



**City of Kingston
Report to Council
Report Number 18-387**

To: Mayor and Members of Council
From: Lanie Hurdle, Commissioner, Community Services
Resource Staff: Same
Date of Meeting: November 20, 2018
Subject: Kingston Penitentiary Tours 2019

Executive Summary:

In October 2017, Council endorsed the renewal of agreements between Correctional Service Canada, St. Lawrence Parks Commission and the City of Kingston to enable the provision of public tours at the Kingston Penitentiary for a third year in a row.

The first year of operations was very successful with about 60,000 visitors and a net profit of approximately \$640,000 which was allocated to the United Way of Kingston, Frontenac, Lennox & Addington (United Way of KFL&A) and destination marketing. The 2017 public tours at the Kingston Penitentiary were even more successful attracting about 105,000 visitors and generating a net profit of approximately \$2.4M which was allocated 50/50 between the United Way of KFL&A and destination marketing. The 2018 season recently wrapped up and projected numbers are about 68,000 visitors with a net profit of approximately \$1.3M to be again allocated 50/50 between the United Way of KFL&A and destination marketing.

St. Lawrence Parks Commission and City staff recognize that 2017 was an outstanding year for the Kingston Penitentiary tours as it benefited from increased tourism within Canada with sesquicentennial programs and still some pent up demand to access the property. It will be important to increase marketing efforts and introduce additional uses on the property in order to continue to maintain a high level of interest from tourists. The proposed Kingston Penitentiary tours partnership for 2019 proposes a couple of changes to the use of the site, including more access for filming, which is anticipated to see the number of visitors increase to about 78,800 and net profits at \$1.4M. Continuing to support the Kingston Penitentiary tours and additional uses on the property is critical for the tourism sector. Both Tourism Kingston and the Kingston Accommodation Partners have identified Kingston Penitentiary as a key tourism asset.

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In July 2017, Council approved a vision concept plan for the future development of the Portsmouth Olympic Harbour and Kingston Penitentiary properties. Although the vision has been endorsed, it has been acknowledged that the implementation process, including any change in ownership, will be a long term endeavour. In the interim, Correctional Service Canada has agreed to continue public tours on the Kingston Penitentiary property based on similar terms as the existing agreement. It is beneficial to establish the 2019 agreement as soon as possible so that marketing can be initiated for the 2019 tours. It is important to note that City staff are also discussing the possibility of implementing a multi-year agreement with Correctional Service Canada for the use of the Kingston Penitentiary property for tourism purposes as the implementation of the vision concept plan will be a long term initiative.

Recommendation:

That the Mayor and Clerk be authorized to execute an agreement, in a form satisfactory to the Director of Legal Services, with Correctional Service Canada for the City of Kingston to have access to the Kingston Penitentiary property to provide public tours; and

That the Mayor and Clerk be authorized to execute an agreement, in a form satisfactory to the Director of Legal Services, with St. Lawrence Parks Commission for the delivery of public tours at the Kingston Penitentiary site.

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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:

Jim Keech, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required
Denis Leger, Commissioner, Corporate & Emergency Services	Not required

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Options/Discussion:**2016 Kingston Penitentiary Public Tours**

In May 2016, Council approved partnerships with Correctional Service Canada and the St. Lawrence Parks Commission to operate public tours at the Kingston Penitentiary property. The St. Lawrence Parks Commission operated public tours out of the Kingston Penitentiary from June to October.

During this period of time, 60,000 visitors came to see what was behind the historic walls of the Kingston Penitentiary. Kingston Penitentiary Tours added a one-of-a kind tourism asset to Kingston's tourism portfolio. The estimated economic impact to the region was \$4.7 million as calculated through the Tourism Regional Economic Impact Model (TREIM). This model estimates the induced economic impact of tourism related activities in areas such as overnight accommodations, food and beverage, transportation, retail and entertainment. These tours provided full time employment for 40 college and university students as well as record visitation to partner museums including Canada's Penitentiary Museum.

The net profit generated the first year was approximately \$640,000. Half of this amount was allocated to destination marketing for Kingston and the other half to the United Way of KFL&A for re-investment in youth programming.

The quick pace with which the Kingston Penitentiary Tours sold in 2016 demonstrated that demand far exceeded capacity (300,000 concurrent website users when 60,000 available tickets went on sale).

2017 Kingston Penitentiary Public Tours

Tours ran from May until the end of October 2017. Tours were conducted in both of Canada's official languages, with as many bilingual tour guides as possible to cater to the needs of visitors. Ticket prices increased from \$25 in 2016 to \$35 in 2017. Tuesday continued to be dedicated as "Kingston Days" with a discount on tours.

With most of the groundwork completed from the 2016 season, the 2017 season followed a similar operational plan with a continued heavy focus on visitor and staff safety as well as strong customer service components to ensure a high quality experience. Due to the extended length of time and number of tours, a more formal management structure was implemented to support a longer season.

In 2017, the public tours attracted 105,000 visitors and generated close to \$4.3M in revenues and \$2.4M in net revenue which was split 50/50 between the United Way of KFL&A and destination marketing which is managed by Tourism Kingston and the St. Lawrence Parks Commission. The economic impact as calculated by TREIM was \$8.4 million. Significant marketing investments were made in 2017 and 2018 in the international "Where am I" campaign and the "Onroute" campaign.

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2018 Kingston Penitentiary Public Tours

Tours ran from May until the end of October. With tours recently ending and at the time of writing this report, St. Lawrence Parks Commission and City staff did not have final numbers of the 2018 public tours but projected visitors numbers are approximately 68,000 and net profit at about \$1.3M. Both St. Lawrence Parks Commission and City staff recognize that the decrease from 2017 to 2018 is related to reduction in pent up demand to access the site as well as increased tourism in Canada during the sesquicentennial celebrations in 2017. Kingston Penitentiary still remains one of the most significant tourism assets in Kingston. It continued to generate a significant net profit, has employed 100 people and had an estimated economic impact of about \$5.7M in the Kingston region in 2018.

Through specialized programming offered at Kingston Penitentiary and its other historic sites, the St. Lawrence Parks Commission has recently been recognized as leaders in providing inclusive and accessible attractions by being awarded the 2018 TIAO Accessible Tourism award.

The City of Kingston continues to play an important role in facilitating this initiative. As per the previous agreements, the City continues to license portions of the Kingston Penitentiary from Correctional Service Canada for \$1 for the provision of public tours and, in turn, the City extended its agreement with the St. Lawrence Parks Commission for the delivery of public tours.

2019 Kingston Penitentiary Public Tours

St. Lawrence Parks Commission and City staff recognize that in order to maintain or increase the number of visitors for next year, there needs to be more marketing for Kingston Penitentiary tours as well as access to the site during civic Holidays (i.e. July 1st) and the addition of other activities on site such as filming. The 2019 partnership proposal for the Kingston Penitentiary includes the access during civic Holidays and more access for filming. A number of filming requests, ranging from small independent productions to major Hollywood based productions, have been received in the past few years. Very limited access has been provided for filming in the past years. One of the few productions allowed on site was Alias Grace which is a Netflix based production. The use for 2019 would enable more filming access with requests being vetted by partners.

The 2019 proposal also maintains ticket prices the same as 2018 for standard tours and continues to provide accommodations for individuals with specific needs on all tours. It is also proposed that the net profits from operations would continue to be allocated 50/50 between the United Way of KFL&A and destination marketing. As per the previous agreements, the City will continue to license portions of the Kingston Penitentiary from Correctional Service Canada for \$1 for the provision of public tours and, in turn, the City extends its agreement with the St. Lawrence Parks Commission for the delivery of public tours.

The Kingston Penitentiary Vision and Long Term Implications

The visioning exercise for Kingston Penitentiary and the Portsmouth Olympic Harbour site started in the spring of 2016 and was approved by Council in July 2017. It is expected that the implementation of this concept plan will be a long term endeavour. The first element of the

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Kingston Penitentiary and Portsmouth Olympic Harbour plan to be implemented is the relocation of the Coast Guard Search and Rescue Station just outside of the Kingston Penitentiary walls. The construction of the new station is anticipated to be completed in the spring of 2019.

City staff will initiate a community engagement process for the rejuvenation of the Portsmouth Olympic Harbour site in late 2019 in order to advance a more detailed plan which will be based on the Vision concept plan approved in 2017. It is anticipated that work on the Portsmouth Olympic Harbour site would start in early 2021.

As for the Kingston Penitentiary property itself, it is anticipated that the implementation of the community vision will be a long term process. Therefore, the City has been working with Correctional Service Canada to review the possibility of establishing a multi-year partnership to access Kingston Penitentiary for tourism purposes in the interim. Having a multi-year partnership would enable more proactive and early marketing which would help to maintain or increase the number of visitors. Options for access and use during those years are also being discussed and City staff will report back when more information on a multi-year agreement is available.

Existing Policy/By-Law:

By-Law Number 2000-134 A By-Law to Establish Purchasing Policies and Procedures

Notice Provisions:

Not applicable

Accessibility Considerations:

Prior to the commencement of the tour, staff will describe the tour plan (patrons will receive a copy of the aerial site plan map) and describe the prescribed route of buildings, communications, emergency procedures, washroom locations, potential hazards and safety precautions. The Kingston Penitentiary is partially accessible and reasonable steps will be taken to ensure full accessibility along the tour route; however, visitors with mobility challenges may still require special tour staff assistance.

Financial Considerations:

These agreements and partnerships are anticipated to be cost neutral to the City. Net profit from public tours will be equally distributed between the United Way of KFL&A and marketing efforts of Tourism Kingston in partnership with St. Lawrence Parks Commission.

Contacts:

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Other City of Kingston Staff Consulted:

Not applicable

Others Consulted:

Hollee Kew, General Manager/CEO, St. Lawrence Parks Commission

Geoff Waycik, Director, Historic Sites, St. Lawrence Parks Commission

Exhibits Attached:

Not applicable