



**City of Kingston
Report to Council
Report Number 17-206**

To: Mayor and Members of Council
From: Lanie Hurdle, Commissioner, Community Services
Resource Staff: Same
Date of Meeting: July 11, 2017
Subject: Community Visioning Exercise Recommendation – Portsmouth Olympic Harbour and Federal Properties

Executive Summary:

In late 2015, City Council approved a partnership with Correctional Service Canada (CSC), Canada Lands Company CLC Limited (CLC) and the Department of Fisheries and Oceans Canada (DFO) to complete a visioning exercise for the Portsmouth Olympic Harbour (POH) property, the former Kingston Penitentiary (KP) property and harbour property owned by DFO. At that same meeting, Council also directed staff to put a hold on any projects that could have a major impact on the future development on these properties, such as a municipal heritage designation of the former Kingston Penitentiary site.

This type of partnership is a unique opportunity for the City of Kingston and its residents to be able to influence the future development of historical and strategic properties owned by various federal government departments.

CLC, an arms-length, self-financing federal Crown Corporation responsible for the development and disposal of strategic surplus federal properties, played a leadership role on behalf of CSC and DFO throughout the visioning process. The Planning Partnership with Taylor Hazell Architects and André Scheinman, were retained as consultants in the spring of 2016 by CLC to lead the visioning exercise. City staff were involved in the review of consultant proposals and a report was provided to Council in May 2016 to increase the City's contribution to a total of \$100,000 out of the \$350,000 cost for this project.

The first public engagement activities took place in June 2016. Over the year long process, there were multiple public engagement activities that resulted in over 2,000 public submissions into the process. The public engagement activities ranged from workshops, surveys, one-on-one interviews, e-mails and proposal submissions. The public engagement process enabled the public to provide input on various explorations, an emerging vision and a recommended vision

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for the site. Many priorities identified by the public and stakeholders during the year long process were varied and often contradictory.

The Planning Partnership established six (6) principles as a result of public and stakeholder input as well as technical and financial constraints to help guide the development of the recommended vision for KP and POH site: Public Access & Connectivity; Heritage & Culture; Water Recreation & Boaters; Destination; New Neighbourhood and Viability.

The recommended vision is a high level concept/development framework that identifies potential future land uses on all three (3) properties. An Official Plan amendment is required to establish a planning framework through which more detailed studies (land use planning, urban design, transportation and civil infrastructure) will be undertaken. It is important to note that technical studies that will be required through the official plan amendment as well as property negotiations and private market demands could have impacts on the final land division/boundaries and final development proposals. There is still a considerable amount of work to be completed before final development plans can be submitted. Much of this work will be done through the Official Plan amendment but will require additional Planning Act approvals prior to any re-development taking place.

The recommended vision ensures that it meets these principles and key public interests by:

- Providing a waterfront connection throughout the site which is consistent with the City's Waterfront Master Plan. It provides significant open and community space with most of the POH property and a portion of the DFO property being proposed as open and community space;
- Maintaining a number of key built heritage and cultural heritage elements on the northern portion of the former KP property. It proposes the retention and adaptive re-use of a number of structures and some removal in order to facilitate mixed use development on the southern portion of the former KP property;
- Providing some improvements for boaters at the Portsmouth Olympic Harbour marina with additional community space for events and a new building to better meet the needs of boaters. A new Search and Rescue Station is also proposed on the former KP property. The portions of the former KP property could also accommodate a sailing centre use through the adaptive re-use;
- Providing a key destination for tourism and other cultural purposes by identifying the northern portion of the former KP property for continued public tours and potential museum use. It is proposed that the existing walls and the existing structures within in the northern portion of the KP property would remain to ensure an authentic tourism experience;
- Incorporating residential as well as commercial developments to create a neighbourhood and ensure that the area is active throughout the year. Residential development range from low density townhouses to high density buildings of up to 25 storeys. The residential and commercial development are proposed to be located on DFO property and former KP property;
- Ensuring that the proposed redevelopment for POH, DFO property and former KP property are financially viable. This includes a combination of public and private sector involvement. CLC has been very open and transparent throughout the process indicating

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that the redevelopment must be financially viable. Market driven development and density is required to support many of the cultural and community uses.

CLC, CSC and DFO have been partnering and working closely with the City of Kingston and its residents to finalize a recommended vision that meets many of the community priorities without sacrificing the financial viability of the future redevelopment.

These partners and City staff are seeking City Council endorsement of the overall recommended vision for the site. It is important to clarify that CSC, DFO and CLC have been working collaboratively with the City and wish to obtain local support for the vision even though the City of Kingston currently does not have the authority to make decisions on future development of the federal lands, outside of the local planning process. The CSC and DFO lands have been identified surplus and they are intended to be sold to CLC which is subject to municipal authorities. Council does have the final authority as it relates to the recommended vision for the City-owned portion of the POH property. It is also important to note that land surrounding the City-owned portion of the POH property, which is necessary for marina operations, is currently owned by DFO and leased by the City of Kingston.

Should Council support the recommended vision, City staff would continue to work with CLC to develop a detailed planning framework and implementation plan for the future redevelopment, an official plan amendment, an evaluation of the tools available to ensure the identification and preservation of significant cultural resources (e.g. a municipal heritage register/designation by-law), an evaluation of infrastructure requirements, discussion of financing tools available and a process for land disposition/acquisition. It is anticipated that these next steps will commence forthwith and that the initial elements including an Official Plan amendment and a municipal designation by-law could be implemented as early as late 2017. The long term phased redevelopment of the site is expected to be a 10 to 15 year process.

Recommendation:

That Council endorse the recommended vision, developed in partnership with Canada Lands Company, for the Portsmouth Olympic Harbour property, the former Kingston Penitentiary property and the property/waterlot owned by the Department of Fisheries and Oceans ([KP/POH Draft Executive Summary of Recommendations Report](#)); and

That Council direct staff to continue to work in partnership with Canada Lands Company to develop a memorandum of understanding and a detailed implementation plan which will include a conceptual site plan for the recommended vision, property boundaries, a proposed official plan amendment; and

That Council direct staff to work with Canada Lands Company to facilitate and/or advance land acquisition/disposal required to implement the recommended vision and report back to Council as required; and

That Council direct staff to evaluate the tools available to ensure the identification and preservation of significant cultural resources (i.e. municipal heritage register/designation by-law) for the Portsmouth Olympic Harbour property and the former Kingston Penitentiary property

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which are based on, reflective and supportive of the recommended vision and heritage assessment prepared by Taylor Hazell Architects and André Scheinman.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

Lanie Hurdle, Commissioner, Community Services

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Denis Leger, Corporate & Emergency Services Not required

Jim Keech, President and CEO, Utilities Kingston

Desiree Kennedy, Chief Financial Officer & City Treasurer Not required

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Options/Discussion:**Background**

In the spring of 2015, Council set its priorities for the 2015-2018 term. Council's priorities included the facilitation of the redevelopment of the former Kingston Penitentiary (KP) property to advance a vibrant waterfront community. Shortly after Council announced its strategic priorities, representatives from Correctional Service Canada (CSC) and Canada Lands Company (CLC) approached the City to discuss options to partner with the City in the strategic disposal process for the former Kingston Penitentiary property, which officially closed its doors in 2013.

The strategic disposal process expanded to include a community vision process and surrounding properties, Department of Fisheries and Oceans (DFO) property and the Portsmouth Olympic Harbour (POH). Council had previously directed staff to proceed with a visioning exercise for the POH property in 2015 and staff put this project on hold when discussions of a potential partnership with CSC began in the spring of 2015.

In December 2015, City Council approved moving forward in a partnership with CLC, CSC and DFO to develop a joint vision for POH property, DFO property and the former KP property. At that same meeting, Council also directed staff to put a hold on any major projects, including municipal heritage designation, which could possibly have a major impact on the redevelopment of those properties and provided an initial contribution of \$50,000 to this initiative. The funds had been previously budgeted to complete a vision for the POH property only. Representing the interests of CSC and DFO, CLC partnered with the City of Kingston to lead the visioning exercise.

In the spring of 2016, CLC worked with City staff to develop Request for Proposal (RFP) documents that were then issued to various consultants with proven expertise and experience in leading visioning exercises. Proposals were sought specifically from short listed consultants that have experience in master planning and community engagement process and separately, consultants with heritage expertise. Both CLC and City staff believed that the heritage expertise was significant enough to warrant the retention of consultants with that specialty. City staff also requested that a local heritage consultant be retained as part of the Heritage team. A total of six proposals were received and reviewed by both CLC and City staff. CLC selected The Planning Partnership and Taylor Hazell Architects with Andre Scheinman to lead the visioning exercise.

The total cost for the entire community visioning exercise was \$350,000. City had initially agreed to reallocate \$50,000, already approved for the visioning of POH, to the broader visioning exercise that includes the KP and POH properties. Throughout the development of the Request for Proposal documents, the City identified some specific requirements which included the addition of a local heritage consultant, more emphasis on public engagement as well as expertise in tourism and marine engineering. The need for this expertise resulted in a broader scope than originally anticipated but both CLC and City staff believed that it was critical to get the right skills and process for this significant community project. Based on a review of costs, City staff estimated that the City should contribute additional funding to cover some costs associated with the broader scope. The City agreed to increase its contribution by another \$50,000, for a total of \$100,000 which was funded from the Working Fund Reserve.

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Public Engagement Process

Many public engagement activities took place over the last year to obtain input from the public at large. This section of the report provides an overview of the public engagement activities and participation. Overall, there were more than 2,000 public contributions through workshops, e-mails, community working group, surveys, interviews, meetings and proposal submissions. Engagement activities were conducted at each phase of the visioning process. The [KP/POH Draft Executive Summary of Recommendations Report](#) provides more details on public engagement.

June 2016 – Phase 1 public engagement initiative was to obtain general thoughts and ideas on key priorities for the site redevelopment. This engagement initiative included almost 100 one-on-one/phone interviews, almost 60 roving and information station interviews across the City, a community workshop with 110 participants and over 90 e-mail submissions.

October 2016 – Phase 2 public engagement initiative provided the public with four (4) exploration options for the redevelopment of the site and was seeking public input and opinion on elements of the four (4) explorations. This engagement initiative included two (2) workshop sessions with a total of over 100 participants, over 60 e-mail submissions and a number of small group meetings. An online survey was also launched and resulted in 650 public responses.

February 2017 – Phase 3 public engagement initiative sought comments and input on an emerging vision for the site that was developed based on input received on the four (4) explorations released in October 2016. This engagement initiative included two (2) workshop sessions with a total of over 120 participants and over 75 follow up e-mails. An online survey was also launched which resulted in 439 public responses.

June 2017 – Phase 4 public engagement initiative presented the recommended vision for the site and sought input on the recommendation which was the result of public and stakeholder feedback on the emerging vision. This engagement initiative included two (2) workshop sessions with about 165 participants and 30 follow up e-mails. Online comments were also accepted until mid-June and resulted in additional public comments.

At the beginning of the public engagement process, the City established a KP/POH visioning community working group with 17 community representatives which included members of the public at large, representatives of various organizations, committees and groups. This committee working group met at each stage of the vision development process and provided further guidance and input to The Planning Partnership, CLC and the City.

The Planning Partnership, CLC and the City also received numerous proposals from members of the public and organizations. A number of meetings with groups and organizations also took place throughout the process. All input provided was reviewed and taken into consideration in the development of the recommended vision. Public input varied and was often conflicting with competing priorities. This input was utilized to develop six key principles that guided the development of the recommended vision.

It is important to note that further public engagement through an Official Plan and zoning amendment and development of a draft plan of subdivision will be required to implement the recommended vision. Public engagement will also be part of the process of establishing a

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municipal heritage designation by-law. These processes will enable the public to be more involved in the details of the development.

Recommended Vision

Six principles were established as a result of the public input and stakeholder feedback to help guide the development of the recommended vision for POH, DFO property and former KP property. These principles are listed below with a description of how each principle was taken into consideration and incorporated for the development of the recommended vision. It is important to note that the implementation of the recommended vision will be subject to a number of additional technical studies as well as property negotiations and market demand which could result in changes including proposed land use and development densities. Most changes required will be identified through the Official Plan amendment process.

1. Public Access & Connectivity

Public access and connectivity was one of the major points brought forward by members of the public and stakeholders. The recommended vision provides for a waterfront trail across the entire site which is consistent with the City's Waterfront Master Plan. This waterfront trail connects to the existing waterfront and Rideau Trail. The recommended vision also includes three (3) main public gathering spaces including a large gateway community space on the POH property which connects to the harbour community space along King Street on the DFO property. The vision also includes a community/park space along the waterfront on the southern portion of the KP property. The total acreage for this public/community space is about 12.3 acres which represents 35% of the entire site. This is far more than the 5% of parkland that would be required through the planning process. This additional open space, especially on the POH and DFO property, would enable the City to rejuvenate this community and park space to better meet the needs of boaters and members of the public at large.

The recommended vision also includes a number of views and connections to the water's edge through potential pathways, sidewalks and roads. The details of these potential connections will be completed through the Official Plan. One of the key elements of the recommended vision is the removal of the former prison walls in the southern section of the KP property which opens up that section of the property for public access and views to the waterfront.

2. Heritage & Culture

Built and cultural heritage have both been assessed for the entire site through the Opportunities and Constraints report produced by Taylor Hazell Architects and Andre Scheinman. This report not only includes a statement of cultural heritage value for all assets on this site but also took into consideration the draft municipal designation by-law developed a couple of years ago by Heritage Kingston's Built Heritage Working Group. The recommended vision introduces new uses to the site while conserving key heritage structures to commemorate the history of the site. Adaptive reuse also is an important tool incorporated into the vision to ensure conservation of heritage buildings and ensuring that future developments are compatible with the existing architectural character.

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Northern Section of Kingston Penitentiary Property

The recommended vision includes the preservation of most of the northern section of the KP property. This includes the retention of the front walls and on each side, the northern guard towers, as well as structures within that section of the property and within the walls. This northern section of the property includes a number of significant built heritage structures such as Main Cell Block and the East Workshop. Many of the structures in the northern section of the property would be considered for designation within a municipal heritage designation by-law as per the heritage assessment in the [KP/POH Opportunities and Constraints Report](#).

Central/Southern Section of Kingston Penitentiary Property

This area of the property includes fewer structures of significance than the northern section. The recommended vision proposes to conserve most of the workshop structure with interior adaptive reuse that could include commercial, office and residential redevelopment. It is proposed that the southern guard towers would remain even if the walls are removed. Structures identified to be conserved in the redevelopment of the property would be considered in a municipal heritage designation by-law.

Portsmouth Olympic Harbour

This property is identified as having significant cultural value and its importance is linked to the Olympics that took place in 1976. Elements of the Olympic legacy including the breakwater wall, flag poles and Ted Bieler's Tetra sculpture will be preserved. The vision recommends changes to the dock construction from the current fixed pier style to a more flexible floating style to allow for easier access during fluctuating lake levels and some upgrades to shore walls but this will not impact the overall heritage attributes of the landscape. The POH building has been identified as having representative value for its space frame construction only which is a common construction method. Another example of a space frame construction in Kingston is the Catarauqui Golf Club. As per the heritage assessment provided by Taylor Hazell Architects and Andre Scheinman, City staff intend to include the designation of the property for its cultural value in a municipal designation by-law. The POH building structure itself will be demolished and will be commemorated on the property as recommended.

3. Water Recreation & Boaters

Water recreation and boaters are an important use of the overall site. The recommended vision ensures that the marina operations at POH continue with some improvements including the dock reconstruction and the new purpose-built community building that will provide a better facility to marina customers and the community. The recommended vision also ensures that CORK will be able to continue to host major events with a new purpose-built facility as well as enhanced community space for storage and parking during events. The reduction in the proposed community building footprint is significant and therefore creates additional open and community space on the property. A portion of the land required to secure long term marina operations and the community/open space is currently owned by DFO and leased by the City at a rate of 20% of gross revenues annually. The City will explore ownership opportunities for this land as part of the next steps of this process.

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Based on a review of constraints on the POH property and associated costs, it is likely that the community building will not incorporate residential development above the community use as initially proposed in the vision. Staff will complete the analysis and report back to Council at a later date.

Although not identified specifically in the recommended vision, a sailing centre could be accommodated in the central/southern portion of the KP property.

4. Destination

Tourism is one of the key elements for the redevelopment of the overall site. The POH property is proposed to continue to operate, with improvements, as one of the major Kingston marina operations which also host a variety of major sailing and boating events on a yearly basis.

The northern section of the KP property is proposed to be conserved pretty much as is with the intent of continuing to provide tourists with access to this important historical property. For that reason, the walls are proposed to remain intact at the entrance each side of the property in order to provide the experience of the former prison site. It is also proposed that the most of the structures, even if they have not been assessed to have heritage value, be retained for the tourism experience.

KP public tours were established in 2016 through a partnership with CSC and St. Lawrence Parks Commission (SLPC). Public tours were very popular and were sold out for the entire season from June until October. Public tours attracted a total of 60,000 visitors from across Ontario, Canada and from other countries. In 2016, KP public tours generated an estimated \$4.5M in economic impact in Kingston and the region. With the current revenue allocation, there was \$320,000 provided to United Way in 2016 for reinvestment in youth programs.

In 2017, the partnership with CSC and SLPC was renewed and the number and frequency of tours were increased. The public tours started in early May and are planned until late October. It is anticipated that with continued marketing efforts as well as diverse tours and service options, KP will continue to attract tourists all year and will become part of the tourism products available to be packaged to attract visitors to the city. The former KP property has also been popular for filming requests. The ability to have this section of the property accommodate local and international film requests will help support the film industry that Tourism Kingston and the City are trying to build through the establishment of a Film Commission.

5. New Neighbourhood

The recommended vision proposes the development of a complete neighbourhood which could include residential, commercial, office space, open space and be a destination site through its significant tourism component.

There is a significant amount of residential development that is proposed in the form of low density townhouses along the DFO property as well as within the southern section of the KP property and on the eastern edge of the KP property. This type of low density development has been identified as having high market value in Kingston. Townhouses are also being proposed along the Alwington neighbourhood to provide an appropriate development transition. The development of some of these townhouses, especially along the waterfront, will be further

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reviewed through the technical studies to determine implications related to set backs and natural hazards (i.e. wave uprush, floodplain, erosion).

There are three (3) high density buildings proposed on the central/southern portion of the KP property. All high density buildings, including those along the waterfront, could have commercial at grade which could include a restaurant operation. The public has noted concerns with the height and density of those buildings, especially the one located near tourism site. The form of development and its density is based on financial viability for the overall development of the site. The proposed development and its density will be reviewed and further refined through the Official Plan amendment.

The central/southern portion of the KP property can also accommodate commercial and office space within the existing heritage structure to be preserved, or within new construction on site. It will be important for all land uses, including open spaces, to be included on this site in order to build a complete neighbourhood. It is important to note that technical studies and market demand could impact the final development plans. This will be reported through the planning process.

As previously mentioned in this report, it is unlikely that the community facility on the POH property can be developed to include residential above the community space. City staff have been analyzing site conditions required to change land uses as well as potential ownership structures and so far the outcomes are not financially favourable for the development of residential units above the community space. This will be reported to Council at a later date.

6. Viable

CLC, as the lead federal agency on this visioning process, has been working with the objective to make this site financial viable. The overall site has multiple constraints to achieve financial viability including the preservation and rehabilitation of heritage structures, environmental conditions, servicing and road infrastructure. The recommended vision has been developed with the intent of making the development financially feasible but not necessarily generating a profit at this point. Any changes to the vision, including changes to residential densities, could impact the future development of the site.

It is important to note that the redevelopment and rejuvenation of the POH City-owned property will require continued support from municipal taxes. This property and the existing building currently benefit from approximately \$300,000 per year in municipal tax funding to maintain operations. The City's future 15 year capital plan includes a contribution of about \$6.5M to maintain the existing property. Approximately \$4.5M will be required to just maintain the building which has already been identified as not meeting the needs of the community. A detailed report will be brought back to Council on investments that will be required by the City for the future redevelopment of the POH property.

Next Steps

A. Municipal Heritage Protections

Should Council endorse the recommended vision, City staff will initiate the evaluation of tools available to ensure the identification and preservation of significant cultural resources (e.g. a

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municipal heritage register/by-law which will be based on the Constraints and Opportunities heritage assessment completed by Charles Hazell Architects and Andre Scheinman). City staff will work closely with CLC, CSC and Heritage Kingston's Built Heritage Working Group through the evaluation of these heritage tools.

B. Detailed Site Plan & Official Plan Amendment

City staff will continue to work with CLC and The Planning Partnership to develop a conceptual site plan which will include traffic flow and road networks, parking requirements as well as land use studies that will be required for the Official Plan amendment. The technical studies will also include servicing calculation and wave uprush. As indicated previously in this report, it is possible that these studies may have an impact on the density and location of proposed developments included in the recommended vision. This information will be reported back and will include public engagement through the planning process. This will be worked on at the same time as the municipal heritage strategy process.

It is possible that the POH property may not require an Official Plan amendment. This would most likely be the case should the land use not change from the existing community use. Should this be the case, the DFO and KP properties would still both require an Official Plan amendment.

C. Land Acquisition/Disposition

The recommended vision identifies high level land uses but does not determine future land disposal process or ownership. CLC will lead the implementation plan which would include steps related to land division and disposal. This will include the property owned by DFO, which will most likely be severed, to accommodate the operations of a marina and open space on one portion of the property and the development of residential dwelling units on another portion. It is also unlikely that the future owner(s) of the southern section of the KP property which includes residential, commercial and office space would also own a tourism/museum site as well. Some further exploration of property ownership and disposal will be required. Property negotiations involving the City would be reported in closed session.

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

Financial Considerations:

The City contributed a total of \$100,000 to the overall \$350,000 project cost. These funds were in part already included in the approved budget and in part funded through the Working Fund Reserve. A financial plan for the redevelopment of the POH property will be developed and reported back to Council at a later date.

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Others Consulted

James Cox, Director of Real Estate, Ontario and Atlantic, Canada Lands Company

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Exhibits Attached:

Not applicable