



Council Report

Report Number: RS2022-026

Meeting Date: March 22, 2022

Title: **Proposed Disposition (Building Only) of Mariposa Community Hall and Land Lease of a Portion of 1010 Eldon Road, Oakwood**

Description: Proposed Disposition (Building Only) of Mariposa Community Hall and Land Lease to the Oakwood and District Lions Club

Author and Title: Laura Carnochan, Law Clerk – Realty Services

Recommendations:

That Report RS2022-026, **Proposed Disposition (Building Only) of Mariposa Community Hall and Land Lease of a Portion of 1010 Eldon Road, Oakwood**, be received;

That the subject building be disposed of in accordance with the City of Kawartha Lakes Disposal of Real Property Policy No. CP2021-033 and By-Law 2018-020, as amended;

That, notwithstanding section 3.08 of By-Law 2018-020, as amended, the requirement to advertise the proposed disposition within 18 months of the passing of the disposition by-law be waived;

That the conveyance of the subject building for nominal consideration to a not-for-profit organization (the Oakwood and District Lions Club) be supported;

That the By-Law, attached as Appendix B, to authorize the disposition of the subject building shall be passed;

That The Mayor and Clerk be authorized to sign all documents to facilitate the conveyance of the building; and

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

That The Mayor and Clerk be authorized to execute the Agreement of Sale and Land Lease attached as Appendix A, on behalf of the Corporation of the City of Kawartha Lakes.

Background:

At the Council Meeting of October 24, 2017 Council adopted the following resolution:

CR2017-928

Moved By Councillor Veale

Seconded By Councillor Miller

Resolved That Report 2017-014, Surplus Declaration of Mariposa Community Hall (building only) and Proposed Land Lease of 1010 Eldon Road, Oakwood, Legally Described as Pt Blk A to Pt Blk D Plan 80, in the former Geographic Township of Mariposa, City of Kawartha Lakes, be received;

That the City-owned property known as Mariposa Community Hall (building only), located at 1010 Eldon Road, Oakwood, be declared surplus to municipal needs;

That the subject building be disposed of in accordance with the City of Kawartha Lakes Disposal of Real Property Policy No. C-204-DEV-001 and By-law 2010-118, as amended;

That notice be given in accordance with By-laws 2008-065 and 2010-118, as amended;

That on completion of the public notice, Council shall consider any deputation or public input in opposition of the sale, if any, and if appropriate, pass a by-law (with any amendments deemed necessary) to authorize the disposition;

That the conveyance of the subject building for nominal consideration to a not-for-profit organization (the Oakwood and District Lions Club) be supported;

That The Mayor and Clerk be authorized to sign all documents to facilitate the conveyance of the building; and

That The Mayor and Clerk be authorized to execute the agreement, in the form substantially as attached as Appendix A, on behalf of the Corporation of the City of Kawartha Lakes.

Carried

Following the above resolution, there were significant delays in finalizing the Agreement of Sale and Land Lease. Staff provided an update to Council in 2020, recommending

that a deadline be set for completion of the transaction. At the Council Meeting of July 28, 2020, Council adopted the following resolution:

CR2020-192

That Report RS2020-007, **Disposition of Mariposa Community Hall – Update**, be received; and

That the actions directed in Council Resolution CR2017-298 be fully completed no later than May 31, 2021 or Council Resolution CR2017-298 is at an end, the Mariposa Community Hall will be returned to the City's asset inventory.

Carried

The transaction was unable to be finalized by the deadline of May 31, 2021, however, the solicitor for the Oakwood and District Lions Club advised Staff that they remained interested in proceeding with the sale/land lease.

This report seeks instruction, given the Lions Club's continued interest in acquiring the building.

On February 28, 2022, the City received correspondence from the Lions Club providing an executed Agreement of Sale and Land Lease (attached as Appendix A), confirming that they are willing to proceed with the transaction and setting a closing date of April 29, 2022.

The closing date has been reviewed with the Director of Community Services and he has agreed to same, provided no further extensions are granted.

Rationale:

The subject building (known as the Mariposa Community Hall) is located at 1010 Eldon Road, Oakwood and was declared surplus to municipal needs on October 24, 2017 by CR2017-928. The building has ceased to be used by the City as a rental facility, but has been used exclusively by the Lions Club since that time.

The building sits on property owned by the City and upon which other active municipal facilities exist (namely, a community hall, Public Works depot and ball diamond). The uses share a common access driveway and parking area. The community hall and arena share common servicing. These other facilities would not have sufficient frontage should this portion of the property be severed and sold. For this reason, the property could not be severed and sold. Instead, the building is to be sold and a long term land lease entered into.

By proceeding with closing the proposed transaction and transferring ownership of the Mariposa Community Hall to the Oakwood and District Lions Club, all costs associated with the maintenance and repair of the building will become the responsibility of the Lions Club. According to the Facility Condition Assessment completed by Altus on April 19, 2016 for the City, future capital costs associated with this building are estimated at \$73,000.00. These costs have not been budgeted for by the City, as it was the intention to transfer the building (and therefore repair/maintenance costs) to the Lions Club.

Other Alternatives Considered:

Council could decide not to proceed with transferring the building to the Lions Club. This is not recommended, as the City would then be required to either outlay the necessary funds to repair the building, or fund the demolition of the building.

Alignment to Strategic Priorities:

The recommendations set out in this Report align with the following strategic priority:

- Good Government
 - Effective management of the municipal building and land portfolio

Financial/Operation Impacts:

As a condition of the Agreement of Sale and Land Lease, the Lions Club has requested that the City have the septic system that services the Mariposa Community Hall pumped out. Further, the Lions Club has requested that the City register a Name Change Application on title to update ownership to “The Corporation of the City of Kawartha Lakes” from “The Municipal Corporation of the Township of Mariposa” and “The Corporation of the Township of Mariposa”. Both of these items are to be done at the City’s expense. The septic pump out has been completed and cost \$220.00, which has been paid for by Community Services. The Name Change Application can be completed and registered on title by Realty Services and will cost approximately \$75.00. This cost will be paid for out of the Realty Services Legal Fees budget.

Other than the above-noted costs, there will be no financial impacts to the City, as the Lions Club will be responsible for all costs associated with the building. Further, the Land Lease is a full cost recovery model and the Lions Club will be responsible for covering the cost of having the Agreement registered on title.

Consultations:

Director of Community Services
Manager of Parks, Recreation, and Culture
Land Management Team

Attachments:

Appendix A – Agreement of Sale and Land Lease (Executed by Lions Club)



Appendix A -
Agreement of Sale a

Appendix B – By-Law to Authorize the Conveyance of Mariposa Community Hall



Appendix B -
By-Law to Authorize

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Department File: L17-17-RS014