



Staff Report CAO2023-008

Title of Report: CAO2023-008- Olde Town Hall Sale
Department: Administration
Council Date: June 21, 2023

Recommendation:

Be it resolved that Council receive Staff Report CAO2023- 008 for information; and

That Council direct staff to re-list the property for sale.

Background:

Following many years of review, research, technical studies, and public input, an RFP seeking proposals to purchase the Olde Town hall was issued in January of 2021. A by-law approving a purchase and sale agreement and long-term lease arrangement between the purchaser and the Township for a cultural space was enacted on May 4, 2022 (by-law 2022-054). As part of this agreement, significant restoration, and upgrades to allow the public access to a safe and functional cultural facility including theatre were needed.

On February 15, 2023, a report was presented to bring council's attention to a step that must take place prior to any sale of municipal land. The following motion was passed at that meeting:

"Be it resolved that Council receive Staff Report CAO2023-001 for information; and

That Council hereby declare the property known as the Dundalk Olde Town Hall, located at 80 Main Street East, Dundalk, legally described as Plan 480 BLK E Part Lot 5 Main North surplus to the needs of the Township; and

That Council waive the requirement in by-law 3-2008 to obtain a market evaluation of the land; and

That staff are directed to provide public notice of the proposed sale of land in accordance with by-law 3-2008."

Staff Comments:

Upon evaluation by the intended purchaser, the estimates to restore the building to its former use was even more than a private enterprise was willing to entertain. Therefore, the purchase and sale agreement has been terminated through mutual release and By-laws approving the sale and subsequent extension will be repealed.

Additionally, cultural use and partnership agreements enacted by by-law were never accepted and executed by all parties, and as such those by-laws will also be

repealed. Flato and the Township entered into a fully executed contribution agreement. However, since the purchase and sale agreement has terminated, this by-law will also be repealed.

The Township has made substantial efforts towards having the building restored to its former use, however, the financial obligations are far too great to make the project viable for the Township, or a private partner. Costs estimated to restore the building by highly experienced professionals in 2019 were upwards of \$4.4 million dollars.

As demolition is not a favourable option for the Township, two options remain for consideration:

Option 1 – Direct staff to re-list the property for sale

Under this option, staff would seek a market evaluation for sale of the building and post an RFP to seek proposals to purchase the building in its current form. The Township values the history of this building and its contents. Therefore, under this option, historical items and artifacts (e.g. as section of theatre seating, and any other significant commemorative pieces) will be retained and removed prior to the sale of the building for display at another facility with a historical write up and additional photos. This option would allow the building to remain a landmark in the community while using artifacts to commemorate its history and directing sale proceeds towards a cultural use for the growing community.

Staff are recommending this option due to the enormous restoration cost and unlikely ability to fund the project with other challenges the community is facing. However, should funding opportunities become available prior to its sale, the Township could consider those options. Staff will continue to seek out opportunities in this regard.

Option 2 – Retain ownership and seek out grant funding opportunities that may allow restoration of the building to some degree.

Under this option, staff would seek out grant funding opportunities as programs become available that may allow restoration of the building to some degree. Over time, the building may be able to be restored to a degree that it would be safe for public use. The challenges with this option are that grant funds are not easily obtained, and often require significant contribution on the part of the municipality. There is no guarantee of funding, and the building will continue to deteriorate in the meantime. The risk is that in the worst-case scenario, while waiting to secure funding however long that may take, the building may be a complete loss if the structural issues are left unaddressed for a lengthy period.

Financial Implications:

The 2023 budget included \$175,000 capital contribution to this project which will no longer be expended. It is recommended to retain these funds and direct towards

additional projects that can be executed in 2023, or placed into reserve to contribute towards a multi-use facility that will include cultural space. Any donations received will be refunded.

The Township is no longer tied to 20-year lease costs, including \$3,000 per month plus yearly inflation, its share of utilities, maintenance, cleaning, and repairs as well as insurance premiums and capital improvements deemed necessary for community use over the term of the lease. However, it also no longer has the anticipated contribution benefit of \$35,000 per year by the Flato Corporation and the building will continue to incur utility expenses and general upkeep to help protect the structural integrity of the building while presented for sale. Utility costs in 2022 were approximately \$14,000.

It is also recommended that proceeds from the sale of the Olde Town Hall correspondingly be directed to a reserve to contribute towards a new cultural space within a multi-use facility.

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 decided on the future viability or uses of the Olde Town Hall and acted accordingly.

Concluding Comments:

Staff are recommending Option 1, to re-list the property for sale. This will not preclude staff from considering funding opportunities to restore The Olde Town Hall as they become available.

Respectfully Submitted,

CAO Approval: Original Signed By
Dina Lundy, CAO