TO: Bert Meunier, Chief Administrative Officer
FROM: Mark Segsworth, Commissioner of Operations
DATE OF MEETING: April 20, 2004
SUBJECT: Former CN Rail Station – Montreal Street

RECOMMENDATION TO COUNCIL:
That the Council of the Corporation of the City of Kingston exercise their option, as contained within the Gifting Agreement between Canadian National Railway Company and the City of Kingston dated October 27, 2003, to respectfully decline the gift of the former CN Rail Station on Montreal Street.

ORIGIN/PURPOSE:
At its meeting of August 12, 2003, City Council approved the following Motion;

That Council approve the execution of a Gifting Agreement between Canadian National Railway and the City of Kingston for the former Canadian National Rail Station at 810 Montreal Street, subject to completion of due diligence;
And further;
That Council approve the estimated amount of not more than $60,000 for the purpose of conducting a due diligence review, which would include, but not be limited to, an environmental assessment, a structural assessment, and the development of a business case for possible uses of the property;
And further;
That the funds be made available from the contingency account approved as part of the 2003 budget;
And further;
That the Mayor and City Clerk be authorized to sign an agreement on behalf of the City, satisfactory to the Director of Legal Services.

OPTIONS/DISCUSSION:
A structural evaluation and environmental assessment were undertaken on the former CN Station with a view to incorporating their findings into the development of a business case for possible uses of the property.

A structural analysis was completed assuming that the former station would be restored in a manner appropriate to its high level of heritage significance. The estimated cost is approximately $1.6 million in 2003 dollars.

An environmental Due Diligence Review was conducted of the subject property. Areas of concern were identified. Remediation measures could potentially approach $2 million.
Based on the foregoing, the decision was made not to expend any more money to undertake a Business Case. This decision was based on the fact that we already have stranded assets where expenses far exceed revenues and it does not make much sense to add to this.

EXISTING POLICY/BY-LAW:

n/a

LINK TO STRATEGIC PLAN:

n/a

FINANCIAL CONSIDERATIONS:
Expenses incurred to date to undertake a structural analysis and environmental assessment are approximately $35,000.

CONTACTS:
Tony Fleming, Senior Legal Council, Legal Services, 546-4291, ext 1293
Paul MacLatchy, Manager, Environmental Services, Planning & Development Dept, 546-4291 ext 3134

DEPARTMENTS/OTHERS CONSULTED AND AFFECTED:
Mark Gladysz, Heritage Planner, Planning & Development Dept., 546-4291 ext 3256

NOTICE PROVISIONS:

n/a

APPENDICES:

n/a

Mark Segsworth, P. Eng.
Commissioner of Operations

Bert Meunier
Chief Administrative Officer