TOWNSHIP OF
Elizabethtown-Kitley

STAFF REPORT
Department: Finance

Report Number: F-26-07
Date: 2026-02-23

To:	**Mayor Burrow and Members of Council**
From:	**Charles Dowdall, Director of Finance**
Subject:	**CONFIDENTIAL – Potential Real Estate Transaction**

RECOMMENDATION

THAT Council receive this Report F-26-07 – Potential Real Estate Transaction for information; and

THAT Council approve the purchase of the former Frankville Public School at a purchase price of $325,000.00; and

THAT Council direct staff to proceed with the waiving of conditions contained in the Offer to Purchase; and

THAT Council direct staff to proceed with a detailed review of the building assessment report that has been provided by the seller and a further internal assessment of the building condition and completion of a cost analysis for any repairs and/or renovations identified either in the current building assessment report or from the internal assessment by staff.

THAT Council direct staff to report back to Council no later than April 27, 2026, on the results of their review, assessment, and cost analysis with further recommendations on potential future use of the building.

BACKGROUND:

Frankville Public School

The Upper Canada District School Board (UCDSB) declared the former Frankville Public School located on CR29 as surplus on June 18, 2025.

The former school was listed for sale on January 30, 2026, at a sale price of $325,000 and being sold in an “As Is” condition.

Township staff viewed the property on February 5, 2026, and Council members viewed the property on February 9, 2026.

DISCUSSION:

Offer to Purchase

At the February 9, 2026, Council meeting in Closed Session, staff were directed to submit an Offer to Purchase (Attachment # 1) which was completed on February 11, 2026, with the details of the Offer to Purchase summarized as follows:

- Purchase Price of $325,000.
- A refundable deposit of $50,000 to be provided upon acceptance of the Offer.
- All chattels to be included consisting of remaining office furniture, light fixtures, and window coverings.
- Offer to Purchase conditional on Council approval being obtained within 15 days of the date of acceptance, that being February 27, 2026.
- The Closing Date of the transaction will be 90 days following the waiver of condition by Council, that being May 25, 2026.

As directed, staff submitted the Offer to Purchase on February 11, 2026, and the Upper Canada District School Board (UCDSB) accepted the Township's Offer on February 12, 2026.

With the acceptance of the offer, a deposit of $50,000 was transferred to the Township's solicitor in Trust on February 17, 2026. If Council decides not to proceed with the transaction, the deposit of $50,000 is returned to the Township.

On the closing date if the purchase is approved by Council, a final payment of $275,000 will be further transferred to the Township's solicitor to facilitate the closing of the transaction. The deposit that has been issued as well as the remaining balance upon closing comes from surplus cashflow. Staff recommend that once the potential use of the building has been identified that long-term financing be arranged at that time to facilitate the costs for any structural repairs and renovations that will be required in addition to the closing costs thereby replenishing the cashflow used to complete the purchase.

Assessment of Building

If Council decides to proceed with the transaction and waive its condition, staff will then undertake within the 90-day period prior to closing, its due diligence to include a detailed review of the building condition assessment provided by the seller. In addition, staff, specifically, the Chief Building Official and Facilities Manager will undertake their own assessment of the building condition and complete a supporting analysis of required and/or recommended structural renovations and repairs to include the associated costs required.

Staff will report back to Council prior to the closing of the transaction on May 24, 2026, with a detailed report on their findings from their due diligence with recommendations on what structural work is required, what financial options would be available to facilitate the identified work and potential future use of the building.

FINANCIAL IMPLICATIONS

The financial implications if the proposed purchase was to proceed are summarized as follows:

1. Cashflow would be temporarily reduced $325,000 until long-term financing is secured.

2. If after completing due diligence it is found that the project is not viable the Township could either sell the property and recoup its full investment of $325,000 or consider an alternate use of the property strategically as a generation of revenue for the property.

LINK TO STRATEGIC PLAN

We will strive to be fiscally sustainable through prudent and future focused financial management.

OTHERS CONSULTED

- Mayor Brant Burrow
- CAO
- Facilities Manager
- Chief Building Inspector
- UCDSB Facilities Management
- Cunningham-Swan, LLP
- KPMG, LLP
- Infrastructure Ontario