November 16, 2004

Subject: Canada Strategic Infrastructure Fund – Ravensview Wastewater Treatment Facility

Date of Meeting: November 16, 2004

To: Bert Meunier, C.A.O., City of Kingston

From: J. Keech, President & C.E.O., Utilities Kingston

Prepared By: J. Keech, President & C.E.O., Utilities Kingston

Recommendation

WHEREAS the Government of Canada has announced a commitment of $25,000,000.00 towards the secondary treatment upgrades to the Ravensview Wastewater Treatment Facility,

and

WHEREAS the Government of Canada has requested a formal resolution of Kingston City Council endorsing support for this project,

THEREFORE BE IT RESOLVED THAT The Council of the City of Kingston:

Endorses the secondary treatment upgrades to the Ravensview Wastewater Treatment Facility as a key strategic project and communicate such endorsement to the Government of Canada in writing,

- and further-

Provides authorization for the Mayor and Clerk to execute the associated agreements on behalf of the Corporation of the City of Kingston with the Government of Canada to finalize,

- and further-

Provide authorization for the President and C.E.O. of Utilities Kingston to represent the City of Kingston in administrative manners with the Government of Canada for this project.
Purpose

In July of 2003, the Canadian Federal Government announced the award of a $25 million grant from the Canada Strategic Infrastructure Fund for secondary treatment upgrades to the Ravensview Wastewater Treatment Facility. Since then, staff from the Federal Government, The City of Kingston and Utilities Kingston have been working to finalize the agreement. Documentation is currently being prepared for final approval by Cabinet prior to year end.

As part of this documentation, Council has been requested to provide a resolution of support, including financial resources for this project.

Options/Discussion

During Council’s priority setting session this fall (2004), the upgrades to secondary treatment and capacity expansion for the Ravensview Waste Water Treatment facility received unanimous approval of those Council present as the top large initiatives of Council. This was later endorsed in a formal motion at the October 26, 2004 meeting of Kingston City Council.

Upgrades to secondary treatment and capacity expansion for the Ravensview Waste Water Treatment facility had been identified in the 10-year Capital Plans. During budget presentations in March of 2004, preliminary approval was received from Council for $100,000,000 in expenditures for this project.

It is therefore recommended Council approve the motion formally endorsing this project, and it be forwarded to the proper federal authorities for finalization of the agreement.

Further for clarification of those involved from the Government of Canada, it is recommended that Council formally grant authority to the President and Chief Administrative Officer of Utilities Kingston to represent the City of Kingston for the administrative purpose in dealing with the Government of Canada’s representatives on this project.
J. A. Keach, President & CEO
Utilities Kingston

Bert Meunier
Chief Administrative Officer
TO: Bert Meunier, Chief Administrative Officer
FROM: Denis Leger, Commissioner of Corporate Services
PREPARED BY: Hal Linscott, Director of Legal Services and City Solicitor
DATE OF MEETING: November 16, 2004
SUBJECT: Consent and Acknowledgement to Increase in Existing Mortgage Financing
Howard Johnson – Confederation Place Hotel
237 Ontario Street, Kingston

RECOMMENDATION TO COUNCIL:

That provided the Lease is in good standing, the City execute a Consent and Acknowledgement Re: Continuation of Lease to the Credit Union of Central of Ontario Limited (the “Lender”) in a form satisfactory to the City’s Manager of Properties and the City Solicitor and that the Mayor and Clerk be authorized to sign that document.

ORIGIN/PURPOSE:

The owners of Howard Johnson – Confederation Place Hotel wish to increase the amount of a mortgage that is currently in place against the Hotel and lands on which the Hotel is located. The Owners of the Hotel and the Lender have requested that the City consent to the increase in the dollar amount of the mortgage and confirm that the lease is in good standing.

The City is the owner of part of the lands on which the Howard Johnson’s Confederation Place Hotel is located. A sketch showing the lands owned by the City being Parts 2 and 3, Reference Plan 13R-2140 is attached as Schedule “A”.

The City leased these lands by way of a lease dated January 15, 1977 (“Lease”) for a period of 50 years for the purpose of constructing a hotel in the City’s downtown. The current owner of the Hotel and the City’s tenant is 1206953 Ontario Inc (the “Tenant”).

The Lease permits the Tenant to mortgage its leasehold interest and the building provided that the Lease is in good standing, the City as landlord is given notice of the mortgage and that the lender has similar rights and obligations in respect to the Lease as does the tenant. The Lease sets out that provided there is no default under the terms of the Lease, the City will on request confirm in writing that the Lease is in good standing and in full force and effect. It also allows the tenant to assign the lease or sublet the land, subject to the consent of the City which consent shall not be unreasonably withheld.
At its meeting of July 29, 2003, Council approved a Report recommending that the City enter into a Lease Acknowledgement and Consent to Mortgage Financing with the Credit Union Central of Ontario Limited ("Lender") which mortgage would include a mortgage on the Tenant’s Lease with the City. That agreement was entered into. As is standard practice that agreement dealt with the following matters:

1) the City consents to the mortgage of the Tenant’s leasehold interest in the City’s lands;

2) the Lease is in full force and effect and not in default;

3) in the event of a default under the Lease by the Tenant, that the City would give the Lender not less than 30 days prior written notice of the Lease becoming null and void together with the right to remedy any such default; and

4) if the Lease is terminated, surrendered or otherwise becomes null and void while the mortgage remains in place, then upon request of the Lender the City will grant a new lease to the Lender or its nominee for the unexpired period of the Lease on the same terms and conditions as contained in the Lease.

As background information, it is noted that the City has provided acknowledgements and consents addressing these matters on two other occasions in the past when the Tenant was placing mortgage financing.

Recently, the law firm for the Tenant advised the City that the Tenant wished to increase its existing mortgage amount with the Lender and requested that the City consent to that increased amount and confirm that the Lease was in good standing. The increase would be from $3,250,000. to $3,835,000.

OPTIONS/DISCUSSION:

As noted, under the terms of the Lease the Tenant is entitled to mortgage its leasehold interest in the City’s lands provided the Lease is in good standing and certain other terms and conditions are complied with.

Provided that the Lease is in good standing, it is recommended that the City enter into the Consent and Acknowledgement Re: Continuation of Lease substantially in the form attached as Schedule “B” as finalized to the satisfaction of the City’s Manager of Properties and the City Solicitor and that the Mayor and Clerk be authorized to sign that document.

EXISTING POLICY/BY-LAW:

N/A

LINK TO STRATEGIC PLAN:

N/A

FINANCIAL CONSIDERATIONS:

N/A
CONTACTS:
Hal Linscott, Director of Legal Services and City Solicitor, 546-4291 Ext. 1296
Lorraine Thibadeau, Leasing Consultant, Properties Division, 546-4291 Ext. 1602

DEPARTMENTS/OTHERS CONSULTED AND AFFECTED:
Properties Division

NOTICE PROVISIONS:
N/A

APPENDICES:
Schedule “A” – partial copy of Reference Plan 13R-2140
Schedule “B” – Consent and Acknowledgment Re: Continuation of Lease

Denis Leger, Commissioner of Corporate Services

Bert Meunier
Chief Administrative Officer
RECEIVED AND DEPOSITED
IN
OF SURVEY
REPUBLIC PLAN
13R VV
OF THE
PART OF THE LOT IN FRONT OF TOWN LOT 6, AS SHOWN ON REG'D PLAN C-21
AND LOT H, ORIGINAL SURVEY
AND PARTS OF WATER LOT 6, ORIGINAL SURVEY
CITY OF KINGSTON
COUNTY OF FRONTENAC
SCALE: 1" = 20'
1976

SURVEYOR'S CERTIFICATE
HEREBY CERTIFY THAT:
1. THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE REGISTRY ACT AND THE PLANNING ACT.
2. THE SURVEY WAS COMPLETED ON THE 8TH DAY OF OCTOBER, 1976.

MICHAEL R. KELLY
ONTARIO LAND SURVEYOR

PLAN 13 R-2400
DATE OCT 8, 1976
REGISTRAR FOR THE REGISTRY DIVISION OF FRONTENAC No 13

SCHEDULE "A"
CONSENT AND ACKNOWLEDGMENT RE: CONTINUATION OF LEASE

TO: CREDIT UNION CENTRAL OF ONTARIO LIMITED

RE: Credit Union Central of Ontario Limited et al. (the “Lender”) loan to 1206953 Ontario Inc. (the “Borrower”), as guaranteed by Barbara Allinson and William M. Allinson and the Allinson Family Trust (collectively the “Guarantors”, 237 Ontario Street, Kingston, Howard Johnson – Confederation Place Hotel, Kingston, Ontario (the “Property”)

WHEREAS the Borrower applied to the Lender for a credit facility pursuant to a Commitment Letter dated May 22, 2003 (the “Original Commitment Letter”) in the amount of Three Million Two Hundred Fifty Thousand Dollars ($3,250,000.00) the “Original Loan”;

AND WHEREAS the Borrower has requested, and the Lender has agreed, to extend and amend the Original Commitment Letter pursuant to a commitment letter amending agreement between the Borrower, the Guarantors and the Lender dated June 16, 2004 (the “CLAA”), in which the Lender have agreed to increase the amount of the Original Loan to Three Million Eight Hundred Thirty Five Thousand Dollars ($3,835,000.00);

AND WHEREAS the Corporation of the City of Kingston (“the City”), as landlord, entered into a lease (the “Original Lease”) dated January 15, 1977 with respect to the Property with Allimor Corporation Ltd., as tenant, and Ronald F. Morrison, as guarantor, for a term of fifty (50) years commencing January 15, 1977 and ending January 13, 2027. The said Original Lease was registered in the Registry Office for the Registry Division of Frontenac (No. 13) (the “Registry Office”) on June 16, 1977 as Instrument No. 291492;

AND WHEREAS the Borrower is now the tenant under the Original Lease;

AND WHEREAS the City entered into a Lease Acknowledgment Agreement dated August 14, 2003 (the “Lease Acknowledgment Agreement”) with the Lender for, inter alia, consenting to the Original Loan and acknowledging the current status of the Lease;

NOW THEREFORE in consideration of the sum of Ten Dollars ($10.00) paid by the Lender to the City and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by the undersigned), the City consents to the increase in the mortgage and charge of the lease and leasehold estate to $3,835,000,00 and acknowledges and confirms that the Lease Acknowledgment Agreement remains in full force and effect.

DATED this day of , 2004.

THE CORPORATION OF THE CITY OF KINGSTON

PER: _______________________________

HARVEY M. ROSEN, MAYOR

PER: _______________________________

CAROLYN DOWNS, CLERK
TO: Bert Meunier, Chief Administrative Officer

FROM: Lance Thurston, Commissioner, Department of Community Services

PREPARED BY: Ann Pappert, Manager, Cultural Services Division
Mike Richardson, Capital Grant & Projects Coordinator

DATE OF MEETING: 2004-11-16

SUBJECT: Artillery Park Aquatic Centre Electrical Upgrades

RECOMMENDATION TO COUNCIL:
WHEREAS Artillery Park Aquatic Centre’s electrical service is inadequate to supply the future needs of the facility and the present two electrical services need to be combined into one in order to meet the Electrical Code;

AND WHEREAS the electrical upgrade is a key component to the phasing of the planned dehumidification and air-conditioning work in next years program;

THEREFORE BE IT RESOLVED THAT Council accepts McClement Electric as the successful bidder being the only bid at a total cost of $81,590 (taxes excluded);

AND FURTHER THAT the Mayor and City Clerk be authorized to sign a contract with McClement Electric subject to the satisfaction of the Legal Services Division.

ORIGIN/PURPOSE:
Artillery Park Aquatic Centre has an aging and outdated heating and electrical system and neither one meets today’s Code requirements. The facility was never equipped with dehumidifiers which are essential for the health of the building nor was it equipped with air-conditioning which is important to the user groups when using areas in the facility other than the pool.

During the planning stage for the replacement and updating of the HVAC system it was determined by the engineering firm that the power supply was not adequate and did not comply with code.

J.L. Richards and Associates Limited were hired to design a new electrical service and distribution panel. They have since completed that design and have tendered for the supply and installation of a service.
OPTIONS/DISCUSSION:

Background
Artillery Park Aquatic Centre has been identified in the capital budget as needing upgrades to its basic operating infrastructure in order to maintain the present service level and prepare the groundwork for improved service levels in the future.

These basic improvements include decommissioning the summer boiler and removing it from the chlorine room to meet the Code requirements, replacing the aging winter boiler with a system that could accommodate the facilities needs, upgrading the electrical service to provide increased capacity and eliminating the second feed to the building which is a code violation.

The capital budget allocations were approved in the 2003 and 2004 budget for the heating and electrical upgrades.

With the proposed electrical upgrades we will be able to provide adequate power for the mechanical upgrades and be able to meet the Electrical Code requirements.

Current Situation
The building is currently serviced with two hydro services. The Electrical Code requires only one service for safety reasons. If an electrician is working on the building and shuts the power off he should not be faced with the possibility of a wire being live from a second source. Safety is a major concern for the Fire Division as well. If they are called to a fire at the facility they need to know when they turn the power off at the street that there is no other feed to the building.

The present service is undersized for the requirements of the planned mechanical upgrades to the building and needs to be upgraded before they can take place.

A new electrical service has been designed and tendered by J.L. Richards and Associates Limited, consulting engineers.

EXISTING POLICY/BY-LAW:
By-Law No. 2000-134 - By-Law to establish purchasing policies and procedures.

LINK TO STRATEGIC PLAN:
The Strategic Plan has identified ‘Culture, Heritage, Parks and Recreation’ as one of the seven key priority areas in the City of Kingston. This project is a benefit to the community as it:

- Promotes healthy living

FINANCIAL CONSIDERATIONS:
The budget available for this project is taken from the Cultural Services Division capital budget:

94138 POHB – Energy Retrofit $150,000

There were six interested contractors at the mandatory site meeting of which only one provided a bid as shown below.

1- McClement Electric (excluding tax) $81,590
This price includes a $40,000 charge from Utilities Kingston for a new transformer; therefore the contractor portion of the work is only $41,590. The comment from David Downey, P.Eng. who reviewed the bid submission for J.L. Richards and Associates gave this comment “Additional bid submissions related to the $41,590 are not likely to create a considerable variation from the sole bid we received”. He goes on to say, “McClement Electric is a well respected, reputable local contractor, provides quality workmanship and completes projects in a timely manner”...”we recommend that ...the electrical upgrade be awarded to McClement Electric.”

CONTACTS:
Mike Richardson, Capital Grant & Projects Coordinator, Cultural Services 546-4291 ext. 1257

DEPARTMENTS/OTHERS CONSULTED AND AFFECTED:
Janis Morrison, Purchasing Agent, Finance (consulted)

NOTICE PROVISIONS:
N/A

APPENDICES:
N/A