

A black and white photograph of a two-story house built on stilts. The house has a gabled roof and a large deck on the second floor. The house is surrounded by dense trees and foliage. The text "Caretaker's Site Decision" is overlaid on the left side of the image.

# Caretaker's Site Decision

Aug 2020



# 1. The decision to be made at the Annual General and Special Meeting

You are invited to attend an annual general and special meeting of members of the Madawaska Club of Go Home Bay (the “**Club**” or the “**Madawaska Club**”) to be held at 7:00 p.m. (Eastern time) on September 17, 2020 by virtual only Meeting via live online webcast. At the meeting, among other things, you will be asked to consider a resolution to approve the sale of the Caretaker’s House Site (3.5 acres parcelled off from existing Madawaska Club land).

The resolution approving the sale of the Caretaker’s House Site (the “**Sale Resolution**”), the full text of which is set out in Appendix A to this presentation, must be approved by at least 66 2/3% of the votes cast by Site Members in Good Standing (as defined in By-Law No. 2 of the Club) present in person or represented by proxy and entitled to vote at the meeting.



## 2. Background

In the spring of 2018 the Board of Directors of the Madawaska Club (the “**Board**”) established a Task Force to consider **options for the future use of the former Caretaker’s Site** and make recommendations to the Board by the spring of 2020. The Task Force considered the following options:

1. Repair and maintain the buildings for community use, including rental
2. Sell the house which requires a sale of some property (including the Regatta Party site)
3. Demolish the buildings and maintain the vacant property for Club use, which can be implemented by the Board

The Task Force was not asked to recommend potential future locations for the Regatta Party if the community decided the “sell” option was in the best interest of the Club. In this instance, a second committee would be formed to assess and recommend viable potential options for future Regatta Party locations.

The Task Force has reported on its findings, including summaries of the detailed community input, in the Task Force’s Final Report ([click here](#)) (the “**Task Force Report**”). The Task Force Report was presented to the community for its consideration in March 2020. For further details regarding the process involved with implementing each of the foregoing options, members are encouraged to refer to the Task Force Report.



## 3. Recommendation of the Board

After carefully considering the significant amount of data and opinions gathered from the community over the past two years as described in the Task Force Report, and taking into account the factors described in this presentation, the Board has determined that a sale of the Caretaker's House Site is in the best interests of the Club and its members.

**The Board recommends that members approve the Sale Resolution.**



## 4. Rationale for recommendation

### *Maintaining the house is not viable*

- The data and views considered by the Task Force during its two-year mandate as detailed in the Task Force Report were unambiguous: an overwhelming number of community members who participated in the Task Force surveys do not see value in maintaining a residence at the Caretaker's House site for future community use (*Option 1*).
- There are extensive structural issues with the Caretaker's house which, if left to further deteriorate, would present risks and costs to the Club. Given the lack of interest in using the house for Club purposes the Board is of the view that it would be wasteful to allocate funds to maintain and repair the house and it is not reasonable or appropriate to simply allow the structure to further deteriorate by doing nothing. Accordingly, the alternatives are either to sell the site (*Option 2*) or demolish the structure (*Option 3*).



## 4. Rationale for recommendation (cont'd)

In making its recommendation to sell the site, the Board carefully evaluated and weighed the relative merits of these two options, including the following considerations:

### ***Key Financial Considerations:***

- Sale: “As-Is” net sales proceeds (i.e., after REC’s and legal costs) of approximately \$190,000. The net proceeds would materially enhance the Club's financial position and be available to significantly offset the need for the Club to seek member contributions for future initiatives.
- No Sale: A cost to the Club of ~\$45,000 to demolish and dispose of the residential structure, plus ongoing costs associated with maintenance and property tax, which will have to be absorbed by the Club. Date of demolition is TBD.



## 4. Rationale for recommendation (cont'd)

### *Key Non-Financial Considerations:*

- The Club only uses the Caretaker Site once a year for an evening event: the Regatta Party. There are presently no intentions for other events or activities to be held at this site and it is clear from the Task Force Report that the community does not view this site as a preferred location for Club events and activities.
- The Club owns approximately 1,550 acres of land (excluding the Caretakers site), much of which is suitable for future activities and events.
- **IF** the site is to be sold, the Board is confident a safe alternative site for the Regatta Party would be available for the 2021 summer season and future years.
- The Regatta itself (athletics) would not be affected by a sale of the site.



## **4. Rationale for recommendation (cont'd)**

### *Member Approval:*

- Selling the Caretaker Site must be approved by at least 66 2/3% of the votes cast by Site Members in Good Standing present in person or represented by proxy and entitled to vote at the meeting.





## 4. Rationale for recommendation (cont'd)

### **Conclusion:**

- The Board recognizes that some community members put a value on keeping the land that goes beyond monetary considerations.
- While the Board recognizes this as being an important consideration, it was not considered appropriate or prudent to recommend that members incur demolition costs and future carrying costs to support a single event. The Board is confident that the Regatta Party will continue to be held and is in the process of identifying alternative site(s).
- The Board is therefore of the view that selling this asset is in the best interests of the Club and **recommends that members approve the Sale Resolution.**



## 5. The question being put forward to the community

As an existing site owner and member of the Madawaska Club, are you in favour of selling the Caretaker's House Site (3.5 acres parcelled off from existing Madawaska Club land)?

**Yes: Sell**

**No: Demolish residence**

As discussed above, it is important for the community to appreciate that the status quo is not an option. Accordingly, if the Sale Resolution is not approved at the meeting, the Club expects to proceed with demolishing the Caretaker's Site at a future date.



# 7. Where we are in the process

Now

No



Yes

Next Steps

Demolish residence & maintain full Property for Club use. Cost to be absorbed by the Club

Prepare the Caretaker's Site for sale and conduct sales process

Committee to select alternative Regatta Party location



# Appendix A – Sale Resolution

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- A. The sale of the approximately 3.5 acres parcel of land identified in Exhibit A to this resolution and commonly referred to as the Caretaker's Site (the "**Caretaker's Site**") by the Madawaska Club of Go Home Bay (the "**Club**") and all transactions contemplated thereby (the "**Sale**"), is hereby authorized and approved.
- B. The application by the Club for an official plan amendment to allow for the Sale and any actions to improve the marketability of the Caretaker's Site in connection with the Sale as the Club considers necessary or desirable, taking into account of such experts and advisors as the Club considers appropriate, is hereby authorized and approved.
- C. Any director or officer of the Club is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Club, to execute or cause to be executed, all such other documents and to do or to cause to be done all such other acts and things as in such person's opinion may be necessary or desirable in order to carry out the intent and to deliver or to cause to be delivered, of the foregoing paragraphs of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing.



# Exhibit A to the Caretaker's Site Resolution – Map of Caretaker's Site

