

To: David Creery, Chief Administrative Officer

From: Diane Campbell, Director of Administrative Services

Re: Sale Proceeds, Former Small Business Centre – 453 Dundas Street

AIM

To provide Council with options for the use of the sale proceeds from the former Small Business Centre building at 453 Dundas Street.

BACKGROUND

Council authorized the Mayor and Clerk to sign an agreement of purchase and sale between the City of Woodstock and Mark and Mallory Kean for 453 Dundas Street, at the Council meeting held on June 20, 2024. The transaction closed on August 14, 2024.

COMMENTS

The net proceeds from the sale of the property were \$432,009.44. Although the sale of the property was anticipated, the timing was such that no revenue was included in the 2024 City budgets.

There are several options available for the use of the funds. Given that the property is within the downtown core and the revenue earned is directly related to the recent renovation of the Market Centre, it may make sense to direct the proceeds to a downtown-related project.

Option 1:

The City recently completed the renovation of the west end of the Market Centre and the space is now occupied by the City's Economic Development and Human Resource departments. The Market Centre also includes office space for staff of the Small Business Centre and the Woodstock Downtown Board of Management (BIA) and provides a downtown office location for By-law staff. Council passed By-law 9570-23 on January 12, 2023 which approved the use of \$900,000 of debt financing to complete this project. With the completion of the project, the debenture will be issued later this year. The proceeds of the Dundas Street sale could be used to reduce the amount of debt required to finance this work. With current lending rates, the savings in interest expense would be approximately \$185,200 over the term of the debenture.

Option 2:

Council awarded the tender for Phase 1 of the Dundas Street Revitalization Project at their meeting on August 15, 2024. The sale proceeds could be used to reduce the eventual debenture issue on this project although the debenture is not expected to be issued until late 2025 at the earliest.

Option 3:

The proceeds could be used to establish a new reserve for debt reduction. The funds could be used to finance part or all of a future year state of good repair project slated to be paid for with debt. Examples of this type of project include the turf replacement at Cowan Sportsplex or the Community Complex roof replacement.

Option 4:

The sale proceeds could be contributed to one of the City's existing reserve or reserve funds. Candidates for this contribution could be the Downtown Redevelopment Reserve Fund, the Reserve for Capital Projects or the Municipal Building Reserve which continues to be heavily utilized.

Should Council not recommend any of the above options, the net proceeds from the sale will form part of the 2024 year end results.

Council is welcome to propose any other suggestions for the use of the sale proceeds.

RECOMMENDATION

For Council's consideration.

Authored by: Diane Campbell, CPA, CA, Director of Administrative Services

Approved by: David Creery, MBA, P. Eng., Chief Administrative Officer