version of the Wellington Capital Corp. sale and building lease agreement is included in this report as Attachment #1.

#### **Team Town Hall**

Staff have sensed from Team Town Hall (TTH) that the responsibilities of the agreement have given them some concerns. To help alleviate these concerns and broaden the capacity to carry the demands of this project and create success staff have had discussions with JunCtian Community Initiatives (JCI) to increase the number of community partners. Team Town Hall staff believe has the local capacity to hold events, recruit and support community groups to support ongoing use of the cultural space in the building, fund raise locally and develop projects for the building upgrades required. Where they do not have capacity is the day-to-day management. Staff believe we will need a Building Management Committee made up of the TTH, JCI, a member of Township Council and Southgate staff.

The Team Town Hall agreement will be amended to reduce some responsibilities based on the approval of this report and further discussion with the TTH members. The present agreement is included in this report as Attachment #2. TTH also produces a 12 month calendar of events starting in September 2023 and is attached to this documents as Attachment #3.

TTH met on March 22, 2022 and provided the following comments to the CAO by email:

"Following our meeting on Tuesday, we can report that we are quite open to JunCtian playing the major role in the building.

The Wellington lease and the community group agreement that you drafted basically would create a situation where TTH would be in an agreement to sublet, which we are not comfortable with.

Some of us would be very happy to be part of a board of management. We think a signed memorandum of agreement which specifies responsibilities of all parties would make things sufficiently clear for a good working relationship.

We would like to know if you have confirmed with JCI their roles and responsibilities as mentioned in the e-mail yesterday.

A discussion with the township, Team Town Hall and JunCtian would definitely be essential to get the solid, shared understanding that would be expressed in agreements. Right now, it's vague. We can't support the specifics without knowing what they are - but we look forward to the discussion!

As Team Town Hall members, supported by community volunteers, we continue to offer - fundraising for theatre equipment and help to co-ordinate community use, including proceeds being used for the building expenses. (it seemed that if the Flato offer of support were accepted it would go to the lease.)

### **JunCtian Community Initiatives**

JunCtian Community Initiatives (JCI) group is willing to take on a building management and partnership role. JCI is a Not-for-Profit status and would be able to secure external funding and other grant sources not available to municipalities, that is very important to this project. They would co-lease the building with the Township of Southgate from Wellington or the more likely the municipality would sub-lease the cultural space, by agreement with terms and conditions for a \$1.00 to JCI to show their involvement in the project to secure funding. A mandatory condition in external funding agreements is a level of ownership or lease access to the asset receiving the grant. This would be a condition we will have to add to the Wellington-Southgate lease.

We see this relationship and partnership as a positive addition to manage the Olde Town Hall and cultural events in the building. We will be adding more capacity and broader community experience to operate, manage with JCI having full time staff, their past history and success as an organization, in holding community events (2021 Canada Day event, Starz, Youth programs, etc.), adding community diversity to the discussions/planning and increase the use as a community cultural facility.

### **Township of Southgate**

Southgate's role to support the building lease, make the annual lease payments to Wellington Capital Corp, provide staff support to the building issues (Facility Manager), being part of the Cultural Building Management Committee and to manage corporate building sponsorship.

To be successful we would need this Cultural Building Management Committee to bring together TTH, JCI, Southgate and maybe part time or full time Wellington as an observer or partner. Have not thought through that one completely or talked to Ray Stanton about this. The Committee would be for the purpose of pulling efforts together and making big decisions.

### **Insurance**

The Township Southgate and JCI both have insurance in place to manage the Dundalk Olde Town Hall without further cost in relation to liability coverage.

### **Corporate Donations**

The Township of Southgate would retain the right by agreement with Wellington and the other partners to negotiate naming rights and long term corporate sponsorships by agreement for the building and cultural spaces. Agreements would be approved by Council and funds allocated by the Township in each case related to Olde Town Hall allocations to operations, maintenance, capital project investment and/or the Southgate annual lease payments.

### **Note: Staff Comments Summary**

Next steps is to:

1. Meet with JCI and TTH to define roles and responsibilities in MOU's with both organizations and finalize those agreements.
2. Finalize Wellington Capital Corp. agreement and send it for legal review.
3. Seek Council final approval by the end of April on all 3 agreements.

### **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 CAO2022-006 as information.
2. Staff finalize the Wellington Capital Corporation agreement for Council consideration at the March 16<sup>th</sup>, 2022 meeting.
3. That staff, based on Council approval, meet with both Team Town Hall and JunCtian Community Initiatives to define each partners role in the operation, management and use of the Dundalk Olde Town Hall Building Cultural space.
4. That Staff finalize the Team Town Hall Agreement as more of an MOU document for Council consideration at the March 16<sup>th</sup>, 2022 meeting.
5. That staff create a draft agreement with JunCtian Community Initiatives for Council consideration at the March 16<sup>th</sup>, 2022 meeting.
6. That Council consider approving by By-law the final agreements with Wellington Capital Corp and Team Town Hall at the April 6<sup>th</sup>, 2022 meeting.
7. That staff finalize an agreement JunCtian Community Initiatives for Council to consider at an April, 2022 meeting.
8. That staff finalize a donation agreement for cultural space naming rights of the Dundalk Olde Town Hall with Flato Developments Inc. for Council to consider at an April or May, 2022 meeting.

Respectfully Submitted,

**CAO approval:** Original Signed By  
Dave Milliner – CAO [dmilliner@southgate.ca](mailto:dmilliner@southgate.ca) 923-2110 x210

Attachments:

- Attachment 1 – Wellington Capital Corp Property Sale and Building Cultural Space Lease Agreement
- Attachment 2 – Team Town Hall Memorandum of Understanding and Commitments Agreement
- Attachment 3 – Team Town Hall draft Calendar of Events Plan for September 2022 to August 2023