



CITY OF KINGSTON
REPORT TO COUNCIL

Report No.: 07-087

TO: Mayor and Council

FROM: Gerard Hunt, Commissioner Finance and Corporate Performance

RESOURCE STAFF: Desiree Kennedy, Director of Financial Services / City Treasurer

DATE OF MEETING: 2007-02-14

SUBJECT: CAPITAL COSTS RELATING TO THE DOWNTOWN ACTION PLAN (NORTH BLOCK AREA) AND KINGSTON REGIONAL SPORTS AND ENTERTAINMENT CENTRE

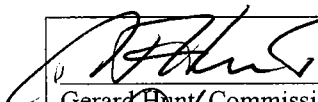
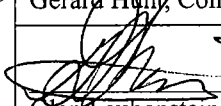
EXECUTIVE SUMMARY:

Council requested information regarding expenditures either completed or planned in the North Block area. This report summarized the costs for 2006 and those proposed in the 2007 budget. All costs are in the vicinity of the Kingston Regional Sports and Entertainment Centre, and are associated with the rejuvenation of infrastructure in accordance with the Downtown Action Plan anticipated work program.

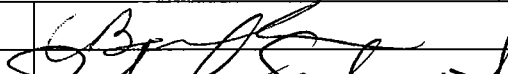

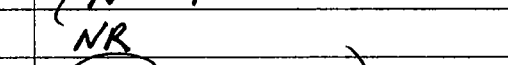
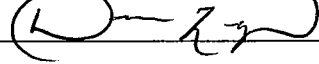
RECOMMENDATION:

There are no recommendations resulting from this report.

AUTHORIZING SIGNATURES:

 Gerard Hunt, Commissioner Finance and Corporate Performance
 Glen Laubenstein, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Commissioner Beach, <i>Growth & Sustainability</i>	
Commissioner Segsworth, <i>Public Works & Emergency Services</i>	
Commissioner Hunt, <i>Finance & Corporate Performance</i>	
Commissioner Thurston, <i>Community Development Services</i>	NR
Commissioner Leger, <i>Corporate Services</i>	
Jim Keech, President, <i>Utilities Kingston</i>	

(N/R indicates consultation not required)

OPTIONS/DISCUSSION:

A Council motion requesting that an update be brought during the budget deliberation process to provide information regarding costs associated with the North Block area. The motion is as follows:

WHEREAS the Downtown Action Plan (DAP) was initiated in 2001 and adopted in 2004, and work related to its implementation has begun over the past number of years on Clarence St., Wellington St., King St., Brock St., Ontario St., and Market St. and is now being implemented in-part in areas known as the North Blocks on streets surrounding the Kingston Regional Sports and Entertainment Centre (KRSEC); and,

WHEREAS the DAP goal was to rebuild the aging infrastructure in the historical commercial core of the city; and,

WHEREAS one of the goals of the DAP along with the North Block Guidelines Study, initiated in 2002 and adopted by Council in 2004, was to encourage development and intensification in this underdeveloped area of the commercial core and therefore increase commercial and residential property tax revenue for the municipality; and,

WHEREAS this goal was one of the key advantages sited for choosing this location for the KRSEC; and,

WHEREAS it is important to understand all costs and benefits associated with the KRSEC; and,

WHEREAS only costs can be measured at this time; and,

WHEREAS as this motion will attempt to arrive at those costs, it is recognized that at a later date the benefits will likewise have to be calculated before a true picture can be arrived at, as it relates to the KRSEC; and,

WHEREAS the \$41.7 million budgeted for building the Kingston Regional Sports and Entertainment Centre does not include all the related and necessary infrastructure upgrades required to open and run the facility; and,

WHEREAS it is critical to the City's budget planning process and to the long-term financial security of the City of Kingston to know the full costs of the project as they can be best estimated at this time;

APPENDICES TO REPORT # 07-087

February 14, 2007

- Page 4 -

THEREFORE BE IT RESOLVED THAT:

1. *City staff be directed to prepare for Council's budget planning meetings on January 16 and 17, 2007 a specific list of items that are not part of the \$41.7 million budget for the Centre including:*
 - a) *all the road and infrastructure work that must be completed for the Centre to open, including but not limited to such things as changed road configurations, road widening work, road paving, sidewalk improvements, street and sidewalk lighting, intersection upgrades, traffic signal installations, improved access to parking areas – within the downtown and off-site – and nearby parking for Centre patrons who have a physical disability; the estimated cost of this work; the budget heading under which it will be incorporated; and the expected timeframe for its completion, and*
 - b) *all the other work related to the Centre, including but not limited to such things as work required to ensure the efficient movement of emergency vehicles, pedestrians, bicycles, mass transit vehicles, passenger vehicles, and trucks that should be completed within a reasonable time after the Centre opens; the estimated cost of this work; the budget heading under which it will be incorporated; and the expected timeframe for its completion.*
2. *City staff be directed to provide Council with updates to these lists at the first Council meeting of each month as part of the regular reporting process on the Centre.*

Information as requested is summarized in Exhibit "A" attached.

This report, in response to the above motion, will provide Council with the following information:

1. A listing of capital budget items that are not included in the Kingston Regional Sports and Entertainment Centre ("KRSEC") \$41.7 million budget - these budget items represent 2007 work to be done in the "North Block Area" and are segregated between "Costs necessary to open the KRSEC doors" and "Other Downtown Action Plan – North Block Area costs".

The North Block Area costs are planned expenditures in accordance with the Downtown Action Plan and are based on the principle that the most opportune and cost effective time to reconstruct road infrastructure is in conjunction with surrounding development. This principle is highlighted in the Downtown Action Plan which recommended reconstruction of Ontario Street in the same year as the site development within the North Block area. Potential costs of deferral of this work can include increased maintenance costs, price escalations and negative impact on Entertainment Centre revenues if full and proper access to the facility is not in place.

2. A listing of 2006 actual capital expenditures with respect to the North Block Area, that were not part of the Kingston Regional Sports and Entertainment Centre \$41.7 million budget

APPENDICES TO REPORT # 07-087

February 14, 2007

- Page 5 -

The costs associated with items 1 and 2 above are being accounted for in accordance with generally accepted accounting practices and in accordance with the costs associated with the Downtown Action Plan infrastructural renewal program.

Project staff has completed a review of the project budget and will identify required budget adjustments for the Kingston Regional Sports and Entertainment Centre as part of Report No. 07-081.

EXISTING POLICY/BY LAW:

Not applicable

NOTICE PROVISIONS:

Not applicable

ACCESSIBILITY CONSIDERATIONS:

Not applicable

FINANCIAL CONSIDERATIONS:

Not applicable

CONTACTS:

Gerard Hunt, Commissioner Finance and Corporate Performance	546-4291, Ext. 2205
Desirée Kennedy, Director Financial Services / City Treasurer	546-4291, Ext. 2220
Cynthia Beach, Commissioner, Sustainability & Growth	546-4291, Ext. 1150
Mark Segsworth, Commissioner, Public Works & Emergency Services	546-4291, Ext. 1345
Denis Leger, Commissioner, Corporate Services	546-4291, Ext. 1328
Jim Keech, President & CEO, Utilities Kingston	546-1181, Ext. 2217

OTHER CITY OF KINGSTON STAFF CONSULTED:

Malcolm Morris, Director, Transportation
Mark VanBuren, Director, Engineering
Lanie Hurdle, Director, Project Development
Derek Hart, Financial Planning Coordinator

EXHIBITS ATTACHED:

Exhibit "A" – Kingston Regional Sports and Entertainment Centre Downtown Action Plan (North Block Area) Capital Costs Analysis