



CITY OF KINGSTON
REPORT TO COUNCIL

Report No.: 12-256

TO: Mayor and Members of Council
FROM: Lanie Hurdle, Commissioner, Community Services
RESOURCE STAFF: Same
DATE OF MEETING: July 17, 2012
SUBJECT: Interim Relocation of the International Hockey Hall of Fame at the INVISTA Centre

EXECUTIVE SUMMARY:

On April 17th, Council passed a motion to provide \$200,000 to the International Hockey Hall of Fame (IHHOF) to support its relocation to the former S&R building downtown. The IHHOF had requested a total of \$400,000 from the City to support its relocation plans. The IHHOF Board recently had a chance to review its business plan and has determined that it would not be feasible to relocate to the S&R building with the level of funding approved by City Council. The IHHOF has also notified City staff of its intention to continue operations at its current location, 277 York Street.

Once staff was notified of the IHHOF's intent to remain at 277 York Street, staff began a plan to assess current conditions and initiate repairs to the building. An environmental consultant was retained to conduct investigations into the building condition as required by provincial law prior to engaging in renovations, repairs or demolition. Initial sampling results indicate significant mould growth within the building envelope. Indoor air quality results for public areas of the building have been determined to be at safe levels however staff has been advised by the consultant that without repairs to the roof and mitigation of further water damage, mould will continue to be present within the building and may in fact worsen over time. Currently, the presence of excessive mould growth and other hazardous building materials has necessitated the closing of storage and office areas in the rear of the building. Public viewing areas remain open and suitable for occupancy.

Staff recognizes that the IHHOF's long term strategy is to relocate downtown but have also identified the need to find an interim location for the IHHOF to continue its operations. City staff is not recommending investment of significant funds of the building at 277 York Street as Council has already approved demolition of the building once it is vacated.

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Staff has identified suitable space of 1,450 square feet at the INVISTA Centre that could be utilized as operational space on an interim basis by the IHOF. This space would allow the IHOF to display their collection and it would be open to the public at no cost. This relocation would also significantly increase the IHOF's visibility and provide an additional service to individuals visiting the INVISTA Centre. Staff is recommending that similar arrangements between the City and the IHOF that are existing at 277 York Street be maintained at the INVISTA Centre.

RECOMMENDATION:

THAT Council direct staff to enter into a license agreement for \$1.00 per year, to the satisfaction of the Director of Legal Services, with the International Hockey Hall of Fame to occupy 1,450 square feet of space (referred to as Room D) at the INVISTA Centre for a period of two years with a renewal clause for another two years; and

THAT staff report back to Council progress related to the International Hockey Hall of Fame's business plan to relocate and operate downtown.

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 COMMISSIONERS:

Cynthia Beach, <i>Sustainability & Growth</i>	√
Denis Leger, <i>Transportation, Properties & Emergency Services</i>	√
Jim Keech, <i>President and CEO, Utilities Kingston</i>	N/R

(N/R indicates consultation not required)

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OPTIONS/DISCUSSION:**277 York Street Location**

The International Hockey Hall of Fame (IHHOF) recently informed City staff of their intent to continue operations at the 277 York Street location. Staff retained Pinchin Environmental to complete a designated substance assessment in addition to obtaining indoor air quality sampling within the building. The report identified the presence of excessive mould growth in the storage areas of the building resulting in the need to immediately restrict access to these areas. Pinchin Environmental indicated that the public areas of the building are currently safe for operations but that without repairs to the roof and mitigation of further water damage, mould is expected to persist and may in fact worsen over time. Staff has determined that these repairs would include at minimum, the replacement of the roof, further removal of mould impacted building materials, along with the removal of other hazardous and designated materials common to buildings of this age. Preliminary repair estimates indicate that roof replacement is expected to cost approximately \$200,000. Considering that Council passed a motion to proceed with the demolition of the building once it is vacated, staff is not recommending the City proceed with this investment.

In the April 17th report to Council, staff indicated that the two-storey brick building has not benefited from any major or significant capital investment over its life. The building condition assessment estimates the building would require an investment of approximately \$1.4M to address building deficiencies, and the majority of this would be needed over the next two to three years.

INVISTA Centre Interim Location

City staff reviewed the current utilization of various City owned facilities that could possibly be used as an interim location for the IHHOF operations. Staff were trying to find a location with programs and services that could complement the services provided by the IHHOF. Meeting Room D (1,450 square feet) at the INVISTA Centre was identified as a potential location that could accommodate the IHHOF on an interim basis. Based on usage reports produced through the CLASS system, Meeting Room D is underutilized with an occupancy rate of about 18%. Most of the rentals are for City business and do not generate revenues. Based on this information, staff identified the opportunity to make better use of the space. Leasing the space to a private business was considered by staff but, considering the condition of 277 York Street, staff believes that relocating the IHHOF to the INVISTA Centre is a higher priority and better use of public space.

Meeting Room D has generated approximately \$9,000 per annum in rental revenues in the past three years. It should be noted that the City currently spends about \$15,000 annually in operational costs at 277 York Street. This relocation would provide the City with an estimated net operational savings of \$6,000 per year.

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It is important to note the INVISTA Centre gets over 500,000 visits per year; it is fully accessible and would increase the IHHOF's visibility in the community. As well, the service provided by the IHHOF complement programs provided at the INVISTA Centre.

The IHHOF Board has discussed this option and is interested in relocating its operations to the INVISTA Centre as of September 2012. The IHHOF indicated that it intends to provide free access to the public and invite donations. Details such as operating hours, etc. have not yet been determined. The IHHOF also intends to store some of its artefacts off site and have more frequent rotations of their displays. The IHHOF has committed to covering their moving and fit out costs. Staff will work with the IHHOF to make minor amendments, such as installation of security cameras, to enhance security for the operation.

Staff is recommending that the City provide this space on an interim basis via a licensing agreement, for a period of two years with a renewal clause for another two (2) years, with the similar arrangements that are currently in place at the 277 York Street building, that is for \$1 per year with City paying for all operating costs. There will be no added cost to the City's operational or capital budgets to provide this space. In fact, net operating costs to the City will be reduced by an estimated \$6,000 with their relocation to the INVISTA Centre. Staff is not anticipating an increase in operational cost as this room is already heated, cooled and cleaned as part of the regular operations of the INVISTA Centre.

Although not for consideration in this report, the IHHOF has indicated that its long term plan is still to relocate downtown and that they will be requesting financial support from the City to enable this long term relocation. The IHHOF will be working on a sustainable business plan to support a downtown relocation and operation.

As per Council's previous direction, City staff are also recommending funding to proceed with the demolition of the building at 277 York Street once it is vacated.

EXISTING POLICY/BY LAW:

The proposed relocation of the IHHOF to the Invista Centre complies with the City Revenue Leasing and Licensing Policy. The new agreement will be a license in which the IHHOF will be open during the operating hours of the Invista Centre and will share common facilities with others. In return the IHHOF will be open to the public at no cost which contributes to the programs and services offered at Invista.

NOTICE PROVISIONS:

N/A

ACCESSIBILITY CONSIDERATIONS:

N/A

EXHIBIT A – PLAN OF PROPOSED SPACE AT INVISTA CENTRE

