



**City of Kingston  
Report to Council  
Report Number 23-130**

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**To:** Mayor and Members of Council  
**From:** Lanie Hurdle, Chief Administrative Officer  
**Resource Staff:** None  
**Date of Meeting:** May 2, 2023  
**Subject:** Conference Centre Update and Next Steps

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**Council Strategic Plan Alignment:**

Theme: 4. Strengthen economic development opportunities

Goal: See above

**Executive Summary:**

This report provides City Council with an update and proposed next steps for Council's strategic priority to explore the feasibility and business case for a conference centre. The conference centre initiative was also included in the previous Council strategic plan and the updated Integrated Destination Strategy approved in 2022.

Staff started reporting on the potential for a conference centre in 2019. At that time, St. Lawrence College was contemplating establishing a downtown campus with a hospitality centre of excellence. Staff had therefore recommended the potential of combining the downtown campus/centre of excellence and the conference centre within the redevelopment of the City-owned Block 4 of the North Block. During the pandemic, St. Lawrence College advised the City that it was no longer pursuing a downtown campus space but that it would still be interested in establishing a formal partnership with the City for the delivery of student learning as part of the Block 4 re-development. This partnership would support the Council strategic priority of partnering with the City's post-secondary institutions to support workforce development and youth retention.

During the pandemic, Tourism Kingston (TK), Kingston Accommodation Partners (KAP) and City staff continued to advance the work required to support the development of a conference

May 2, 2023

Page 2 of 13

centre. In 2020, Twenty31 was retained and developed a Business Case for a conference centre in Kingston. In 2021, KAP commissioned a Hotel Capacity Report which supported the inclusion of a 100+ room hotel with the development of a conference centre. These two reports were presented to Council in early 2022 ([Report Number 22-024](#)). At that same meeting, Council provided the following direction to staff:

- To consider a conference centre as a permitted use within the future development of Block 4 within the North Block; and
- To work with Tourism Kingston to identify options to support the feasibility of a conference centre.

This report provides Council with a conference centre feasibility study completed by HLT Advisory which supports the development of a mid-size conference centre (52,000 square feet) that can accommodate up to 1,000 delegates. The cost of construction of a mid-size conference centre, exclusive of other revenue-generating facilities (i.e. parking, commercial space, condominiums, etc.) is estimated to be between \$33M and \$41M. It is also anticipated that the conference centre would operate at a deficit of about \$175K in its first year of operation and about \$110K deficit in subsequent years. The Municipal Accommodation Tax (MAT) Development Fund Committee has recently approved a yearly contribution of up to \$110,000 per year for five (5) years to help reduce the operating deficits of a conference centre.

The feasibility study notes that conference centres often receive funding from provincial and federal governments to help finance the cost of construction. At this point, staff and partners do not have information that would indicate there being potential provincial or federal funding available to support a conference centre. TK has led a regional Conference Centre Advisory Group for the past year and partners will continue to advocate for upper levels of government funding.

The feasibility study further recommends that the City consider the establishment of the conference centre within the redevelopment of Block 4 in the North Block. Block 4 is a City-owned property that has been subject to a few reviews including the establishment of design guidelines which were approved by City Council in 2014. Those guidelines include the potential for a mixed-use development including a restaurant, hotel, public parking, residential units with height of up to 18 storeys, conference centre space and ground floor commercial.

At this point, the City has a few options in considering the conference centre initiative:

1. Apply a creative approach to this initiative by maximizing City-owned assets and tools to leverage private sector investment that could result in the development of the conference centre without significant City investment;
2. Advocate with provincial and federal governments and put the project on hold until there is funding available to support this initiative; or
3. Cover the cost of construction of a conference centre as a stand-alone development on another property within the City by prioritizing investment in this priority and reducing contribution to other priorities such as roads and an aquatic centre.

May 2, 2023

Page 3 of 13

As previously indicated, staff and partners have not had any indication from other levels of government that there may be funding available for the construction of a new conference centre, so staff are not recommending option #2 at this time.

Staff recognize that Council has a number of key priorities that will require significant investments such as road repairs, servicing upgrades, affordable housing and a potential aquatic centre, so staff are not recommending option #3 as it would redirect investment from these projects into the construction of a conference centre.

Option #1 is a unique approach to the potential development of a conference centre. Staff would attempt to leverage the value of an underutilized City-owned property, parking reserve funds, as well as tax reduction and exemption tools to support this initiative. The intent is to minimize any municipal contribution that may be required for the capital development and ongoing operations. The staff recommendation also assumes a privately owned and operated conference centre. To make this proposal appealing to the private sector, it is critical that the City provide the clear development potential included in the approved 2014 Block 4 design guidelines. It is also critical to note that any development proposal would be subject to separate planning approvals which would include an Urban Design Study and a Heritage Impact Statement.

This redevelopment of Block 4 would support a conference centre as well as Council's recent strategic priorities to incent the use of underutilized public and private lands as well as ensuring that the downtown remains vibrant. As noted during the strategic planning process, it is important to have more people living downtown, especially considering recent announcements such as large downtown office closures. Furthermore, it is important for the City to lead by example and make better use of its underutilized properties, especially for housing purposes as the City continues to have one of the lowest vacancy rates in the Province and the Country.

City staff and partners have now collected all information required to issue a non-binding Request for Information (RFI) to gauge market interest and assess the potential for a privately owned and operated conference centre. Staff are recommending working with real estate and land development experts N. Barry Lyon Consultants Ltd., to develop and issue an RFI as well as evaluate private sector proposals.

**Recommendation:**

**That** Council receive and endorse the Kingston Conference Centre Feasibility Study prepared by HLT Advisory as attached as Exhibit A to Report Number 23-130; and

**That** Council direct staff to work with N. Barry Lyon Consultants Ltd. to prepare and release a Request for Information for the redevelopment of Block 4 based on the following principles:

- 2014 Block 4 design guidelines for a multi-use redevelopment including a restaurant, hotel, residential, ground floor commercial spaces and other complementary uses and any other applicable land use policies;
- Inclusion of a 52,000 square foot privately owned and operated conference centre space;
- Inclusion of a minimum of 169 public parking spaces;

May 2, 2023

Page 4 of 13

- Retention, restoration and/or adaptive re-use of the heritage buildings at 19-23 Queen Street;
- City contribution of the Block 4 property for \$1;
- City contribution of about \$40,000 per public parking stall;
- City tax exemption for the conference centre space through a Community Improvement Plan (CIP);
- Eligibility for the City's Brownfields program;
- Contribution of up to \$110,000 per year for five (5) years from the Municipal Accommodation Tax; and

**That** Council direct staff to report back with proposed next steps once proposals from the Request for Information for the redevelopment of Block 4 have been evaluated; and

**That** Council continues to work with key stakeholders to advocate for upper levels of government funding for the development of a conference centre.



May 2, 2023

Page 5 of 13

**Authorizing Signatures:**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

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**Lanie Hurdle, Chief  
Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Paige Agnew, Commissioner, Community Services p.p.

Neil Carbone, Commissioner, Corporate Services

David Fell, President & CEO, Utilities Kingston

Peter Huigenbos, Commissioner, Business, Environment & Projects Not required

Brad Joyce, Commissioner, Transportation & Public Works

Desirée Kennedy, Chief Financial Officer & City Treasurer

May 2, 2023

Page 6 of 13

**Options/Discussion:****Background**

In 2013, HLT Advisory completed a report for the City of Kingston and Kingston Economic Development Corporation on alternative uses for Block 4 which included “the possibility of developing a mixed-use, hospitality-oriented project focused on a purpose-built conference centre” and an assessment of the market potential and economic impact. At that time, the report indicated that the market potential did not support the construction of a purpose-built conference centre in Kingston and therefore was not included in the uses considered for the future development of Block 4.

In 2018, Kingston’s Integrated Destination Strategy (IDS), commissioned by Tourism Kingston and conducted by Twenty31 Consulting, was endorsed by City Council. The IDS recommended a feasibility study examining “the use of the Leon’s Centre for events including meetings and conferences, and a new potential venue.” The rationale supporting this recommendation was that “there were mixed signals within the tourism industry on the need for a business meeting and conference centre and the viability of the Leon’s Centre to fulfill this mandate.” Tourism Kingston reviewed options to utilize the Leon’s Centre for conference purposes, but it was cost prohibitive and had limited availability for meeting purpose.

In June of 2020, “A Business Case for a Conference Centre in Kingston, Ontario” (the Business Case), a comprehensive feasibility study and business case was developed by Twenty31 Consulting. The study, commissioned by Tourism Kingston in partnership with Kingston Accommodation Partners, was in response to the IDS recommendation. The Business Case was delivered in the midst of the COVID-19 pandemic. It highlighted that, despite the overall impact of COVID-19 on leisure and business tourism, “smaller urban centres, Kingston included, would be well-positioned to capture returning demand for in-person meetings and events from local catchment areas.” The feasibility study included four key findings:

- 1) There is a clear rationale for Kingston to have a dedicated conference centre, based on geography, emerging evidence re: the return of in-person events, and demonstrated need (i.e. long history of lost opportunity).
- 2) Kingston has the opportunity to be one of Canada’s first cities with a purpose-built conference centre in the post-COVID-19 environment, incorporating all the technological, space and physical safety requirements that the pandemic has shown will be needed from now on.
- 3) The proposed dedicated conference centre for Kingston should be designed as an iconic attraction.
- 4) The proposed dedicated conference centre should be designed as a multi-function facility with multiple purposes, including space for large, medium and small meetings of all kinds, the St. Lawrence College partnership centred on hospitality and the culinary arts, retail activity, residential and paid accommodation (hotel), and parking.

May 2, 2023

Page 7 of 13

The Business Case endorsed the notion that a purpose-built conference facility “would directly support and complement a number of the City of Kingston’s key strategic priorities as well as the City of Kingston’s partnership with St. Lawrence College and its Integrated Destination Strategy.”

In 2021, Twenty31 Consulting presented a revision to the 2020 Business Case that took into account pandemic developments, noting that Destination Canada suggested that “small corporate regional meetings were expected to kick start business event recovery” and that “domestic and regional events would be key to sparking recovery in the short term”. This aligns with the Kingston market and the recommendation for a conference space for up to 1,000 delegates.

Additionally, the revision noted that “destinations that have innovative facilities and the ability to adapt – or be built at the outset – with new health and safety realities, along with virtual and hybrid technological capacities, would be more successfully able to differentiate themselves in what is likely to be a competitive marketplace and demonstrate a compelling case for investment from all three levels of government.”

In late 2021, KAP commissioned a research paper to analyze the potential impact of including a 100+ room hotel in the potential conference centre development. The hotel capacity research paper produced by Floor13 showed that:

- 1) There is a realistic potential for a quantum increase in conference and meetings events taking place in Kingston with the development of a purpose-built conference centre;
- 2) The additional space such a development provides will result in a reversal in the current situation re: business events lost due to inadequate infrastructure; and
- 3) The additional hotel inventory created by such a development will be absorbed adequately by the increased conference and events business.

The report concluded that “Canada stands to benefit early on in post-pandemic recovery as its reputation for safety, wide open spaces and smaller population will be heavily marketed by all national, provincial and local destination marketing organizations. Kingston is sure to benefit from this increase in demand *once adequate meeting space with an adjoining hotel is added to its inventory.*”

City Council received both the Business Case and the Kingston Conference Centre Hotel Capacity Research Paper in February 2022 ([Report Number 22-024](#)). At that meeting, Council also directed staff to consider a conference centre as a permitted use within the future development of Block 4 within the North Block and to work with Tourism Kingston to identify options to support the feasibility of a conference centre.

### **2023 Conference Centre Feasibility Study**

Tourism Kingston, in partnership with the City of Kingston, contracted HLT Advisory to complete a feasibility study with the following objectives:

May 2, 2023

Page 8 of 13

- Defining the conference centre operating environment including Tourism Kingston's and the City's interest in entering this market.
- Summarizing relevant industry-wide conference facility supply and demand trends.
- Assessing the current situation in Kingston relevant to the conference opportunity, including consideration of:
  - nature and type of existing Kingston (and area) conference/meeting facilities;
  - quantity and quality of existing hotel room supply and future needs given addition of conference facilities;
  - access factors (i.e. airport and rail); and
  - marketing requirements.
- Completing an analysis of the competitive landscape focused primarily on eastern and central Ontario.
- Confirming the spatial elements of a Kingston conference centre, associated support space and parking based on the demand assessment and previous work completed by Twenty31 Consulting.
- Assessing facility event load and utilization, as well as related delegate totals including delegate origin.
- Summarizing revenue (direct/indirect) and costs (capital and operating).
- Calculating economic impacts from conference centre usage/visitation.
- Outlining possible operating and governance structures (including an environmental scan of Canadian conference centre governance structures and related operating implications).

In 2022 and early 2023, HLT Advisory reviewed previous reports/studies, conducted interviews, consulted several key stakeholders and reviewed best practices as well as business models to complete the conference centre feasibility study (Exhibit A).

### **Key Findings of the 2023 Conference Centre Feasibility Study**

The feasibility study recommends the development of a mid-size conference centre that can accommodate up to 1,000 delegates within a broader redevelopment of Block 4 within the North Block. The recommendation is based on the potential market within the area, the lack of conference space currently within the City, easy access to the City primarily through highways and rail, as well as a comparison of conference centre facilities within similar size municipalities.

Based on City staff feedback, the feasibility study assumed that the conference centre would be owned and operated by the private sector. This model is unusual as most conference centres typically have some type of ongoing government funding/investment. City staff are trying to minimize direct financial impact on the City while providing supports to facilitate the construction and operation of a mid-size conference centre. It is important to note that government financial investment in the construction and operation of the conference centre means that the municipality and local organizations have less control over the conferences and events hosted within the centre.

May 2, 2023

Page 9 of 13

The construction cost for a purpose-built stand-alone mid-size conference centre as described in the feasibility study is estimated between \$33M and \$41M assuming about 52,000 square feet of space. This estimate is based on 2023 construction costs. It is important to note that most other conference centres reviewed received provincial and/or federal funding to support their construction. At this point, City staff and partners have not received any indication from the MP and MPP's offices that there may be grant funding for the development of a conference centre in Kingston.

Based on a privately owned and operated model, it is anticipated that the conference centre would operate at a deficit of about \$175K the first year of operation and about \$110K deficit for subsequent years. This is assuming that there are no grants or subsidies provided to the private owner/operator. The Municipal Accommodation Tax (MAT) Development Fund Committee has recently approved a yearly contribution of up to \$110,000 per year for five (5) years to help reduce the operating deficits of a conference centre.

The feasibility study assumes the construction of a conference centre within the redevelopment of Block 4 of the North Block which has been utilized as a surface parking lot for a number of years. This parking lot currently has 169 surface parking spaces including monthly parking passes and users from the Leon's Centre.

### **Potential Municipal Contributions**

Although the development of a conference centre has been identified as a Council strategic priority, City staff recognize that the City cannot afford to finance the construction of such a development, especially considering other priorities such as road improvements, affordable housing and an aquatic centre. Therefore, City staff have reviewed options to leverage City-owned assets and other incentives that could be provided to support the development of a conference centre.

### **Property Value – Block 4**

In 2009, Council endorsed several recommendations to establish a redevelopment of the North Block District and Guiding Principles for the Redevelopment of City-owned properties. These recommendations looked at the entire district and provided guidance on land uses, density, height, parking, public spaces, community benefits, etc.

The North Block District is an area that provides opportunities for significant development/redevelopment that will assist in maintaining and enhancing the viability of the downtown and achieving several goals and objectives under the City's Official Plan. These goals include, but are not limited to, increasing housing availability, creating more spaces where people can live and work, and increasing densities to support more active transportation.

In 2013, through [Report Number 13-150](#), Council endorsed several key development principles for Block 4 with the assumption that the property would be disposed of and that a private owner would proceed with the redevelopment. The intent was for the City to issue a Request for

May 2, 2023

Page 10 of 13

Information (RFI) and then a Request for Proposal (RFP) to enable the disposal and private development.

The key development principles for Block 4 included the following options:

1. Development proposals with uses from the current zoning for the property that include a mix of residential type uses, hotel with associated conference space, and ground floor commercial uses;
2. Development proposals to be built to a maximum height of 18 storeys subject to the planning approvals required for the site which would include an urban design study and Heritage Impact Statement(s) to provide the rationale; and
3. Development proposals to include developer ownership, restoration and/or appropriate adaptive reuse of the heritage buildings at 19-23 Queen Street.

Subsequently in 2013, the City retained a Heritage Consultant and a report was presented to the Municipal Heritage Committee ([Report Number MHC-13-012](#)) with a detailed inventory and set criteria for preservation, restoration and integration of the heritage buildings at 19-23 Queen Street. These guidelines were to provide developers with considerations for the best solutions to integrate the buildings into a Block 4 development.

In 2014, through [Report Number 14-231](#), Council approved the Design Guidelines for the North Block District which were to be included as part of the RFI and RFP to seek submissions for the redevelopment of Block 4.

In 2015, through [Report Number 15-182](#), staff also identified a few motions previously approved by Council that should be considered in the redevelopment of Block 4. These motions identified an interest in incorporating a concept for the Walk of Fame along with a Public Art installation to honour The Tragically Hip into the redevelopment of the Block 4/North Block.

The overall redevelopment principles approved in 2013 included expectations for parking. Staff recognize that expectations related to both private development parking and public parking access have changed since 2013. The private development parking requirements would be reviewed based on the proposed redevelopment and it is likely that the City would be requiring a lower ratio than applied in 2013, considering its recent policy changes through the “power of parking” developed in collaboration with Brent Toderian. As for the publicly accessible parking, it is recommended that a minimum of 169 parking stalls be made available to replace the number of parking stalls currently available in the Frontenac Lot.

In 2015, Council decided to defer the RFI and RFP for Block 4 since Block 3 and Block 5 of the North Block had been sold to a private developer and the City wanted to assess the impact on parking needs and supply due to the anticipated redevelopment of those two (2) properties. The development applications for both Block 3 and Block 5 were appealed at the Ontario Land Tribunal (OLT), formerly the Local Planning Appeal Tribunal (LPAT), which resulted in an OLT decision allowing the development of 19 and 23 storey residential buildings on the blocks in question. The surface parking lots that were located on these lots have been impacted as the

May 2, 2023

Page 11 of 13

private property owner had to proceed with soil remediation and is currently under construction on one of the lots.

In 2019, the City commissioned appraisal value of Block 4 was \$8.07M based on highest and best use as described within the 2014 approved design guidelines. Staff are currently having the appraisal updated as it is anticipated that the value has increased in the last few years, especially in consideration of the recently approved developments on Blocks 3 and 5 of the North Block.

### **Parking Contribution**

As previously indicated, there are currently 169 public parking spaces located on Block 4 of the North Block. Furthermore, recently the King/Queen Parking Lot and more than half of the Drury Lot (124 spaces) closed to facilitate the redevelopment of Blocks 3 and 5. City staff are expecting that the remainder of the Drury Parking Lot (60 spaces) will close in January of 2024 to facilitate the continued redevelopment of both blocks. This loss will certainly be felt over the summer months when tourism is at its peak and during Leon's Centre events. With other pressures such as on-street patios and bike parking, replenishing some of the spaces lost would be beneficial for public parking and the downtown area. Staff are supportive of overall redevelopment of surface parking lots in the downtown area, especially for residential development increasing permanent residents in the area, but also recognize the need to replace some of the parking spaces lost through development.

As per the approved 2014 design guidelines ([Report Number 14-231](#)), redevelopment proposals would include a requirement for the replacement of some public parking spaces. Based on other recent downtown developments with parking structures, the cost to build a parking stall is estimated at \$40,000. Should the City want to replace the 169 stalls that are currently on the property, it would cost approximately \$6.7M. The City currently has \$18.6M in its Parking Reserve Fund which can be utilized to support the construction of public parking stalls. Staff are recommending that the redevelopment replaces, at a minimum, the stalls currently located on the property.

### **Property Tax Exemption and Brownfields**

The feasibility study prepared by HLT Advisory recommends that the City consider a property tax exemption for the conference centre space, which is estimated to be approximately \$185,000 per year, based on 52,000 square feet of similar commercial space located in the downtown. The exemption of property tax for this type of operation is not unusual based on the information contained within the feasibility study. This would need to be established through a Community Improvement Plan (CIP).

The Block 4 property is within the Brownfields Community Improvement Plan Project Area 1A and would be eligible to receive incremental tax rebates for eligible remediation costs which would provide further tax reduction for a period.

May 2, 2023

Page 12 of 13

It is important to note that the overall development would be subject to property tax. The additional annual tax revenue to the City based on best and highest use and approved design guidelines is estimated to be between \$500,000 and \$600,000 per year. Even with a tax exemption of the conference centre space, the City would still generate significant additional property tax revenues on an annual basis.

### **St. Lawrence College**

Prior to the COVID-19 pandemic, the City and St. Lawrence College were reviewing options to implement a downtown campus/centre of excellence based on previous Council strategic priorities. In 2019, staff reported some options to include a downtown campus/centre of excellence within the Block 4 redevelopment. Since the pandemic, St. Lawrence College has notified the City that it is no longer contemplating a downtown campus, but it is still interested in establishing a formal partnership with the City for the delivery of student learning as part of the Block 4 re-development. This will consider SLC programs and learning outcomes in the Hospitality, Tourism and Culinary division, amongst others, and the ability to train and teach students the specific skills that will be required to take on jobs within a Conference Centre. Block 4 redevelopment RFI proposals would include the potential to establish a partnership with St. Lawrence College for the delivery of student learning and training programs. This also supports Council's strategic priority of partnering with the City's post-secondary institutions to support workforce development and youth retention.

### **Municipal Accommodation Tax**

The City of Kingston has a Municipal Accommodation Tax (MAT) By-Law which charges 4% on all tourist accommodations. Funds collected from the MAT are to be reallocated to marketing and initiatives that are intended to increase the number of tourists to the City.

In the past, MAT funds have been utilized to support filming projects, airport incentives and Kingston Penitentiary activities. The MAT Development Fund Committee has approved a contribution of up to \$110,000 per year for up to five (5) years to help finance the expected operating deficit of the conference centre.

### **Next Steps**

Over the last couple of years, City staff and partners have obtained information on the business case, hotel capacity and feasibility for a conference centre. Information and development plans for Block 4 were also completed and endorsed a number of years ago.

Staff recognize that private sector developers have different pro-forma models which can vary depending on business models. Staff believe that the best next step is to test the market to identify any private sector interest in the redevelopment of the property, including a 52,000 square foot conference centre. Staff are therefore recommending that the City issue a RFI to gauge market interest and opportunities. City staff will work with N. Barry Lyon Consultants Ltd. (NBLC), who has significant experience in major land development, to complete the RFI and review proposals submitted by the private sector. NBLC is currently working with the City on



May 2, 2023

Page 13 of 13

other land development projects and therefore staff have funds in the existing budget to cover this consulting service.

**Existing Policy/By-Law:**

None

**Notice Provisions:**

None

**Accessibility Considerations:**

None

**Financial Considerations:**

The consulting services provided by N. Barry Lyon Consultants Ltd. is estimated at \$50,000 which have been provided for in the CAO's operating budget

**Contacts:**

Lanie Hurdle, Chief Administrative Officer, 613-546-4291 extension 1231

**Other City of Kingston Staff Consulted:**

Jennifer Campbell, Director, Heritage Services

Craig Desjardins, Director, Strategy, Innovation & Partnerships

Brandon Forrest, Director, Business, Real Estate & Environment

Laird Leggo, Manager, Licensing, Parking Operations & Policy

Jenna Morley, Director, Legal Services & City Solicitor

Tim Park, Director, Planning Services

Jeff Walker, Manager, Taxation & Revenue

**Exhibits Attached:**

Exhibit A – Feasibility Study – HLT Advisory

Exhibit B – Block 4 Design Guidelines

# **KINGSTON CONFERENCE CENTRE FEASIBILITY STUDY**

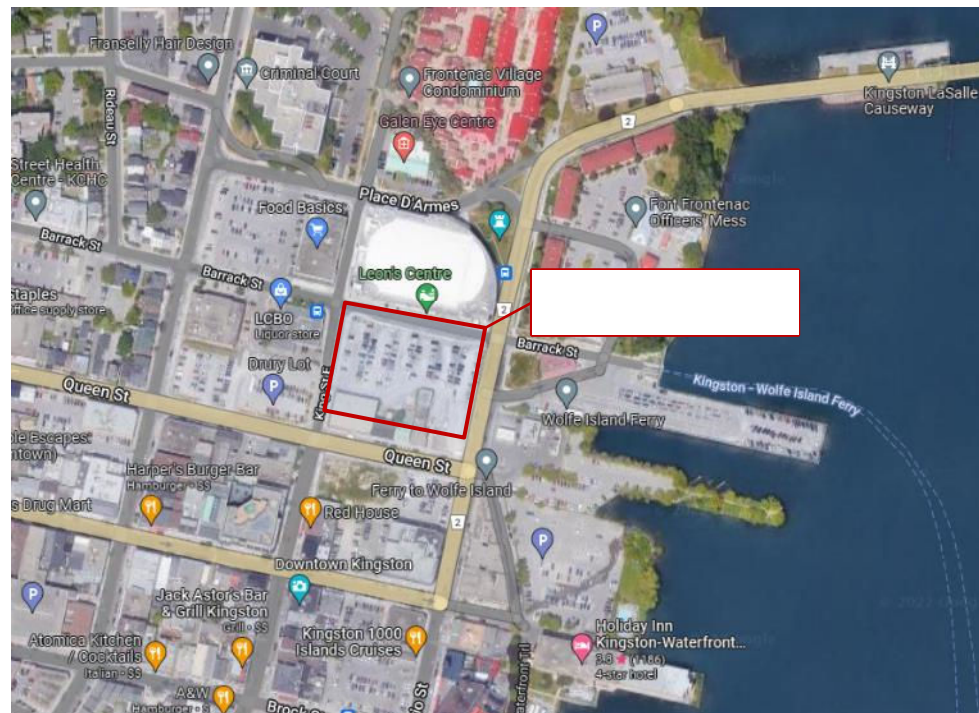
**Prepared for Tourism Kingston**

March 2023

In 2013, the Kingston Economic Development Corporation (“KEDCO”) and the City of Kingston (“City”) were considering a number of alternate uses for a land parcel in Kingston’s downtown core known as “Block 4”, including the possibility of developing a mixed-use, hospitality-oriented project focused around a purpose-built conference centre. The City and KEDCO retained HLT to complete an assessment of market potential and economic impact for a privately-owned conference centre (or conference hotel) located on the Block 4 Site. This site (situated adjacent to the Leon’s Centre and shown in the image below) is still being considered by the City for mixed-used development.

HLT’s 2013 report concluded that there was modest demand for conference facilities and any conference centre operation would likely need to be supported via public sector subsidy. As a result, private sector investment was deemed unlikely without another component of a mixed-use project that would offset potential losses.

Subsequently in June 2020, Tourism Kingston retained Twenty31 Consulting to complete a business case for a conference centre in Kingston. This business case concluded that there is a clear rationale for Kingston to have a dedicated conference centre, based on geography, emerging evidence re: the return of in-person events, and demonstrated need. Additionally, a hotel capacity research paper completed by Floor 13 assessed the impact of an additional 100-room hotel in the market.



The City has now asked HLT to quantify the opportunity related to a conference centre in Kingston including annual event loads, delegate totals, financial performance, and economic impact.

# OBJECTIVES OF THE CONSULTING ASSIGNMENT

The objectives of the conference/events centre feasibility study were to:

- Define the conference centre operating environment including Tourism Kingston's and the City's interest in entering this market.
- Summarize relevant industry-wide conference facility supply and demand trends.
- Assess the current situation in Kingston relevant to the conference opportunity, including consideration of:
  - nature and type of existing Kingston (and area) conference/meeting facilities;
  - quantity and quality of existing hotel room supply and future needs given addition of conference facilities;
  - access factors (e.g., airport and rail); and
  - marketing requirements
- Complete an analysis of the competitive landscape focused primary on eastern and central Ontario.
- Confirm the spatial elements of a Kingston conference centre and associated support space and parking based on the demand assessment and previous work completed by Twenty31 Consulting.
- Project facility event load and utilization, as well as related delegate totals including delegate origin.

Following the event load and attendance projections in the market HLT will:

- Summarize revenue (direct/indirect) and costs (capital and operating).
- Calculate economic impacts from conference centre usage/visitation.
- Outline possible operating and governance structures (including an environmental scan of Canadian conference centre governance structures and related operating implications).

In completing the conference/events centre feasibility study HLT undertook the following tasks:

- Reviewed previously completed consultant reports and architectural renderings related to the project (the complete list of documents reviewed is included in Appendix A)
- Interviewed meeting planners to inform current market views of Kingston as a destination, potential for future conferences in Kingston if adequate space was available, and general market views on the Ontario business events market (interviewee list is included in Appendix B).
- Met with Kingston stakeholder representatives to discuss centre operating objectives and availability of operational data for other City facilities (interviewee list included in Appendix C).
- Analyzed key Kingston tourism indicators relevant to business events demand and compared these indicators with other comparable convention destinations.
- Reviewed recent primary research conducted by HLT on the performance of other similar convention centres.
- Analyzed other leading Ontario and Canadian convention facilities to understand provincial and national visitation and sales trends.
- Analyzed space usage of similar buildings as well as centre mandates (and resultant effect on demand) to understand demand profile.
- Projected optimal building space parameters and resulting event loads, operating proforma projections, and economic impact projections.
- Worked with Populous: Architectural Design (“Populous”) to determine optimal building program and order of magnitude capital costs.
- Based on operating projections and capital costs identified, assessed required cash flow from other site sources to earn a commercially reasonable rate of return for a private developer.

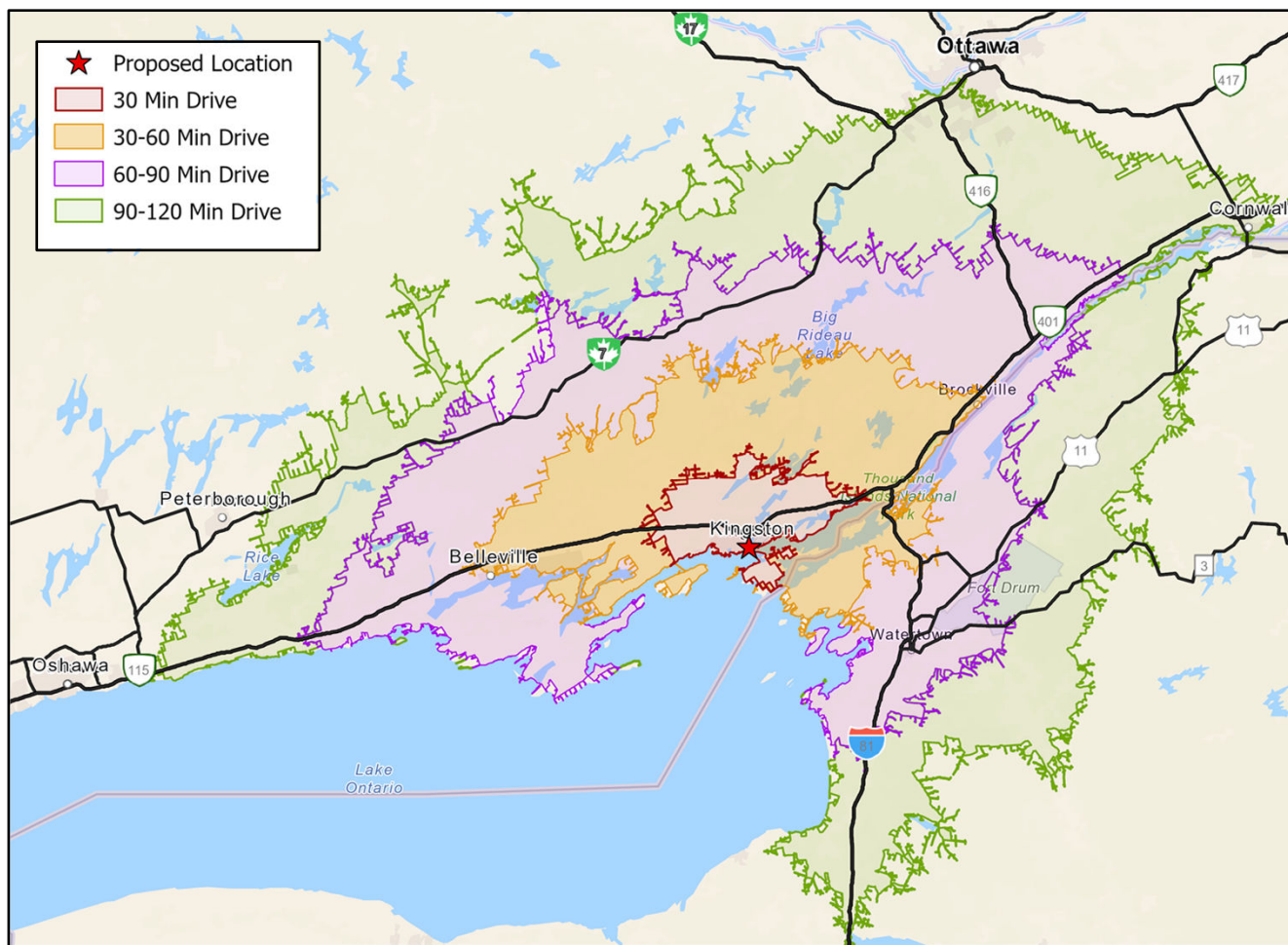
# OPERATING CONTEXT: KINGSTON AND REGION

# KINGSTON LOCATION

The City of Kingston is a major city in eastern Ontario situated at the head of Lake Ontario and the start of the St. Lawrence River.

Located midway along the Highway 401 corridor between Toronto and Montreal, Kingston is a ~2.5-hour drive from Toronto and ~2-hour drive from Ottawa.

The Kingston Census Metropolitan Area ("CMA") had 2021 population of 172,546. Based on 2021 census data, Kingston is the 24<sup>th</sup> largest CMA in Canada and the 10<sup>th</sup> largest CMA in Ontario.



# OPERATING CONTEXT: KINGSTON AND REGION

Between 2011 and 2021 (last completed census survey), the Kingston CMA experienced moderate growth in terms of population, representing a compound annual growth rate of 0.8%. A similar rate of population growth was experienced in the City of Kingston and, more broadly, in the Frontenac County region.

The Kingston CMA had a lower population growth rate compared to the Toronto CMA between the 2011 to 2021 time period. To be included in the CMA, adjacent municipalities must have a high degree of integration with the core, measured through commuting flows derived from data on place of work from the Census Program. The Kingston CMA includes the City of Kingston and the adjacent municipalities of South Frontenac, Frontenac Islands, and Loyalist Township.

Historical Population Growth						
Geography	Census Year			% Change		
	2011	2016	2021	2011-2016	2016-2021	2011-2021
City of Kingston	123,363	123,798	132,485	0.4%	7.0%	7.4%
Kingston CMA	159,561	161,175	172,546	1.0%	7.1%	8.1%
Frontenac County	149,753	150,475	161,780	0.5%	7.5%	8.0%
Toronto CMA	5,583,064	5,928,040	6,202,225	6.2%	4.6%	11.1%
Ottawa CMA	1,254,919	1,371,576	1,488,307	9.3%	8.5%	18.6%

Source: Stats Canada 2011, 2016 and 2021 Census of Population.

According to Pitney Bowes projections, Kingston’s CMA population is anticipated to continue to increase at an average rate of 1.1% annually between 2020 and 2030.

Projected Population Growth				
Geography	2020	2023	2025	2030
City of Kingston	134,844	138,442	141,242	147,843
Kingston CMA	175,513	180,636	184,566	193,977
Frontenac County	164,293	168,985	172,597	181,217
Toronto CMA	6,516,566	6,821,189	7,048,111	7,624,666
Ottawa CMA	1,442,598	1,512,321	1,564,133	1,695,386

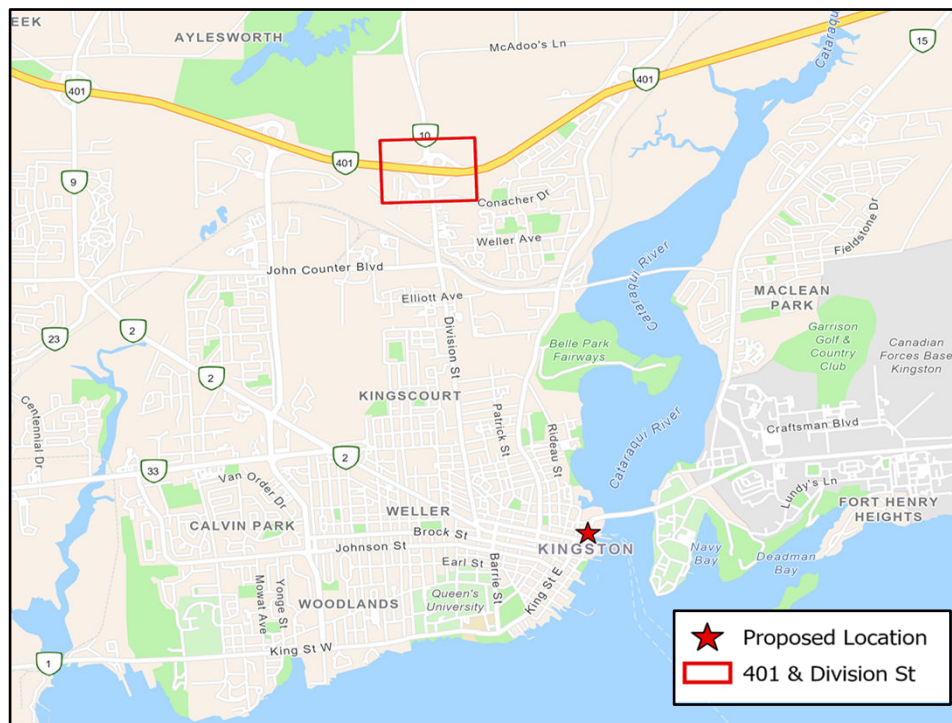
Source: HLT Advisory Inc based on Pitney Bowes Population Projections.

The Kingston CMA’s median household after-tax income in 2020 was \$73,500 based on 2021 Census data (ON media household income was \$79,500).



# OPERATING CONTEXT: KINGSTON AND REGION

A strength of Kingston is its connectivity to the Greater Toronto Area. The table on the right shows average daily traffic volumes at the Division St. exit of Highway 401 (the exit closest to the proposed facility). This table shows that traffic volume through Kingston is seasonal with, on average, a greater number of travelers through Kingston on a summer day than on a winter day.



Average Daily Traffic Flow Hwy 401				
Year	@ Division St			
	Annual	Summer	Summer Weekday	Winter
1988	19,400	28,100	25,800	14,400
1989	21,100	29,300	28,300	16,500
1990	22,000	27,900	24,400	18,000
1991	23,000	29,900	28,300	19,800
1992	31,000	40,300	38,400	26,400
1993	35,400	43,500	43,900	30,100
1994	32,700	42,500	40,500	27,800
1995	34,700	44,400	42,300	29,600
1996	36,700	48,300	47,000	30,200
1997	38,700	50,700	49,900	32,100
1998	40,600	52,400	52,000	32,900
1999	40,000	51,600	50,800	32,400
2000	41,200	53,100	52,300	33,800
2001	42,400	55,400	54,000	34,500
2002	43,600	56,700	55,500	35,900
2003	41,700	50,800	48,800	35,300
2004	43,600	53,600	51,100	36,800
2005	45,700	55,500	53,300	38,500
2006	40,100	48,600	46,700	33,900
2007	40,500	49,000	49,000	34,100
2008	41,000	49,600	49,200	34,600
2009	41,400	49,700	48,000	35,200
2010	41,900	50,200	48,500	35,400
2011	44,200	51,500	52,100	39,300
2012	44,700	53,500	52,700	37,800
2013	45,100	54,000	55,500	38,100
2014	45,500	53,600	53,300	38,800
2015	45,900	54,100	53,800	39,100
2016	46,400	54,700	54,300	39,500
2017	46,800	54,300	54,600	42,100
2018	47,200	54,800	55,200	42,400
2019	47,600	55,200	55,600	42,700

Source: Ontario Ministry of Transportation, Traffic Volumes 1988-2019.

# OPERATING CONTEXT: KINGSTON AND REGION (CONTINUED)

Exhibit A to Report Number 23-130

Kingston's largest employers are listed in order based on their number of employees.

The City's largest employers are in the military, education and healthcare sectors.

The private sector is not as prevalent as the public sector, with only public sector entities in Kingston employing 1,000 or more people.

The lack of private corporate head offices in the City may have an impact on meeting space demand, as head office locations can be drivers for the location of corporate meeting demand (e.g., corporate meetings often located proximate to a significant employee base).

Kingston does have emerging corporate businesses in the healthcare innovation and sustainable energy industries. While not currently the largest employers, these industries could support conference centre demand in the future.

Kingston Major Employers				
Company/Entity	Community	Industry	Public/Private	Approximate Employees
Canadian Forces Base Kingston	Kingston	Military	Public	8,440
Queen's University	Kingston	Education	Public	8,070
Kingston General Hospital	Kingston	Healthcare	Public	4,120
Limestone District School Board	Kingston	Education	Public	3,185
Correctional Services of Canada	Kingston	Law Enforcement	Public	2,540
Providence Care	Kingston	Healthcare	Public	1,750
City of Kingston	Kingston	Government	Public	1,280
Hotel Dieu Hospital	Kingston	Healthcare	Public	870
INVISTA	Kingston	Manufacturing	Private	700
Empire Life Insurance Company	Kingston	Financial	Private	630
St Lawrence College	Kingston	Education	Public	585
Ontario Ministry of Health	Kingston	Government	Public	530
J.E. Agnew Food Services	Kingston	Food Services	Private	500
Calian Technologies	Kingston	Technology	Private	450
Alstom	Bath	Transportation	Private	400
Bell Canada	Kingston	Telecommunication	Private	335
Novelis Work Manufacturing	Kingston	Manufacturing	Private	285
Tim Hortons (Distribution Centre)	Kingston	Food Services	Private	280
Comissionaires	Kingston	Security	Private	255
Assurant Solutions	Kingston	Financial	Private	250

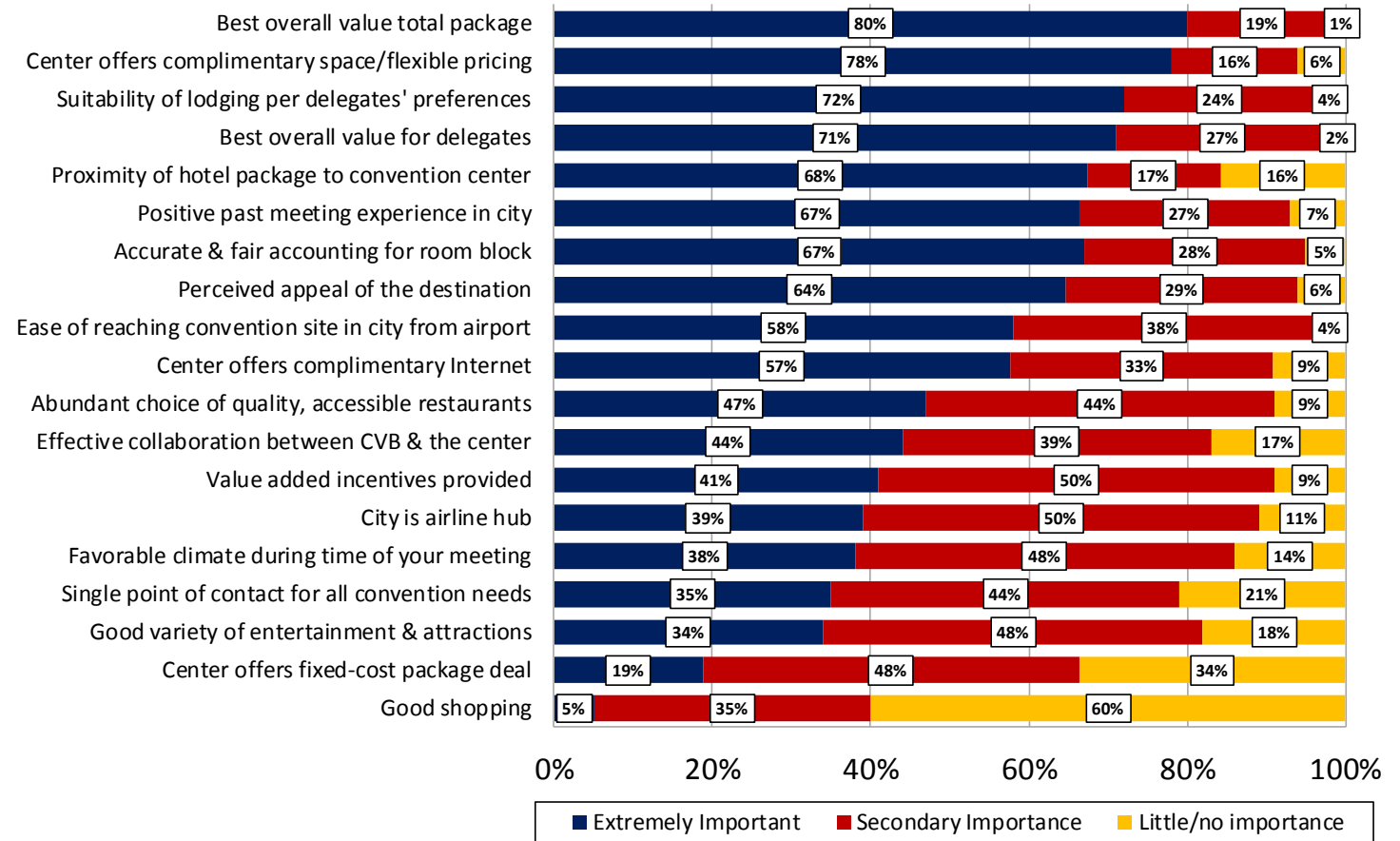
Source: Kingston Economic Development Corporation, accessed Oct 2022.

Meeting planners for conventions of all sizes are most focused on the costs, logistics and other practical aspects of a destination as the adjacent data sets out. (Venue size is omitted from these criteria as the ability to “fit” in the convention centre is a given before any method of destination evaluation.)

This data is sourced from Watkins Research Group, which conducts a biannual survey of meeting planners across North America. The ranking of these criteria in terms of importance has remained relatively consistent over the last number of studies.

Given the importance of the “overall package” it is important to assess destination related aspects (e.g. hotel supply, air access) when assessing a centre’s operations.

## Important factors in evaluation of the destination



Source: HLT Advisory Inc. based on Watkins Research Group data.



# CONVENTION CENTRE PRECINCT

The proposed site for the centre is located in downtown Kingston, across from the Leon's Centre. Situated between The Tragically Hip Way to the north, Ontario street to the east, Queen street to the south, and King street to the west, the proposed site is centrally located in Kingston's downtown.

Relevant characteristics of this centrally-located convention centre site include:

- 5 hotels (>50 rooms) within a 1km radius of the proposed centre.
  - Total hotel rooms – 728
  - Largest hotel – 197 room Holiday Inn Kingston
- While the 1-km radius represents typically accepted walking distance, a number of other hotel options are located within "shuttling" distance.
  - Donald Gordon Hotel and Howard Johnson shown on the map adjacent.
  - 4 hotels with 356 rooms located proximate to the 401 (5.7 kms from the site). *Note: not shown on adjacent map.*



Kingston Hotels (1km radius of proposed location)		
Label	Hotel	Guest Rooms
1	Confederation Place Hotel	95
2	Holiday Inn Kingston	197
3	Four Points by Sheraton	169
4	Delta Kingston Waterfront	126
5	Residence Inn	141
6	Donald Gordon Hotel and Conference Centre	80
7	Howard Johnson	64

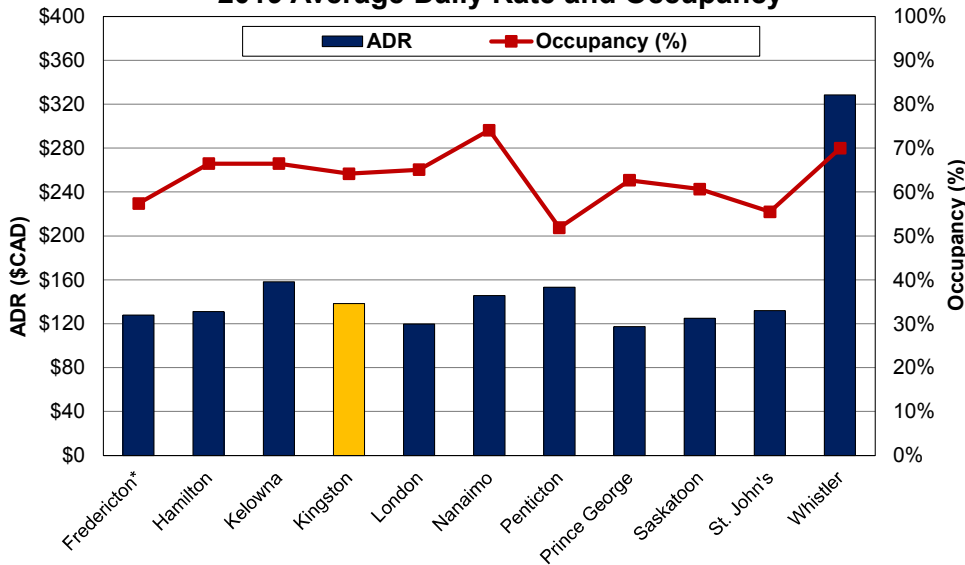
Source: HLT Advisory Inc. based on Tripadvisor and individual hotel websites.

# DESTINATION METRICS – HOTEL PERFORMANCE

Hotel accommodation (variety, proximity, quality) and access are among the most important meeting planner selection criteria, as is the cost of the hotel.

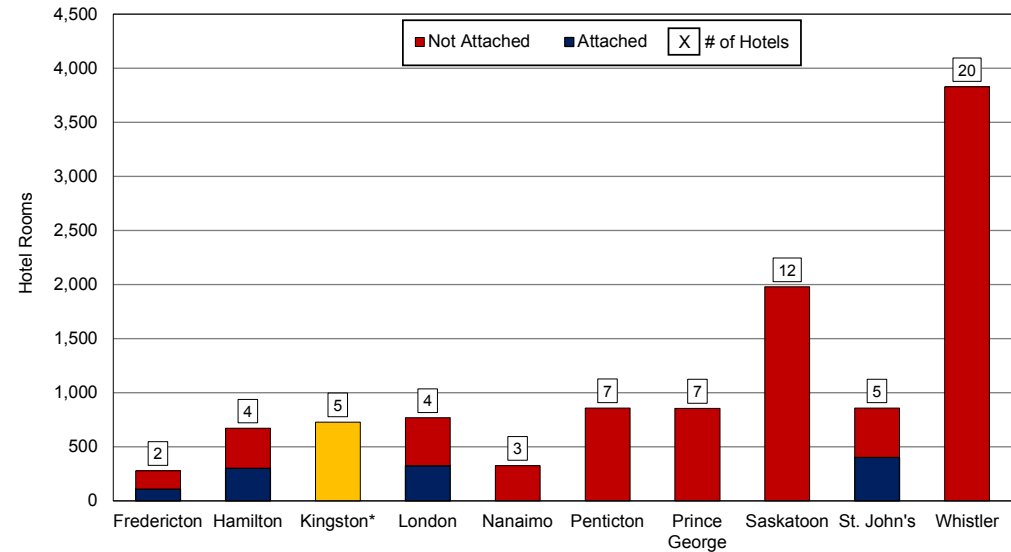
Kingston offers comparable hotel room inventory to many similar Canadian destinations (Saskatoon and Whistler are exceptions). While no hotel is attached currently to the location, a hotel may be a part of the mixed-use development. Three of the four attached hotels in comparable destinations exceed 300 rooms.

**Comparable Canadian Centre Cities - 2019 Average Daily Rate and Occupancy**



Source: HLT Advisory Inc. based on CBRE "Trends in Canadian Hotel Industry" Report, 2020 and STR Data for Tourism Kingston.  
 \*Data for Fredericton has been derived from "Other New Brunswick" location in CBRE report.

**Comparable Canadian Centres - Hotels (>50 Rooms) and Hotel Rooms within 1 Km**



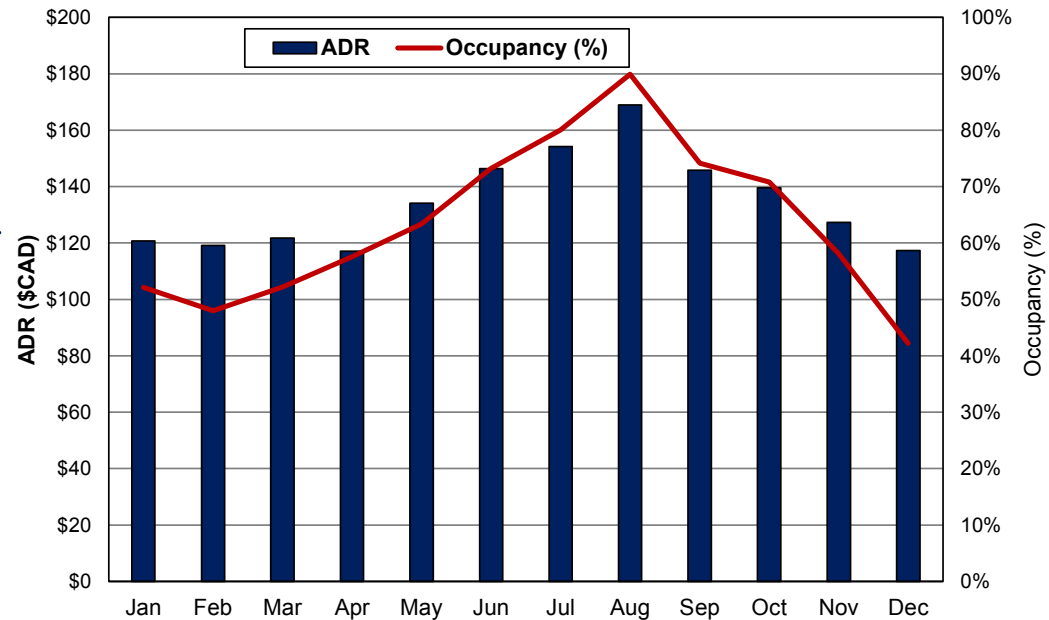
Source: HLT Advisory Inc. based on ESRI ARC GIS pro measurements, TripAdvisor and Individual hotel websites.  
 \* Intersection of Tragically Hip Way and Ontario St was used as a proxy for a central Kingston location.

Kingston's hotel room rates were relatively consistent with other comparable Canadian destinations in 2019 (with the exception of Whistler). Kingston's occupancy (64%) and average daily rate (\$139) were comparable to the average comparable city (excluding Whistler) hotel performance (Occ- 62% and ADR- \$136).

# DESTINATION METRICS – HOTEL PERFORMANCE

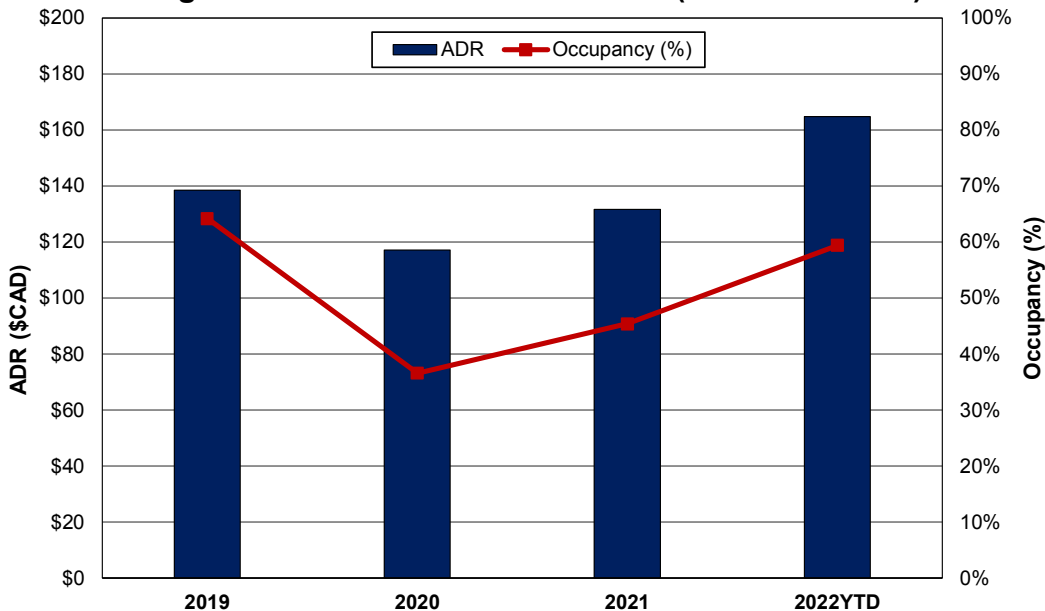
Kingston's hotel market demand is seasonal, with the highest occupancy (90%) and average daily rate (\$169) experienced in August. Both rate and occupancy, while still strong, are lower in the spring (April-June) and fall (September-October) (average Occ- 68% and ADR- \$137). The spring and fall are typically peak demand periods for Canadian convention centres.

Kingston 2019 Monthly Hotel Occupancy and ADR



Source: HLT Advisory Inc. based on STR data for Tourism Kingston.

Kingston Market Hotel Performance (2019-2022YTD\*)



Source: HLT Advisory Inc. based on STR data for Tourism Kingston.  
\*YTD as of Nov 12, 2022.

Like many hospitality industries, Kingston's hotel market was significantly impacted by the pandemic. Occupancy decreased below 50% in each of 2020 and 2021. Year-to-date performance in 2022 is exceeding 2019 performance in average daily rate with comparable occupancy levels. It should be noted year-to-date data does not include complete months for November and December, typically the lowest performing months in Kingston.

# DESTINATION METRICS – TRAIN ACCESS DATA

In addition to accommodations, a number of key destination metrics for meeting planners are related to the ability and ease of delegates travelling to a destination (e.g., ease of reaching convention centre from the airport, city is an airline hub).

Transportation to Kingston is predominantly done by car or by rail, as airport accessibility is limited (see following page). Car accessibility and traffic volumes were outlined previously on p. 8 of this report.

In addition to strong drive-in access, Kingston is also easily accessible from a number of destinations by VIA Rail train. Toronto, Montreal, and Ottawa all have 6 or more daily trains to Kingston with travel times of less than 3 hours. The VIA Rail train station is located an approximately 15-minute drive from the contemplated conference centre site.

Demand for train service was impacted by the pandemic with significantly reduced passenger volumes in 2020 and 2021. From 2017-2019, the VIA Rail train service along the Montreal-Ottawa-Toronto corridor (which stops in Kingston) serviced ~45,000 passengers weekly and ~2.5 million passengers annually.

Kingston VIA Rail Service Schedule			
From	Destination	Frequency	Duration* (Hrs:Mns)
Kingston	Toronto	14x Daily	2:30
Kingston	Ottawa	8x Daily	2:15
Kingston	Montreal	6x Daily	2:45
Toronto	Kingston	14x Daily	2:30
Ottawa	Kingston	8x Daily	2:15
Montreal	Kingston	6x Daily	2:45

Source: HLT Advisory Inc. based on Via Rail published schedules for Toronto Kingston Ottawa and Toronto Kingston Montreal corridors. (Accessed November 2022)

\*Approximate trip duration as scheduled travel times vary throughout day/week.

VIA Rail Passenger Volumes (Montreal-Ottawa-Toronto corridor)		
Year	Weekly	Yearly
2021	15,779	820,506
2020	11,121	578,299
2019	46,681	2,697,438
2018	48,681	2,531,393
2017	45,566	2,369,449

Source: HLT Advisory Inc. based on VIA Rail annual reports.



# DESTINATION METRICS – AIR TRAFFIC

Air access to Kingston is limited with Pascan Aviation providing 2x daily air service from Montreal to Kingston prior to the pandemic. These flights have been paused indefinitely as of January 6, 2023.

Additionally, approval for FlyGTA to fly from Billy Bishop Airport in Toronto to Kingston has been received by the airline, but no schedule or flight details have been provided.

As the chart opposite bottom shows, Kingston’s air connectivity is significantly worse than comparable Canadian destinations.

While provincial and regional delegates are content driving or taking a train to access a conference destination, the lack of air connectivity will be a competitive hurdle for Kingston in attracting national and international conference demand.

While many comparable destinations require a connecting flight for national and international delegates to reach the destination, connections via train and/or shuttle create logistical challenges compromising Kingston’s competitive position in attracting this segment of business.

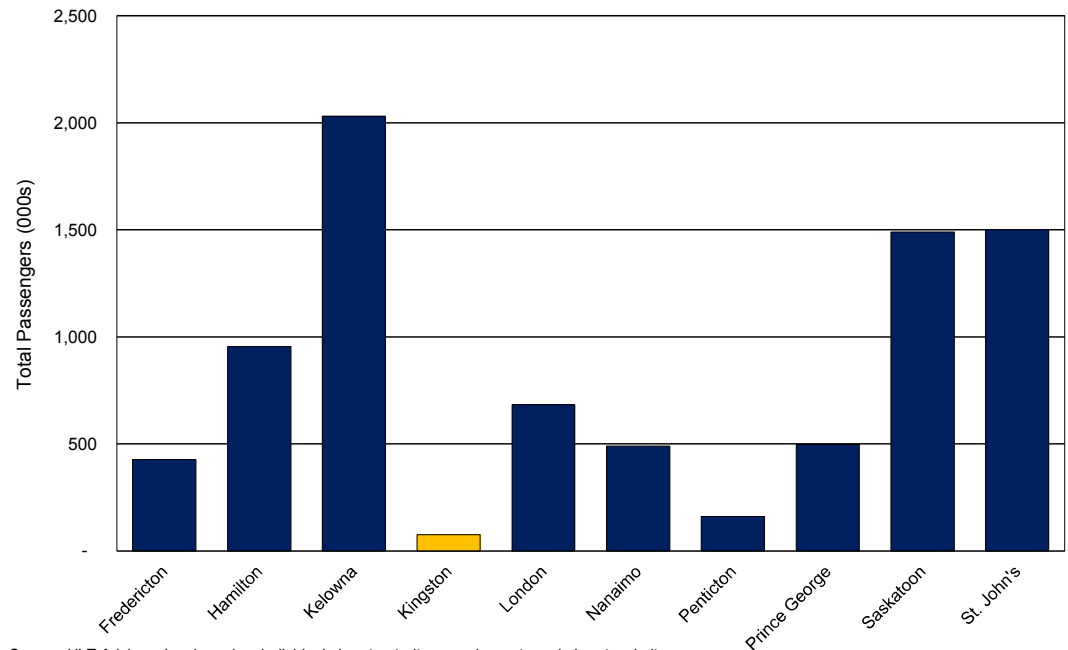
Kingston Airport Information			
Airline	Destination	Frequency	Duration
Pascan Aviation**	Montreal	2x Daily	1 Hour
Air Canada**	Operated by Pascan (Montreal + Connections)		
Air Transat**	Operated by Pascan (Montreal + Connections)		
FlyGTA**	Toronto (Billy Bishop)	TBD	TBD

*Source: HLT Advisory based on Kingston Airport information and individual airline websites.*

*\*\*Air Canada and Air Transat utilize Pascan Aviation to shuttle passengers from Kingston to Montreal Trudeau and connections. These flights will be paused indefinitely as of January 6th, 2023.*

*\*\*Approval has been received but flight schedule not yet published.*

Passenger Volumes at Airports Near Comparable Cities  
2019



Source: HLT Advisory Inc. based on individual airport authority annual reports and airport websites.



# KINGSTON OPERATING CONTEXT – IMPLICATIONS FOR BUSINESS EVENTS DEMAND

Exhibit A to Report Number 23-130

Based on HLT's analysis of the current Kingston operating context, the following implications related to business events demand have been identified:

- Kingston is a growing city in terms of population, and this growth is forecasted to continue through 2030.
- Kingston's major employers are primarily public sector companies in the military, education, and healthcare sector. The lack of private corporate head offices in the City may have an impact on meeting space demand, as head office locations can be drivers for the location of corporate meeting demand.
- Kingston offers comparable hotel room inventory to many similar Canadian destinations. Additionally, hotel room rate and occupancy are comparable to many similar sized Canadian destinations. Seasonality of hotel demand (high occupancy and rates in the summer) may limit availability for conference centre events in the summer (traditionally lower demand period for conference centres).
- Kingston has good access from the Greater Toronto Area and Ottawa by both car (via the 401) and by train (VIA rail service). This makes Kingston an attractive destination for provincial groups, which generally have significant delegate bases in both the GTA and Ottawa.
- Air access to Kingston is limited when compared to other comparable Canadian destinations. While many comparable destinations require a connecting flight for national and international delegates to reach the destination, connections via train and/or shuttle create logistical challenges compromising Kingston's competitive position in attracting this segment of business.

# KINGSTON CONFERENCE CENTRE MARKET ANALYSIS

# KINGSTON CONFERENCE/TRADE SHOW FACILITIES

Business events demand in the Kingston market is currently serviced by a combination of standalone convention and trade show facilities as well as hotels with meeting space.

The table opposite top summarizes standalone convention and trade show facilities in the Kingston market. The largest venues currently hosting consumer and trade shows are sports complexes (Kingston 1000 Islands Sportsplex and Leon's Centre) with large flat floor space designed for other purposes and limited breakout space. Kingston 1000 Islands Sportsplex is not currently operational and future operations are uncertain.

The other three venues (each with no single space larger than 3,500 sf) are venues at local educational institutions, predominantly used for school related events.

The table opposite bottom summarizes meeting space currently available at hotels in the Kingston market. The largest space available currently in the market is the 7,200 sf Ambassador Hotel & Conference Centre ballroom (soon will be re-branded is a Hilton). The Four Points by Sheraton has the most total rentable meeting sf available in the market (~20,000 sf).

Kingston Standalone Convention and Trade Show Facilities				
Venue	Location	Rentable Space (ft <sup>2</sup> )	Largest Room (ft <sup>2</sup> )	Meeting Rooms
Kingston 1000 Islands Sportsplex*	Westbrook	113,000	100,000	n.a.
Leon's Centre	Kingston	40,350	17,000	7
Isabel Bader Centre for Performing Arts (Queen's University)**	Kingston	10,564	3,340	10
Tett Centre for Creativity and Learning	Kingston	6,300	1,600	4
St Lawrence College Event, Conference and Banquet Centre	Kingston	5,500	1,200	10

*Source: HLT Advisory Inc based on individual venue websites and Tourism Kingston meeting planning website.*  
*\*Sportsplex is an artificial turf field covered by a dome. The venue is not currently operational. Previously hosted the Kingston Boat show and Home and Garden show.*  
*\*\*HLT estimated the largest room size assuming 6ft<sup>2</sup> per theatre seat.*  
*n.a. Information not available.*

Kingston Convention Hotel Meeting Space						
Venue	Location	Rentable Space (ft <sup>2</sup> )	Largest Room (ft <sup>2</sup> )	Meeting Rooms	Guest Rooms	Meeting Space (ft <sup>2</sup> )/ Hotel Room
Ambassador Hotel & Conference Centre*	Kingston	14,000	7,200	10	251	55.8
Four Points by Sheraton	Kingston	19,205	4,559	12	169	113.6
Quality Inn Kingston Central	Kingston	13,419	5,600	6	95	141.3
Holiday Inn Kingston Waterfront	Kingston	9,511	3,468	8	197	48.3
Confederation Place Hotel	Kingston	9,000	n.a.	7	95	94.7
Donald Gordon Hotel and Conference Centre	Kingston	8,088	2,145	15	80	101.1
Delta Kingston Waterfront	Kingston	5,861	2,242	6	126	46.5
Residence Inn Kingston Water's Edge	Kingston	5,631	4,032	4	141	39.9

*Source: HLT Advisory Inc based on TripAdvisor, individual hotel websites and Tourism Kingston meeting planning website.*  
*\*Currently undergoing renovations. Will re-open branded as a Hilton. Space and rooms are estimates.*  
*n.a. Not Available*

# MARKET AREA DEFINITION – KINGSTON PROXIMITY TO OTTAWA AND TORONTO

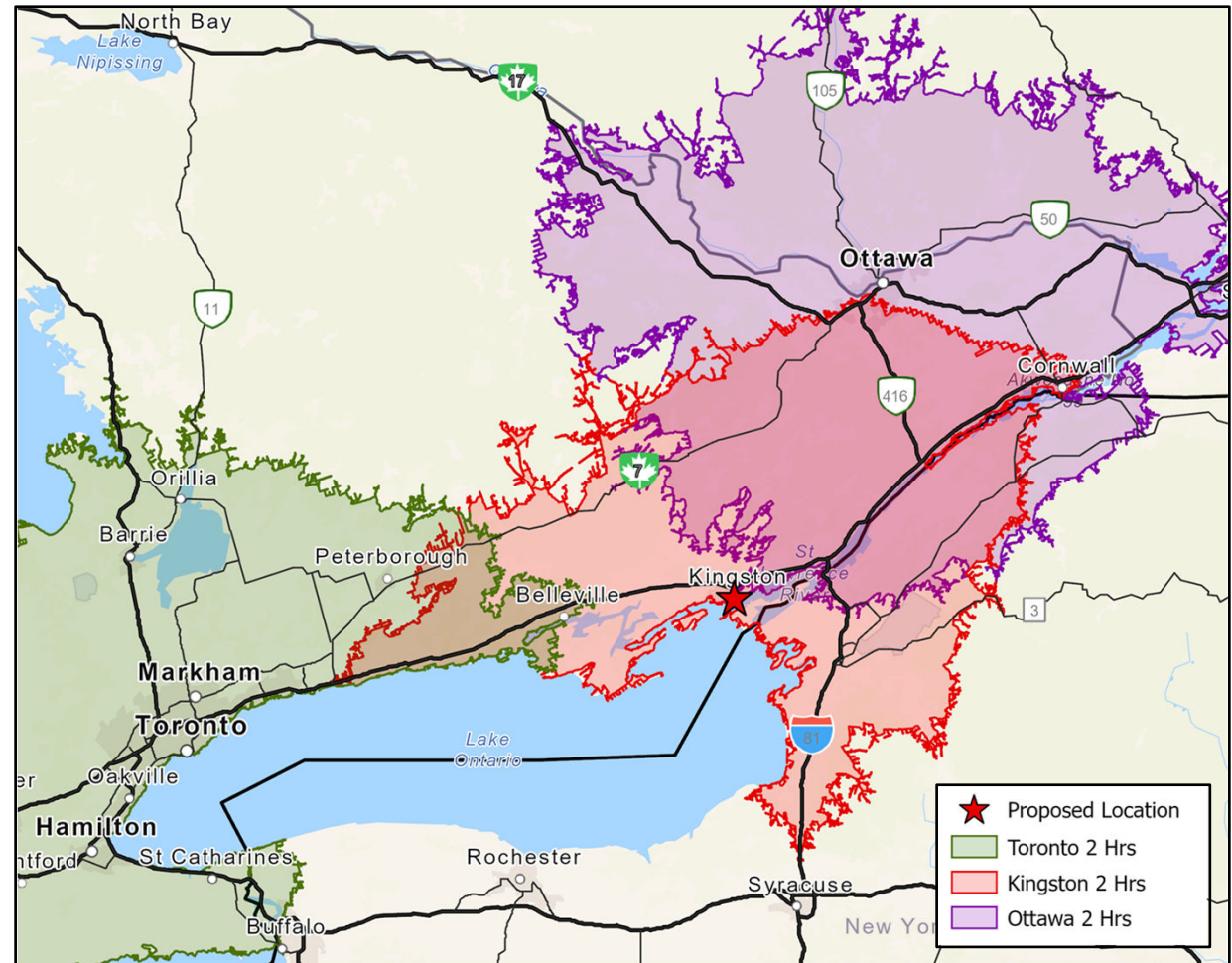
Exhibit A to Report Number 23-130

Kingston is situated along the 401 between major centres in Toronto (largest CMA in Canada) and Ottawa (4<sup>th</sup> largest CMA in Canada).

The map opposite shows a 2-hour drivetime from Toronto, Ottawa, and Kingston.

For provincial and national conferences, a significant proportion of the delegate base is likely based in these two destinations. Given Kingston's proximity to both these destinations, competition for provincial and national conferences will often come from destinations similarly proximate to Toronto (2-3 hour drivetime) or Ottawa (2-hour drivetime).

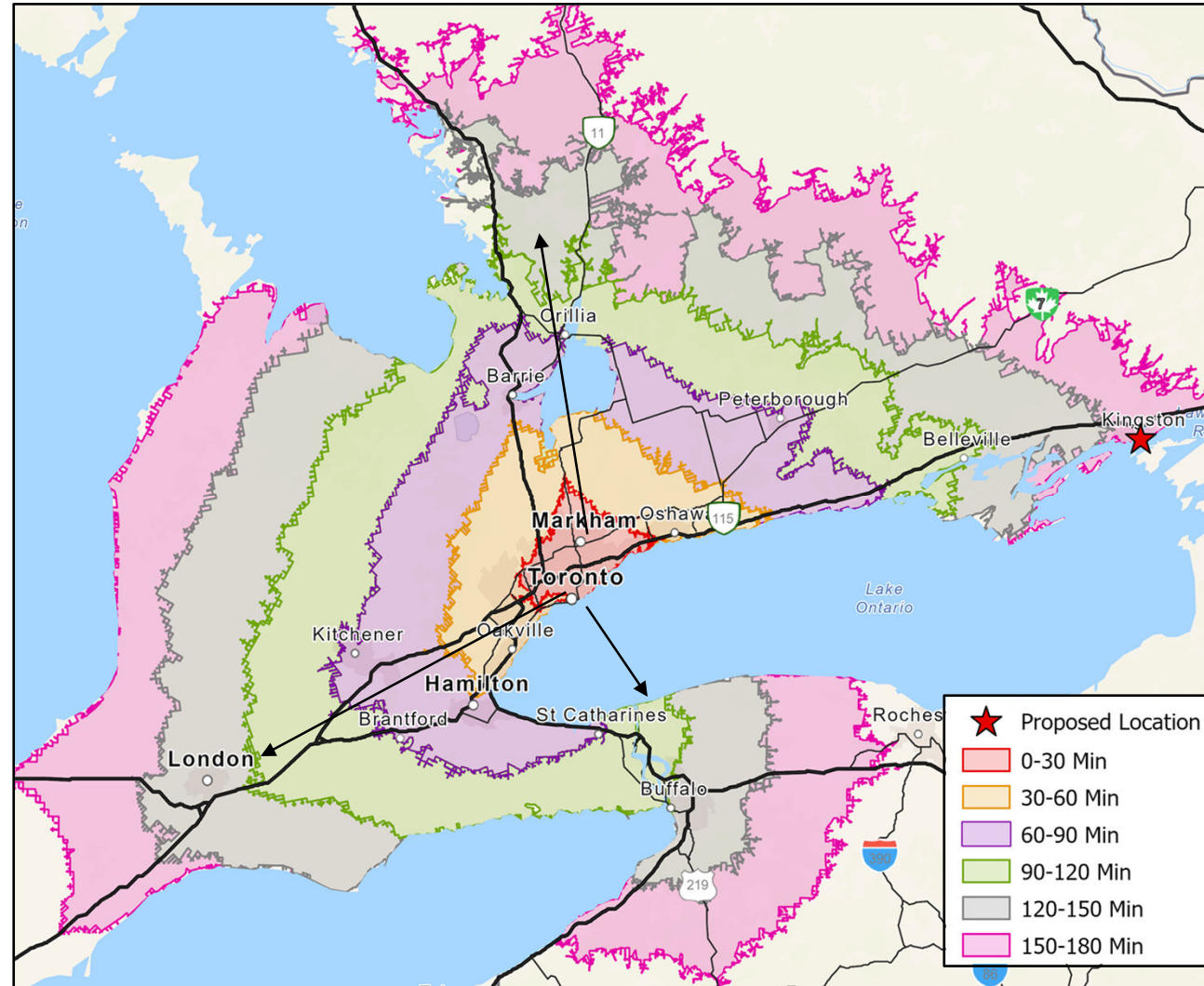
To assess relevant competitive venues, HLT assessed both venues proximate to the Greater Toronto Area ("GTA") and to the Ottawa region.



# MARKET AREA DEFINITION – PROXIMITY TO GTA

Within a 180-minute drive of Toronto you can reach the United States border to the south, the City of London to the west, beyond Orillia to the north, and Kingston to the east.

There are many regional events that are generated from the GTA, and provincial events with a large concentration of delegates from the GTA. Key considerations are that the venue is a reasonable drive from the GTA, provides for good year-round highway access, the facilities are useful and attractive and that there are attractive local amenities in the vicinity. As shown on the map, Kingston is located within 180 minutes of the geographic centre of Toronto. A high-quality conference facility in Kingston will compete with those in Niagara Falls, London and Muskoka area for meeting planners that are looking to host their meeting proximate to the GTA but do not want to host the event in Toronto.



Drive Times from Toronto (Yonge St and 401)	
Destination	Drive Time (hrs)
Hunsville	2.00
Rousseau	2.25
Blue Mountain	2.25
Barrie	1.00
Kitchener	1.25
London	2.00
Niagara Falls	1.50
Niagara on the Lake	1.50

Source: HLT Advisory Inc. based on google maps drive times.

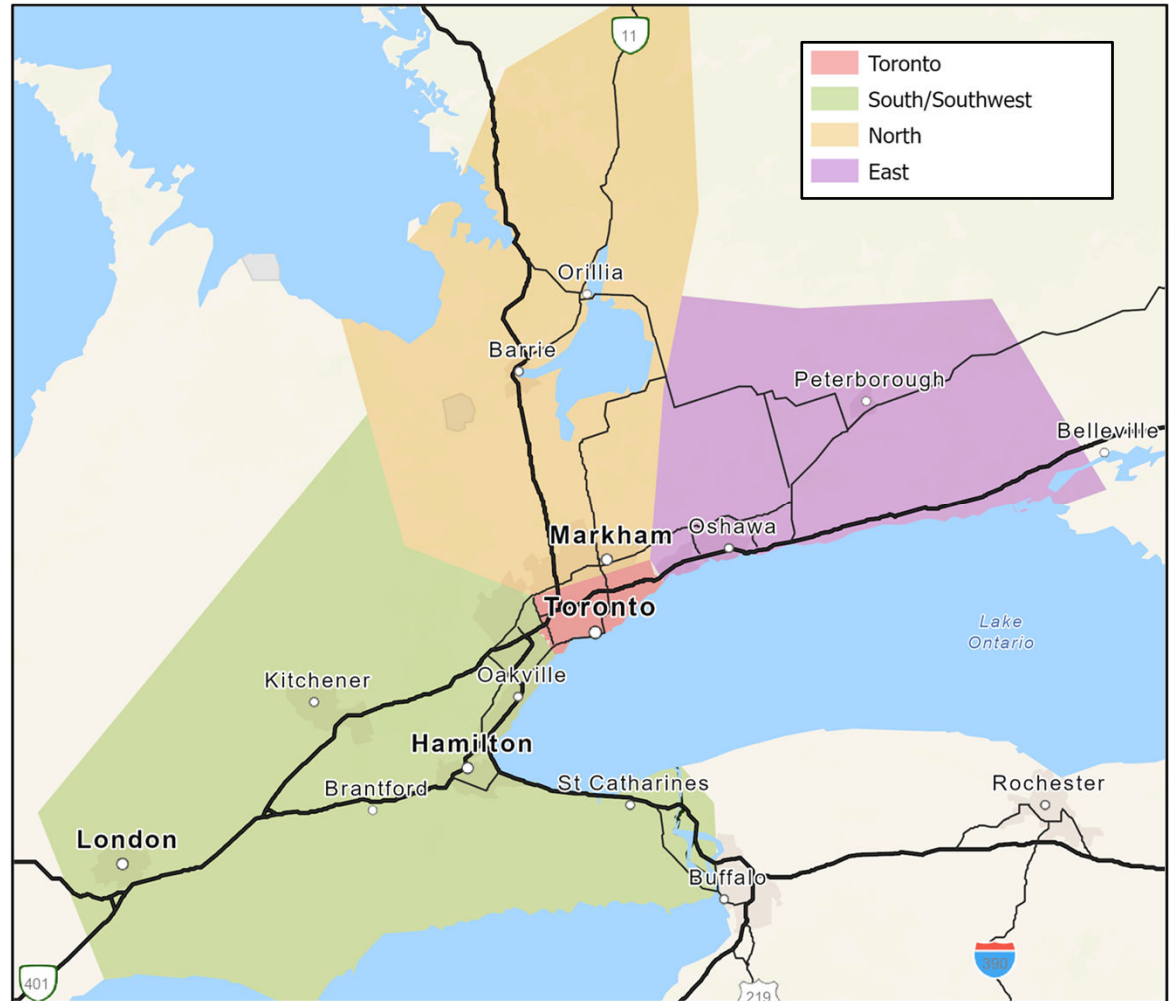


# MARKET AREA DEFINITION – PROXIMITY TO GTA

Facilities currently serving the GTA market business events demand were grouped by region for analysis purposes.

HLT defined regions south/southwest of Toronto (coloured green), north of Toronto (coloured orange), east of Toronto (coloured purple) and in Toronto (coloured red).

These defined regions are referred to on the following pages when detailing existing meeting supply and this map can be used as reference regarding the location of these facilities proximate to Toronto.



# MEETING AND CONVENTION FACILITY SUPPLY – GTA

Exhibit A to Report Number 23-130

## PROXIMATE

Numerous conference, banquet and special event facilities operate in regions surrounding Toronto. Many are stand-alone facilities that do not have hotel rooms.

The table below presents a summary of the conference centres and banquet facilities in the region that are not associated with a hotel or resort. The majority of these facilities are located south/southwest of the GTA or north of the GTA. Of the three facilities identified east of the GTA, two venues primarily operate with a focus on sporting events (Canadian Tire Motorsport Park and Peterborough Memorial Centre). The other facility east of the GTA (Ajax Convention Centre) primarily operates as a banquet facility hosting weddings.

Standalone Meeting Space Proximate to the GTA					
Venue	Location	Rentable Space (ft <sup>2</sup> )	Largest Room (ft <sup>2</sup> )	Meeting Rooms	
Niagara Falls Convention Centre	Niagara Falls	167,920	81,100	21	South/Southwest
Markham Fairgrounds	Markham	79,000	30,000	6	North
Hamilton Convention Centre	Hamilton	53,715	19,662	32	South/Southwest
RBC Place London	London	48,280	33,033	12	South/Southwest
Bingeman's Conference and Event Centre	Kitchener	46,831	18,000	9	South/Southwest
Blue Mountain Conference Centre	Collingwood	43,503	23,324	25	North
The Grand Olympia*	Hamilton	40,000	12,000	5	South/Southwest
Canadian Tire Motorsport Park	Bowmanville	31,500	23,000	5	East
Paradise Banquet & Convention Centre	Concord	30,280	11,022	6	North
Rivera Event Space	Concord	29,415	12,032	16	North
Ancaster Fairgrounds	Jerseyville	24,000	10,400	11	South/Southwest
Peterborough Memorial Centre	Peterborough	23,040	16,250	1	East
Paramount Event Space	Woodbridge	21,516	16,898	6	North
The Royal Ambassador Event Centre	Caledon East	16,555	7,770	5	North
Crystal Fountain	Markham	15,000	12,000	3	North
Chateau Le Jardin Conference and Event Venue	Vaughan	12,000	12,000	3	North
The Garden Banquet and Convention Centre	Brampton	11,241	9,058	5	South/Southwest
The Manor Event Centre	King	11,020	4,368	4	North
Ajax Convention Centre	Ajax	10,786	9,102	3	East
Bellagio Event Venue	Vaughan	10,659	6,400	3	North

Source: HLT Advisory Inc based on individual centre websites and DMO websites.  
 \* HLT estimated largest ballroom using published max capacity of 1000 people and assuming 12 sq.ft/person banquet style.

# MEETING AND CONVENTION FACILITY SUPPLY – GTA

Exhibit A to Report Number 23-130

## PROXIMATE

The table below presents a summary of the hotel and resorts with meeting space in the area by region. All significant convention hotels identified are located north or south/southwest of the GTA.

Convention Hotel Meeting Space Proximate to the GTA						
Venue	Location	Rentable Space (ft <sup>2</sup> )	Largest Room (ft <sup>2</sup> )	Meeting Rooms	Guest Rooms	Meeting Space (ft <sup>2</sup> )/Hotel Room
White Oaks Conference Resort and Spa	Niagara on the Lake	67,000	24,780	13	220	304.5
Nottawassaga Inn Resort and Conference Centre	Alliston	54,300	20,358	34	269	201.9
Deerhurst Resort	Muskoka	40,000	11,000	26	400	100.0
Casino Rama Resort	Orillia	40,000	6,600	9	289	138.4
Sheraton Fallsview	Niagara Falls	35,524	14,190	17	669	53.1
Hilton Toronto Markham Suites	Markham	34,993	14,036	28	502	69.7
Hilton Mississauga Meadowvale	Mississauga	34,272	9,041	27	372	92.1
Sheraton Parkway Toronto North	Richmond Hill	30,750	10,030	27	308	99.8
JW Marriott Rousseau	Minet	26,464	6,480	17	221	119.7
Embassy Suites	Niagara Falls	23,145	9,547	10	565	41.0
Queen's Landing	Niagara on the Lake	22,676	4,756	18	140	162.0
Kingsbridge Centre	King City	22,365	1,148	43	124	180.4
The Inn of Waterloo	Waterloo	21,865	8,396	19	79	276.8
Marriott on the Falls	Niagara Falls	21,684	8,470	14	404	53.7
Double Tree	London	21,635	12,303	14	323	67.0
Four Points London	London	21,521	6,630	15	180	119.6
Blue Mountain Inn	The Blue Mountains	20,038	5,913	22	98	204.5
Americana Conference Resort Spa	Niagara Falls	20,000	10,660	13	200	100.0
Best Western Lamplighter Inn	London	20,000	7,000	15	172	116.3
Horsehoe Resort	Barrie	16,000	4,050	11	141	113.5
Towneplace Suites by Marriott	Brantford	15,800	8,000	4	100	158.0
Crowne Plaza Kitchener-Waterloo	Kitchener	15,000	4,800	7	201	74.6
Crowne Plaza Fallsview	Niagara Falls	15,000	8,404	11	234	64.1
Fern Resort	Orillia	14,000	5,280	7	105	133.3
Edward Hotel Markham	Markham	13,240	3,000	15	204	64.9
DoubleTree Fallsview by Hilton	Niagara Falls	13,088	4,423	10	224	58.4
Delta Hotels by Marriot Guelph Conference Centre	Guelph	13,066	6,300	11	148	88.3
Cambridge Hotel and Conference Centre	Cambridge	13,000	4,035	10	138	94.2
Hilton Niagara Falls	Niagara Falls	12,000	5,371	5	1,083	11.1
Pillar and Post Inn & Spa	Niagara on the Lake	11,542	2,926	11	122	94.6
Hockley Valley	Mono	10,402	5,544	13	108	96.3
Double Tree Kitchener	Kitchener	10,000	6,243	8	75	133.3

South/Southwest
North
East

Source: HLT Advisory Inc based on individual hotel websites, DMO websites and hotel sales agents.



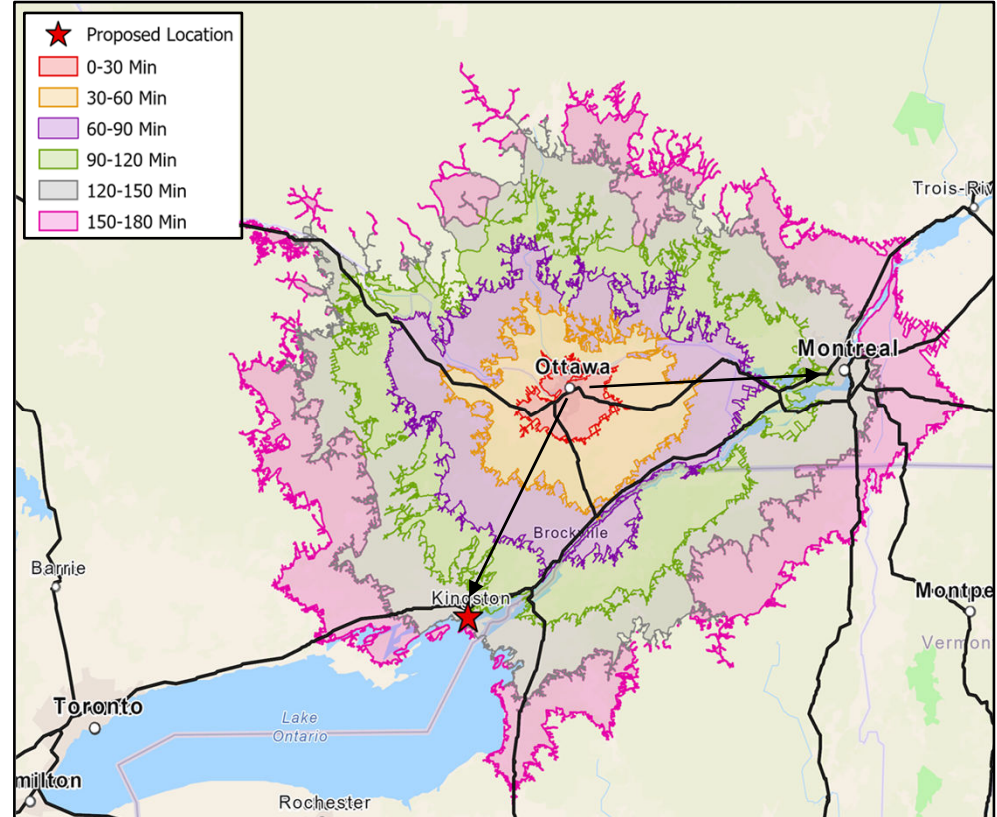
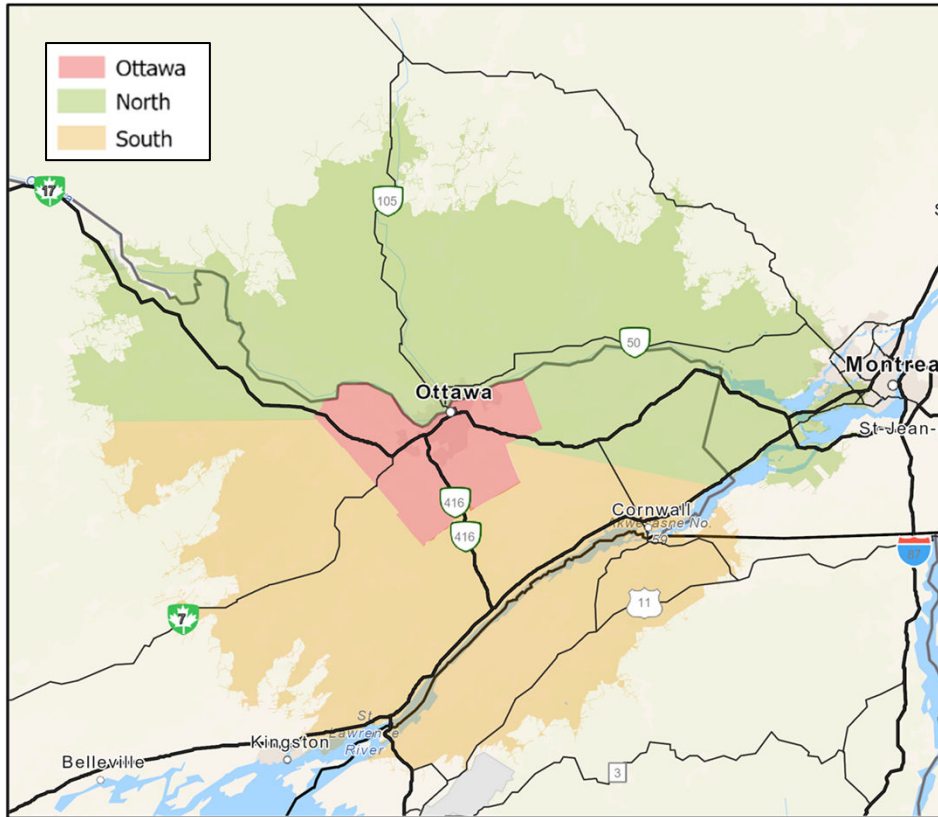
# MARKET AREA DEFINITION – PROXIMITY TO OTTAWA

Ottawa is also a significant generator of business events demand, particularly due to its large government business segment as Canada’s capital. While Ottawa itself has significant business event facility supply, Ottawa delegates can also reach Kingston in a 2-hour drive south, Mont Tremblant in a 2-hour drive north, and Montreal in a 2-hour drive east (shown in the map bottom right).

HLT also segmented areas proximate to Ottawa into the south region (coloured orange), the north region (coloured green), and the Ottawa region (coloured red).

Destination	Drive Time (hrs)
Kingston	2.00
Mont Tremblant	2.00
Montreal	2.25

Source: HLT Advisory Inc. based on google maps drive times.



# MEETING AND CONVENTION FACILITY SUPPLY – OTTAWA

Exhibit A to Report Number 23-130

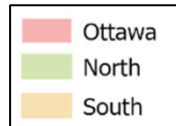
## PROXIMATE

The tables below outline venues with significant meeting space in Ottawa and the surrounding region.

The table opposite summarizes standalone meeting space in Ottawa and surrounding region. The majority of standalone meeting space serving the Ottawa region is located in Ottawa. Only the Cornwall Civic Complex which primarily serves as an arena, is located south of the Ottawa market

Ottawa Standalone Meeting Space				
Venue	Location	Rentable Space (ft <sup>2</sup> )	Largest Room (ft <sup>2</sup> )	Meeting Rooms
EY Centre	Ottawa	220,000	150,489	16
Shaw Centre Ottawa	Ottawa	192,000	55,500	25
Palais des Congres de Gatineau	Gatineau	55,000	26,668	5
Cornwall Civic Complex	Cornwall	31,080	8,800	3
Centurion Conference & Event Centre	Ottawa	15,156	8,100	3
Infinity Convention Centre	Ottawa	15,000	15,000	3
St Elias Centre	Ottawa	11,500	11,500	n.a.
The Wabano Meeting and Event Centre	Ottawa	11,143	7,320	5
Camp de Base	Mont-Tremblant	10,500	5,019	12

Source: HLT Advisory Inc based on individual centre websites and DMO websites.



The table opposite bottom summarizes hotels with significant standalone meeting space. The majority of these hotels are located in Ottawa or Mont Tremblant. The Dev Centre and the Ramada by Wyndham Cornwall is the only hotel located south of the Ottawa market with 10,000 or more sf of rentable meeting space. The Dev Centre new owner Devcore has announced significant re-development plans for the site, mainly centred on increased residential and hotel capacity.

Overall, there is limited meeting supply located south of the Ottawa market.

Ottawa Convention Hotel Meeting Space						
Venue	Location	Rentable Space (ft <sup>2</sup> )	Largest Room (ft <sup>2</sup> )	Meeting Rooms	Guest Rooms	Meeting Space (ft <sup>2</sup> )/Hotel Room
Dev Centre	Cornwall	58,000	9,600	63	550	105.5
Hilton Casino Lac Leamy	Gatineau	53,206	15,812	7	349	152.5
The Westin Ottawa	Ottawa	48,700	16,650	33	492	99.0
Ottawa Conference and Event Centre*	Ottawa	43,000	10,823	37	574	74.9
Delta Ottawa City Centre	Ottawa	36,399	9,840	19	410	88.8
Ottawa Marriott Hotel	Ottawa	36,162	6,365	26	482	75.0
Fairmont Chateau Laurier	Ottawa	36,000	5,886	18	429	83.9
Brookstreet Conference Hotel	Ottawa	23,488	7,200	25	276	85.1
Fairmont Tremblant	Mont-Tremblant	22,000	8,448	18	314	70.1
Fairmont Chateau Montebello	Montebello	17,000	4,200	29	210	81.0
Le Grand Lodge Tremblant	Mont-Tremblant	14,000	n.a.	14	112	125.0
Lord Elgin Hotel	Ottawa	13,000	2,200	15	355	36.6
Holiday Inn Express Mont Tremblant	Mont-Tremblant	10,500	4,851	12	141	74.5
Ramada by Wyndham Cornwall	Cornwall	10,000	n.a.	9	112	89.3

Source: HLT Advisory Inc based on individual hotel website and DMO websites.

\* Ottawa Conference and Event Centre attached to 393 room Courtyard by Marriott and 179 Room Hampton Inn by Hilton

n.a. Not Available

# COMPETITIVE VENUES (OTHER ON/CANADA)

HLT annually benchmarks the performance of 21 convention centres on behalf of Convention Centres of Canada. These centres are grouped in to "Tiers" based on gross convention and meeting revenue.

The proposed Kingston conference centre is comparable to Tier 1 and some Tier 2 centres in terms of supply. The table opposite also includes Tier 3 (Shaw Centre Ottawa and Scotia Bank Convention Centre) and Tier 4 (Metro Toronto Convention Centre) convention centres based in Ontario. To the extent that the proposed centre competes for provincial and national association meetings business, these buildings would represent their primary competitors.

The majority of Tier 1 and Tier 2 centres have exhibit/ballroom to meeting space ratios of approximately 2 to 1. Those with higher ratios are generally older buildings and in many cases are looking to add additional breakout space to meet market demand. Based on HLT's experience, the industry is trending toward requiring more breakout space to host conference events.

HLT's knowledge of these comparable Tier 1 and Tier 2 purpose built convention centres (as well as other comparable Canadian venues from HLT's past experience) has informed the recommended space program, the projected event load, and the pro forma projections and the economic impact. Where appropriate, HLT has included a comparison of projections for the Kingston conference centre to comparable Canadian convention centres. These comparable Canadian convention centre statistics are based on actual operating results from venues across Canada.

Canadian Tier 1, Tier 2 and Other Ontario Convention Centres							
Convention Centre	City	Convention Centre "Tier"**	Exhibit Space (s.f.)	Ballroom Space (s.f.)	Meeting Space (s.f.)	Total Rentable Space (s.f.)	Exhibit Ballroom to Meeting Ratio
Metro Toronto Convention Centre	Toronto	Tier 4	442,000	28,000	101,978	571,978	4.6
Evraz Place	Regina	Tier 2	357,845	20,178	22,165	400,188	17.1
Scotiabank Convention Centre	Niagara Falls	Tier 3	81,140	16,955	34,470	132,565	2.8
Ottawa Convention Centre	Ottawa	Tier 3	55,741	19,032	45,915	120,688	1.6
TCU Place	Saskatoon	Tier 2	23,000	22,400	22,530	67,930	2.0
RBC Place	London	Tier 2	-	33,033	15,247	48,280	2.2
St. John's Convention Centre	St. John's	Tier 2	27,150	-	9,921	37,071	2.7
Penticton Trade & Convention Centre	Penticton	Tier 1	13,590	15,620	5,934	35,144	4.9
Vancouver Island Conference Centre	Nanaimo	Tier 1	-	13,697	20,520	34,217	0.7
Whistler Convention Centre	Whistler	Tier 2	-	16,500	8,837	25,337	1.9
Prince George Civic Centre	Prince George	Tier 1	18,000	-	4,800	22,800	3.8
Fredericton Convention Centre	Fredericton	Tier 1	-	12,490	7,354	19,844	1.7

Source: HLT Advisory Inc. based on publicly available centre information.  
 \*\*Tiers are based on Convention Centres of Canada Report classification (gross meeting and convention revenue).

# KINGSTON CONFERENCE CENTRE MARKET ANALYSIS – IMPLICATIONS FOR BUSINESS EVENTS DEMAND

Exhibit A to Report Number 23-130

Based on HLT's analysis of the current Kingston Conference Centre Market, the following implications related to business events demand have been identified:

- Kingston's current standalone meeting space conducive to host business events is limited. Kingston's largest events are generally hosted in sports venues repurposed for non-sporting events (e.g., Leon's Centre, Kingston 1000 Island Sportsplex - currently not operational).
- Kingston's hotels currently have limited meeting supply. The largest space available currently in the market is the 7,200 sf Ambassador Hotel & Conference Centre ballroom (soon will be re-branded as a Hilton). The Four Points by Sheraton has the most total rentable meeting sf available in the market (~20,000 sf).
- Kingston's proximity to the GTA (2.5-hour drive) and Ottawa (2-hour drive) results in meetings venues located proximate to the GTA and Ottawa Kingston's primary competitive set.
- Standalone meeting facilities proximate to the GTA are generally located to the north (e.g., Muskoka, Collingwood) or south/southwest of the GTA (e.g., London, Niagara, Hamilton). All significant convention hotels identified are located north or south/southwest of the GTA.
  - Of the three facilities identified east of the GTA, two venues primarily operate with a focus on sporting events (Canadian Tire Motorsport Park and Peterborough Memorial Centre). The other facility east of the GTA (Ajax Convention Centre) primarily operates as a banquet facility hosting weddings.
- Proximate to the Ottawa market, the majority of business events venues are located in the Ottawa market, or to the north. Overall, there is limited meeting supply located south of the Ottawa market.
- Nationally, Kingston is most comparable to Tier 1 and Tier 2 Canadian destinations with convention centres. HLT's experience with venues in these markets has been used throughout the remainder of this report when projecting demand for the Kingston Conference Centre.

# CONVENTION CENTRE OPERATING ENVIRONMENT

# THE “BUSINESS” OF PURPOSE BUILT CONVENTION CENTRES

Exhibit A to Report Number 23-130

Most North American convention centres were built and are operated as a means of generating economic impact in a given city and/or region. Economic impact is maximized by giving priority to those events attracting the largest number of out-of-town visitors (i.e., delegates to and organizers of regional, national and international conventions). Bottom-line orientation is often not a priority, as the “success” of many convention facilities is not measured by profitability for the convention venue itself but rather by the volume of spending that the facility incents within the local community. As a result, convention centres are often used as a destination attractor, with competition on a “price” basis becoming much more common as municipalities (and related levels of government) recognize the value of convention events. In fact, some destinations not only have the ability to provide the convention centre for free (generally the largest U.S. cities, but a growing number of Tier One and Tier Two U.S. and Canadian cities as well) but these cities are also aggressively doing so, provided the anticipated economic impact of the event is significant enough. The focus on generating economic impact explains several characteristics of the industry, including:

- The tendency towards ownership, and often management of North American convention centres by local or regional governments. This is particularly relevant in Canada where the majority of convention centres are owned by municipal or provincial government entities and the majority of centres are also operated by a government entity.
- Restrictions (sometimes express) on the convention centre’s ability to compete for events (i.e., banquets, smaller meetings) that could be accommodated within privately-owned facilities (i.e., large hotels, privately-or publicly-owned trade show facilities) located within the host destination.
- Exemptions from municipal property taxes.
- Recognition that success is dependent on a long-term marketing strategy given that lead times required to secure conventions are often 5+ years in advance — and often even several years longer for larger, international events.

From an operations and revenue-generating standpoint, conventions are just one of several types of events that can be accommodated in a convention centre. Exhibitions (i.e., business-to-business events such as trade shows and business-to-consumer events such as consumer shows) as well as smaller-scale conferences and meetings may also be held in convention facilities. The extent to which these events are targeted by a convention facility, as opposed to a local hotel or trade/consumer show facility depends on the aggressiveness and mandate of the convention centre in a specific location. Privately owned and/or operated convention centres will often aggressively pursue local business to maximize utilization and revenue generation for the venue.

Large sporting events (e.g., The Brier or Memorial Cup) and music events (e.g., the Juno awards) can also generate significant economic impact and utilize multiple facilities in a destination.

The business mix of a convention centre is significantly impacted by its mandate and operating direction. The following pages outline the relative value of events (in terms of profitability and economic impact) and provide examples of centres comparable to Kingston with different operating focuses (and resultant business mix differences).



# RELATIVE VALUE OF EVENTS

All public assembly events are not created equally. Tradeshows, conventions, consumer shows, conferences, food and beverage events, and related public-assembly events may use similar facilities—often due to a lack of purpose-built alternatives—but the “ideal” facility for each use type is substantially different. Conventions require significant amounts of meeting space while trade and consumer show organizers look to the functionality of the exhibition area as the key venue selection criterion. The primary objective of a tradeshow is to bring the sellers of goods or services, within a specific industry, together with buyers. While the general public is usually not invited to a tradeshow, consumer shows (e.g., Boat Show, Home and Garden Show) focus on selling products to the resident/area population. Consumer shows require large amounts of parking and, ideally, access to public transportation.

	Conventions/Conferences	Tradeshows/Consumer Shows	Meetings	Food and Beverage
Market focus	<ul style="list-style-type: none"> <li>Information exchange between professional groups and associations</li> </ul>	<ul style="list-style-type: none"> <li>Forum to bring industry buyers and sellers together (Trade Shows)</li> <li>Public shows where suppliers display/sell goods directly to public. Typically charge admission (Consumer Shows)</li> </ul>	<ul style="list-style-type: none"> <li>Smaller corporate or association meetings</li> <li>More specific in purpose than a convention</li> <li>Includes local business meetings, management and technical meetings</li> </ul>	<ul style="list-style-type: none"> <li>Catering focused events</li> <li>Often galas, holiday parties, weddings etc.</li> </ul>
Attendance Profile	<ul style="list-style-type: none"> <li>Most out-of-town attendance</li> <li>Of all event types most often combined with vacation and spousal attendance</li> </ul>	<ul style="list-style-type: none"> <li>Mostly local and regional attendees</li> <li>Some out-of-town attendees and exhibitors</li> </ul>	<ul style="list-style-type: none"> <li>Varies by event</li> </ul>	<ul style="list-style-type: none"> <li>Mostly local and regional attendees</li> </ul>
Facility Needs	<ul style="list-style-type: none"> <li>High quality meeting rooms with advanced technology</li> <li>Banquet facilities</li> <li>Exhibit space varies by group</li> <li>Adjacent hotel rooms</li> </ul>	<ul style="list-style-type: none"> <li>Exhibit/display space intensive</li> <li>Suitable loading facilities</li> <li>Extensive parking requirements (consumer show)</li> <li>Nearby hotel rooms</li> </ul>	<ul style="list-style-type: none"> <li>High quality meeting rooms with audio-visual capabilities</li> <li>Meeting rooms</li> </ul>	<ul style="list-style-type: none"> <li>Banquet facilities</li> </ul>
Rotation Between Cities	<ul style="list-style-type: none"> <li>Rotation determined by charter</li> </ul>	<ul style="list-style-type: none"> <li>Meet in major markets;</li> <li>Limited rotation</li> </ul>	<ul style="list-style-type: none"> <li>No rotation</li> </ul>	<ul style="list-style-type: none"> <li>Local/regional only</li> </ul>
Economic Impact	<ul style="list-style-type: none"> <li>High economic impact</li> </ul>	<ul style="list-style-type: none"> <li>Moderate economic impact</li> </ul>	<ul style="list-style-type: none"> <li>Limited economic impact</li> </ul>	<ul style="list-style-type: none"> <li>Little economic impact</li> </ul>



# RELATIVE VALUE OF EVENTS

The chart opposite shows a graphic illustration of the relative value of events described on the previous page.

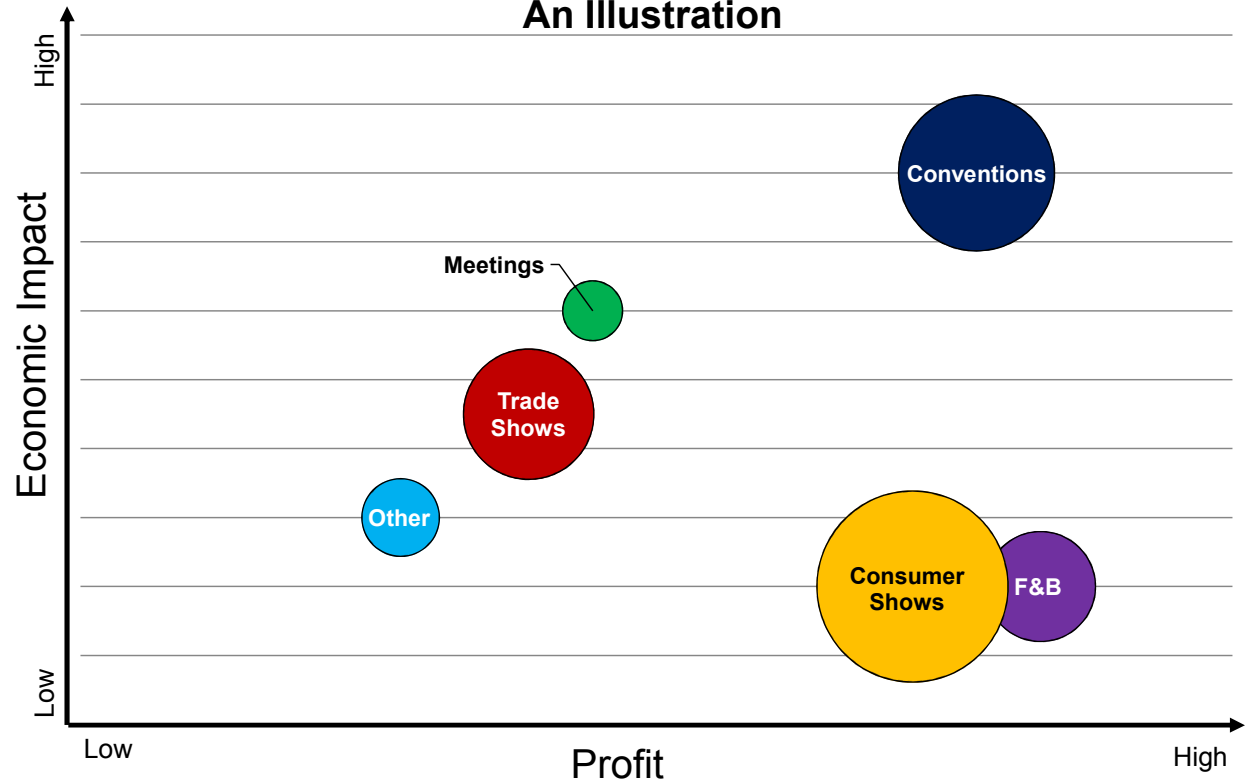
Size of bubble represents individual event attendance (e.g. more people attend a consumer show than an F&B event).

While each event generates some economic impact and profit, the relative value of events in terms of economic impact and profitability varies.

While conventions both generate the largest economic impact to a destination and are generally profitable, the profitability may be affected by discounts provided to attract the event. Many destinations utilize subvention funds, to discount the total cost to an event organizer (often through discounted rental rates). Conventions that generate a large economic impact in the destination are often able to attract these competitive offers from destinations.

While the use of subvention funds doesn't generally affect venue profit generation (the funds are often deployed by the Destination Marketing Organization), the overall profitability of the convention from a destination perspective is affected. Tourism Kingston has historically utilized subvention funds to attract large conventions and will likely continue to do so going forward.

**Convention Centre Event Type Profile:  
An Illustration**



Source: HLT Advisory Inc. based on industry experience conducting economic impact and financial studies with convention centres.  
Note: Size of bubble represents event attendance.

# CONVENTION CENTRE FOCUS – FREDERICTON CONVENTION CENTRE

Exhibit A to Report Number 23-130

The Fredericton Convention Centre (“FCC”) opened in 2011 with ~20,000 square feet of rentable space. The ~\$28 million facility was funded by the municipal government (~\$20 million) and provincial government (~\$8 million).

The facility mandate (detailed in the quote below) clearly outlines the facilities direction to generate economic impact and not compete for business with local venues. While often not outlined as explicitly, many North American venues owned and operated by the public sector operate under similar guiding principles.

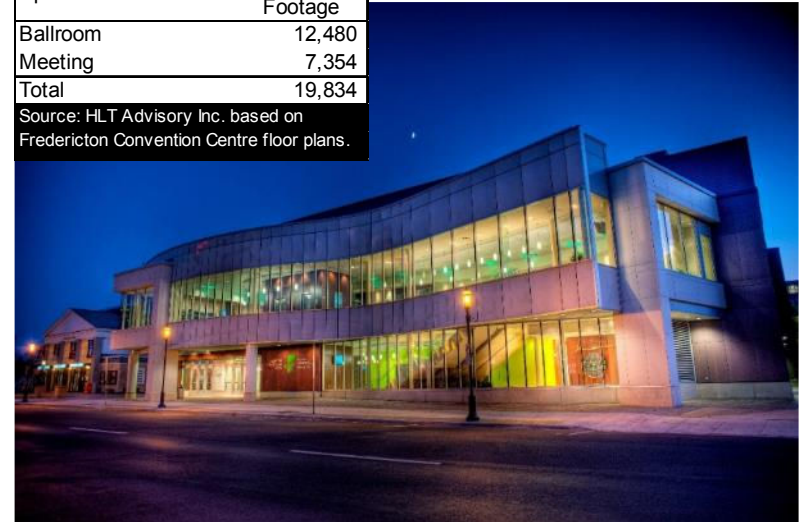
To support this mandate and economic impact vision, the City provides an annual operating subsidy to the FCC (totaled \$950,000 in 2019). As shown in the FCC “report card” opposite bottom, success of the venue is measured by direct economic impact, events hosted, delegate days, and full-time equivalent jobs in New Brunswick.

Many US centres operate with similar mandates to the FCC limiting competition with local privately run venues. This generally requires significant subsidization of operating expenses. For example, the Massachusetts Convention Center Authority (operator of the Boston Convention and Exhibition Center and Hynes Convention Center) received an operating subsidy of \$17.5 million in 2019.

This operating focus on economic impact affects events pursued and hosted by the centre, prioritizing calendar dates for conventions over local banquets and consumer shows that may generate more profit.

Fredericton Convention Centre Space Parameters	
Space	Square Footage
Ballroom	12,480
Meeting	7,354
Total	19,834

Source: HLT Advisory Inc. based on Fredericton Convention Centre floor plans.

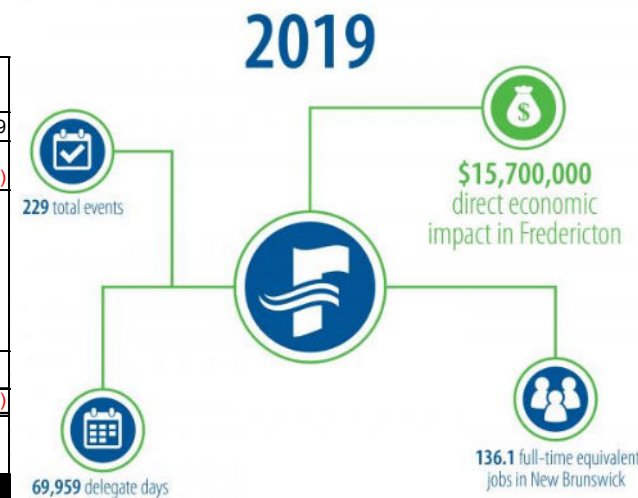


## Mandate

*The FCC's primary objective is to maximize event sales by attracting new event demand to the City of Fredericton, while minimizing the impact of competing with local restaurants, hotels and other event venues for locally generated event demand.*

Fredericton Convention Centre Financial Performance		
	2018	2019
Event Revenue	\$2,545,916	\$3,180,697
Direct Expenses	(\$1,917,509)	(\$2,355,406)
Gross Profit	\$628,407	\$825,291
<u>Other Operating Expenses</u>		
Salaries and Payroll	\$579,185	\$563,802
Building Maintenance	\$568,691	\$551,272
General & Administrative	\$164,107	\$172,837
Advertising/Marketing	\$101,564	\$87,868
Total	\$1,413,547	\$1,375,779
EBITDA	(\$785,140)	(\$550,488)
City of Fredericton grant	\$950,000	\$950,000

Source: HLT Advisory Inc. based on Fredericton Convention Centre Inc. Financial Statements.



# CONVENTION CENTRE FOCUS – RBC PLACE LONDON

RBC Place London is a municipally owned and operated convention centre in London Ontario that opened in 1993. The venue’s mandate (detailed in the quote below) includes a focus on economic impact, but also allows for attraction of social events and other locally based events.

Success is still measured by economic impact to the City of London (as shown by statistics from the 2019 annual report opposite bottom), but revenue generation and profitability (or cost recovery) is a secondary focus. This is demonstrated by the venue’s financial performance (table opposite bottom), where the venue strives for annual break-even performance from operations while still achieving its economic impact generation mandate.

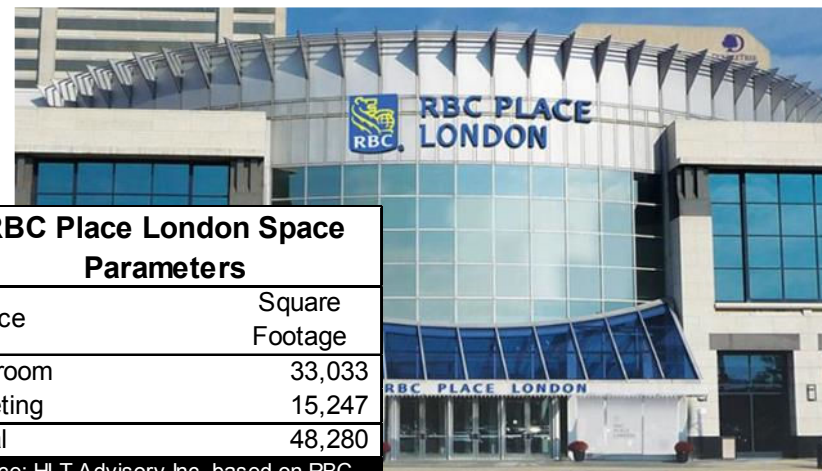
This balance of a primary focus on economic impact generation with a secondary focus on break-even operations is common among Canadian purpose-built convention centres, particularly as markets increase in size and local demand is available to improve revenue generation opportunities.

This operating focus allows RBC Place London to prioritize economic impact generation when booking events, and infill off-peak periods with local demand to improve revenue generation and overall profitability.



### Mandate

*RBC Place London will be the venue of choice in Southwestern Ontario of event organizers and attendees for knowledge transfer and social engagements by delighting guests with every interaction with a smile and timely service solution.*



RBC Place London Space Parameters	
Space	Square Footage
Ballroom	33,033
Meeting	15,247
Total	48,280

Source: HLT Advisory Inc. based on RBC Place London floor plans.

### HOW DID WE DO IN 2019?

**\$18.4 MILLION**  
DIRECT ECONOMIC IMPACT

**107,120**  
DELEGATE DAYS

**68%**  
BUILDING UTILIZATION RATE

**10,531**  
HOTEL ROOM NIGHTS FROM CONVENTIONS

RBC Place London Financial Performance		
	2018	2019
<b>Revenue</b>		
Food and Beverage	\$4,146,433	\$3,811,443
Other	\$843,150	\$1,000,842
Parking	\$529,909	\$554,344
Space Rental	\$776,953	\$614,797
Technical	\$447,875	\$344,508
<b>Total</b>	<b>\$6,744,320</b>	<b>\$6,325,934</b>
<b>Operating Expenses</b>		
Cost of Goods Sold	\$1,245,722	\$1,189,314
Event Services and Culinary	\$2,127,308	\$2,048,281
Corporate Services	\$975,477	\$920,810
Sales and Catering	\$941,999	\$926,741
Energy	\$546,428	\$569,102
Facility Services	\$481,032	\$507,404
Cleaning	\$134,730	\$120,548
Parking	\$56,767	\$58,681
Other*	(\$10,380)	\$127,481
Technical	\$12,567	\$1,044
<b>Total</b>	<b>\$6,511,650</b>	<b>\$6,469,406</b>
<b>EBITDA</b>	<b>\$232,670</b>	<b>(\$143,472)</b>

Source: HLT Advisory Inc. based on London Convention Centre Corporation Financial Statements.

\*Adds back project loss funded through special project reserves.

# CONVENTION CENTRE FOCUS – HAMILTON CONVENTION CENTRE

Exhibit A to Report Number 23-130

The Hamilton Convention Centre was built in 1981 and was owned and operated by the City of Hamilton through 2012. In 2013, the City issued an RFP for ownership and operation of the asset to the private sector, and Carmen’s Group was selected. Carmen’s Group spent \$1 million on renovations to the facility and took over operations.

Since 2013, the facility which previously operated at a loss subsidized by the city now generates an annual profit (including a \$165,000 utility subsidy paid to the city).

To generate additional profitability, Carmen’s group has shifted the business focus to local market events including galas, weddings, and dance competitions. These events have improved the revenue generation facility but have come at the expense of economic impact. From 2016-2018, Tourism Hamilton indicated the City of Hamilton was unable to bid on 13 provincial/national conferences due to scheduling conflicts with local events.

This operating focus on profitability from Carmen’s group prioritizes profitability over economic impact, resulting in instances where local events have been prioritized over events with a greater potential economic impact.



**Hamilton Convention Centre Space Parameters**

Space	Square Footage
Exhibit	19,662
Ballroom	19,662
Meeting	12,961
<b>Total</b>	<b>32,623</b>

Source: HLT Advisory Inc. based on Ernst & Young’s Entertainment Venues Review completed for the City of Hamilton

Source: HLT Advisory Inc. based on Hamilton Convention Centre floor plans.

**Hamilton Convention Centre Events by Type**

Events	2014	2015	2016	2017
Conferences/Conventions	23	28	26	24
Trade Shows	6	12	12	10
Meetings	25	28	26	21
Weddings	6	10	10	8
Galas	22	25	24	28
Other*	46	48	52	52
<b>Total</b>	<b>128</b>	<b>151</b>	<b>150</b>	<b>143</b>

Source: HLT Advisory Inc. based on Ernst & Young’s Entertainment Venues Review completed for the City of Hamilton

\*Includes dance competitions, school formals, exams, room rental, holiday parties, graduation and special events.



**Mandate**

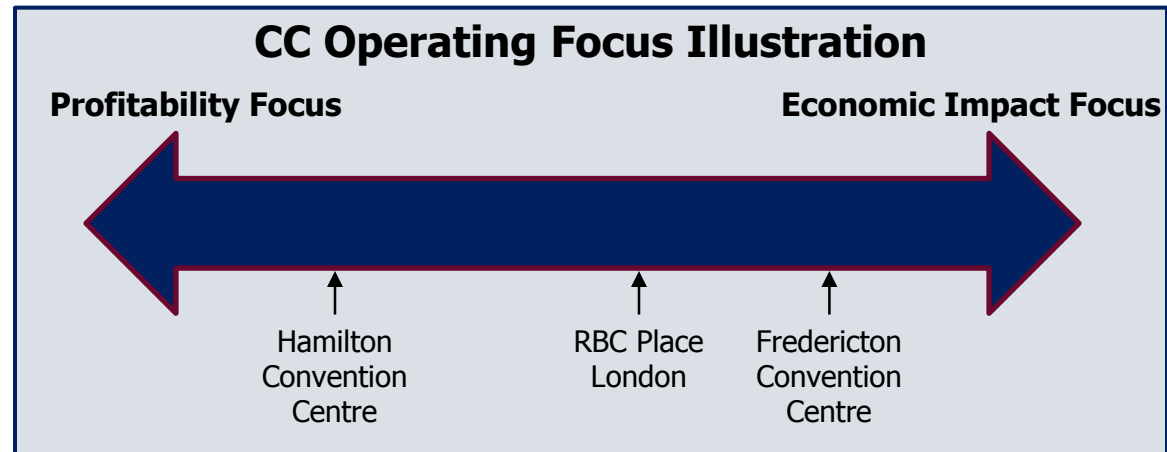
*Success starts with our people. Driven by an enduring commitment to our core values we will enrich the lives of our guests, clients and community by creating extraordinary experiences.*

*We will pursue new opportunities that support our vision, reward our stakeholders and define the future of hospitality.*



# CC OPERATIONS – PROFITABILITY VS. ECONOMIC IMPACT

As demonstrated by the highlighted convention centre operational examples, the ownership and operating mandate of a convention centre have a significant impact on profitability and economic impact generation. While ideal events generate both economic impact and profitability for the venue, purpose-built convention centres often have to make decisions during peak demand periods to prioritize events based on either criteria. The illustration in the top right shows this focus, and an illustration of where the various venues highlighted are in terms of their operational focus.



Based on discussions with the City and Tourism Kingston, the Kingston Conference Centre will be funded and operated by a private entity. While Tourism Kingston will work to bring events to the City, the City will likely have limited ability to control the operating mandate of the venue and as such, a private entity should be expected to prioritize profitability.

To project event demand, HLT has assumed the venue will focus on break-even operations, with Tourism Kingston working to book economic impact generating events from out of market. In terms of the illustration above, HLT has assumed the conference centre will operate between Hamilton and RBC Place London on the "profitability vs. economic impact" spectrum.

The degree to which the City increases its participation in capital funding or ongoing operational subsidization can increase the degree to which the City can influence event prioritization. With limited capital investment from the City, the conference centre should be expected to operate without limitation on pursuing local based events, and to prioritize facility utilization and profitability.

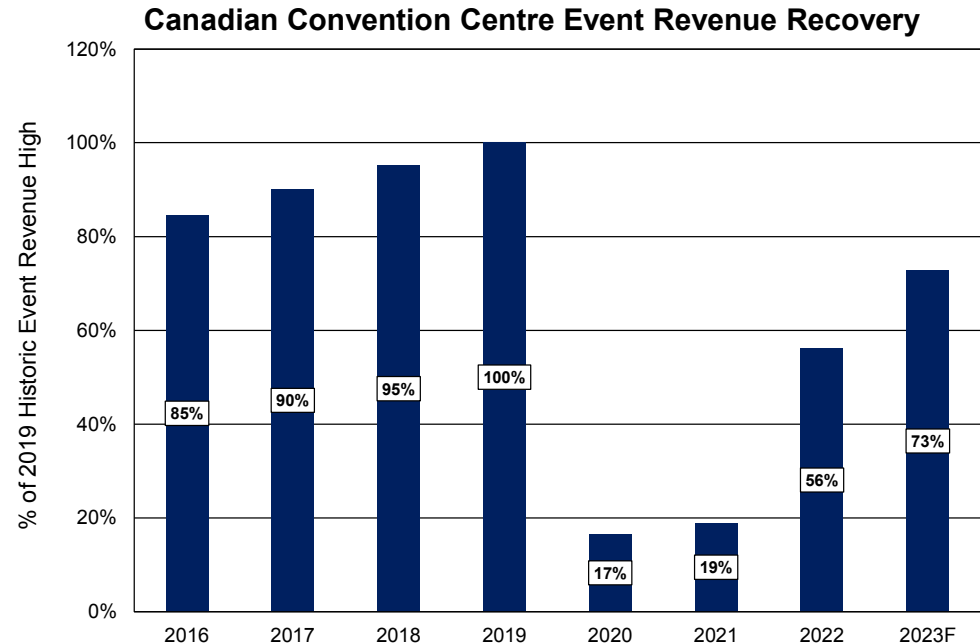
# CONVENTION CENTRE TRENDS – COVID-19 RECOVERY

The COVID-19 pandemic had a severe impact on the business events industry. The restriction on gatherings and travel both directly impacted operations of convention centres, and many venues through 2020 and, in some cases 2021, were forced to shut down. In many instances, Canadian convention centres were used for other purposes such as vaccination clinics, homeless shelters, or court houses.

As of 2022, centres across Canada have reopened and are fully operational. Through work conducted for industry associations (such as Convention Centres of Canada and AIPC (international convention centre association)) and venues directly, HLT has an understanding of industry recovery to date and projected recovery timelines in to the future.

The adjacent chart shows event revenue actuals and projections from a sample of Canadian venues. All event revenues are indexed against 2019, a historic high for the convention centre industry in Canada and internationally.

The impact of the pandemic is clear, with less than 20% of 2019 revenues in each of 2020 and 2021. Recovery began in 2022 (with a strong pent up demand in the spring of 2022) but overall event revenue levels only recovered to 56% of historic totals. Recovery is projected to continue in 2023, but only to ~75% of historic 2019 highs.



Source: HLT Advisory Inc. estimates.

While the industry hasn't recovered, there have been promising signs as it relates to long term demand recovery for the industry.

- The largest Canadian markets (Montreal, Toronto, and Vancouver) have seen a return to previous demand levels. For example, Metro Toronto Convention Centre has booked 21 citywide conventions in 2023/2024, the highest total in the venue's history. Demand in smaller centres has been slower to recover, with significant impact caused by reductions in air lift to smaller markets.
- Hybrid and Virtual meetings (once believed to be a significant threat to long-term demand) have not been successful in replacing the value of face-to-face meetings.

Given positive indicators and specific markets and demand recovery overall, HLT believes that the reduction in demand will be short-term and long-term demand (most relevant to Kingston Conference Centre performance) will return to (and likely exceed) historic levels.

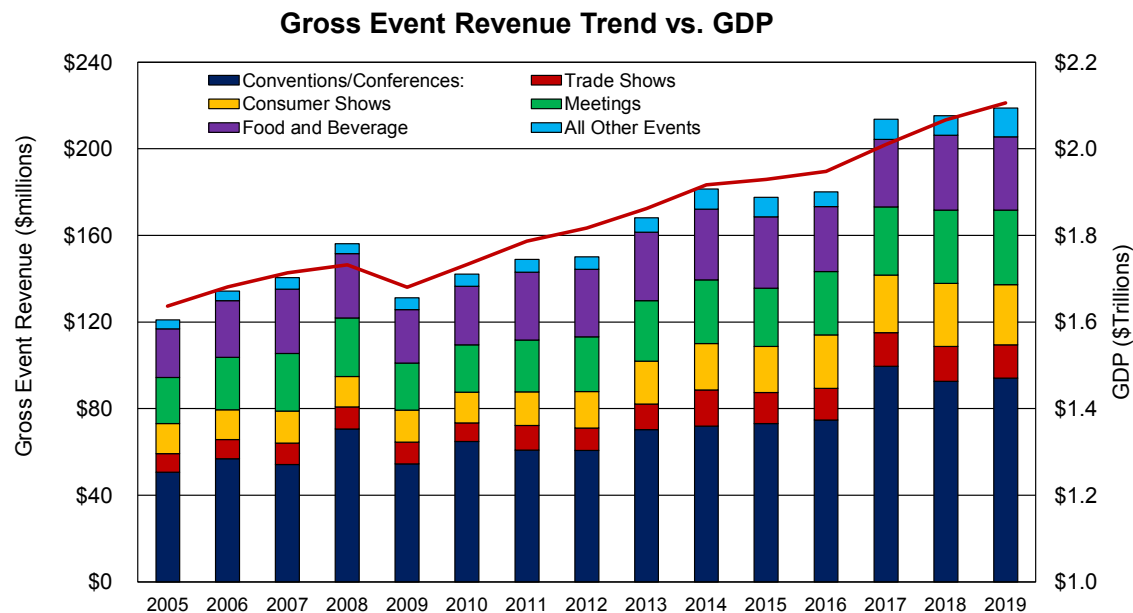


# CONVENTION CENTRE TRENDS – IMPACT OF ECONOMY

In addition to the impact of COVID-19, the business events industry is directly impacted by the global and national economies.

To assess the potential impact of a recession on future demand projections, HLT assessed the revenue performance of same store centres across Canada with consistent operations (and operating data) from 2005 through 2019. These centres included a range of centre markets and sizes that represent the industry. The graph opposite shows gross event revenue for these venues by event type (bars and primary vertical axis) and compares that with Canada's GDP (line and secondary vertical axis).

The relationship is apparent that the broader economic climate directly effects convention centre revenue. In 2009 (the "great recession"), the drop in GDP was met with the only one year drop in gross event revenue



Source: HLT Advisory Inc. based on Bank of Canada GDP data and convention statistics from a "same store" sample of convention centres across Canada

Convention centres rely on associations and corporate groups for the majority of event demand. In slower economic times, businesses look to reduce expenses in areas that do not directly contribute to revenue generation. Association memberships and travel expenses to attend a conference are two areas where businesses may reduce spending in slower economic times.

As of September 2022, major Canadian banks are projecting low growth in GDP but as of yet are not projecting a recession. If a recession or slowing in economic growth occurs, business events demand will likely take longer to recover.

The impact of a recession or economic slowdown will likely not directly affect the Kingston Conference Centre development, since project timelines will likely result in the first year of operations being a number of years into the future.

# CONVENTION CENTRE OPERATING ENVIRONMENT - IMPLICATIONS FOR KINGSTON CONFERENCE CENTRE

Exhibit A to Report Number 23-130

Based on HLT's assessment of the current convention centre operating environment, the following implications related to Kingston conference centre operations have been identified:

- Purpose-built convention centres in North America are generally owned and operated by the government with a mandate to generate economic impact.
- While centres across Canada operate with an economic impact mandate, the degree to which economic impact versus profitability are prioritized varies by centre. The governance and funding structure often impact the focus of the venue.
- The event mix at a venue is significantly influenced by the centre's ownership and operating mandate. Centres focused on economic impact prioritize events with significant out-of-town attendance and hold dates in the calendar to attract these events. Centres more focused on profit will often book events with local attendees to ensure profitability and higher facility utilization.
- The COVID-19 pandemic had a severe impact on the business events industry. The industry still has not fully recovered, as event revenue is projected to only reach 75% of 2019 pre-pandemic levels in 2023.
- The business events industry is also significantly impacted by the economic environment, with past economic downturns (recession in 2009) resulting in reduced business events demand. With risk of a recession upcoming, short term business events demand could be affected.
- While the industry hasn't recovered, there have been promising signs as it relates to long term demand recovery for the industry. Including strong convention demand in the largest Canadian markets (Montreal, Toronto, and Vancouver) and an increased appreciation of the value of face-to-face meetings. These are strong indicators that the short-term demand issues will be resolved in the long term prior to the completion of the development of a Kingston conference centre.

# KINGSTON CONFERENCE CENTRE DEMAND OUTLOOK

# LOST BUSINESS SUMMARY

Tourism Kingston tracks event organizers that considered Kingston as a potential convention destination/venue but elected to host a specific event elsewhere (note: prior to 2019 events were tracked by KEDCO).

HLT consolidated the lost business report and prepared the below summary of reasons for lost business. For each group identified as “lost business”, events have been categorized based on origin, year considered, delegates, and room nights. Additionally, HLT identified other venues where the event was hosted historically or is scheduled to be located in the future.

Groups listed ranged from 150 delegates to 1,500 delegates, with an average delegate count of ~500 delegates. Of the lost business conventions identified, 9 were provincial groups, 9 were national groups, and 1 was an international group.

Other venues utilized by conventions identified in the lost business list were often venues located proximate to the GTA:

- Niagara (Sheraton on the Falls, Queens Landing, Scotiabank Convention Centre),
- North of the GTA (Blue Mountain Resort, Deerhurst Resort, JW Marriott Rousseau)
- Other Ontario (Caesar’s Windsor, Hamilton Convention Centre, Delta Waterloo Hotel).

Kingston Tourism Lost Business List												
Event/Group	Origin	Year	Delegates	Room Nights	2016	2017	2018	2019	2020	2021	2022	2023
Camping in Ontario (CIO) Convention & Trade Show	Provincial	2018	250	500	Sheraton on the Falls	Deerhurst Resort	Nottaw asaga Inn	J.W. Marriott Rousseau	n/a	n/a	Queen's Landing	n.a.
Festivals and Events Ontario 2019 Conference	Provincial	2019	300	300	Marham*	Quattro Hotel and CC	Hamilton CC	RBC Place London	Sheraton North Toronto	n.a.	Virtual	Marriott on the Falls
Police Association of Ontario	Provincial	2019	675	500	n.a.	n.a.	n.a.	Sheraton North Toronto	Sheraton North Toronto	Virtual	Sheraton North Toronto	Sheraton North Toronto
Canadian Association of Career Educators Annual Conference	National	2020	650	1,060	Le Centre Sheraton	Vancouver Pinnacle Hotel	Delta Waterloo Hotel	Marriott Harbourfront Halifax	n.a.	n.a.	n.a.	n.a.
Canadian Life & Health Insurance Association Convention/Trade Show	National	2020	250	650	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Destination Canada – GoMedia Canada	National	2020	1,000	2,200	Place Bonaventure	Cunard Centre	Calgary Telus CC	Shaw Centre	n.a.	n.a.	n.a.	n.a.
MNP Partner and Senior Manager Retreat	n.a.	2020	480	200	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mecky & Company – Strategic Offsite Planning Meeting	n.a.	2020	200	420	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Jehovah's Witnesses 3-Day Summer Gathering	n.a.	2020	1,500	3,200	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Tourism Industry Association of Ontario – Ontario Tourism Summit	Provincial	2020-2023	300	725	n.a.	Scotiabank CC	Caesar's Windsor	Blue Mountain Resort	Virtual	Brookstreet Hotel	Deerhurst Resort	Mississauga*
Canadian Country Music Association – CCMA Awards Week	National	2021-2022	500	2,000	Budw eiser Gardens	Sask Tel Centre	First Ontario Centre	Saddledome	Bur's Creek Event Grounds	Budw eiser Gardens	Scotiabank Saddledome	n.a.
Canadian Association of Exposition Management – Annual Conference	National	2022	150	330	n.a.	Sheraton on the Falls	Blue Mountain Resort	The Westin Calgary	n.a.	n.a.	Hamilton CC	n.a.
CSTA Sport Event Congress	National	2022-2023	650	600	Westin Ottawa	Westin Ottawa	Halifax CC	Westin Ottawa	n/a	Westin Ottawa	Edmonton CC	Vancouver Airport Hotels
Canadian Society for Association Executives – Trillium Summer Summit	Provincial	2023	240	560	Blue Mountain Resort	Nottaw asaga Inn	Best Western Lamplighter Inn	Caesar's Windsor	Virtual	Virtual	Deerhurst Resort	n.a.
CIAA Annual Conference	National	2023	380	150	Westin Bayshore	n/a	Sofitel Golden Mile	Delta Hotel Bessborough	n/a	Virtual	Crow ne Plaza Niagara Falls	n.a.
Eastern Ontario Corvette Club - Corvette Invasion	Provincial	2023	700	800	n.a.	n.a.	Kingston	n.a.	n/a	n/a	Kingston	n.a.
Liberal Party of Ontario Annual General Meeting	Provincial	2023	900	900	Niagara	Toronto	n.a.	International Centre	London	Virtual	n.a.	Hamilton CC
Ontario Association of Architects – AGM/Conference	Provincial	2023	270	930	n.a.	n.a.	Metro Toronto CC	Quebec City CC	Virtual	Virtual	Beanfield Centre	Sudbury*
Ontario Freemasons Regional Meeting	Provincial	2023	500	400	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ORCGA – Damage Prevention Symposium & Trade Show	Provincial	2023	175	360	n.a.	Sheraton on the Falls	Blue Mountain Resort	Sheraton on the Falls	Fairmont Chateau Laurier	n.a.	n.a.	Caesar's Windsor
Canadian Association of Research Administrators National Conference	National	2024	550	550	Westin Bayshore	n.a.	n.a.	n.a.	n.a.	Virtual	Westin Ottawa	St John's CC
Society for Psychotherapy Research – 55 <sup>th</sup> Annual Convention	International	2024	375	1,200	Jerusalem YMCA	University of Toronto	Vrije Universiteit	Universidad de Belgrano	n/a	Virtual	University of Denver	Trinity College (Ireland)
Travel Media Association of Canada Annual Conference	National	2024	300	250	n.a.	n.a.	Victoria*	Sault Ste. Marie	n.a.	Virtual	Rodd Grand Yarmouth	Holiday Inn Sudbury

HLT Advisory based on Tourism Kingston Lost Business Information, and publicly available event information.  
 \* Denotes an event where the host city was identified but not the host venue.  
 n.a. Information not available  
 n/a Not Applicable (i.e. cancelled or postponed event)

As part of this analysis, HLT conducted interviews with a number of meeting planners who organize conventions, meetings and trade and consumer shows in the Ontario market. A full list of people interviewed can be found in Appendix B. An integral part of the study was input from potential Kingston Conference Centre users (as well as general commentary on the degree to which Kingston can attract market demand). Insights regarding Kingston as a business events destination, as offered by these interviewees, are summarized below.

### ***Kingston as a Conference Destination***

- Strong existing tourism appeal surrounding waterfront, downtown and Queen's University.
- Potentially attractive for 9 meeting planners surveyed if the right size of meeting facility is available.
- Appeal mainly to regional associations and corporations based in the GTA and Eastern Ontario.
- Drive time from GTA core is comparable to competing destinations in Niagara and Muskoka.
- Transportation works well for GTA region delegates (VIA Rail and 401 access).
- Airport access needs to be improved to attract national business.
- Meets geographic rotation requirement for associations (eastern Ontario).
- Price competitive compared to Ottawa and Toronto.
- Planners looking for a new alternative to Niagara and Muskoka for regional associations and corporate events.
- Adjacent or connected hotel space would be required for conference space to be competitive.

### ***Kingston as a Tradeshow Destination***

- Very attractive as there are few other options in the immediate vicinity to host tradeshow.
- Trade show facility would **require** at least 1 single space > 40,000 sq ft.

As part of this analysis, HLT also conducted interviews with a number of key tourism stakeholders in the Kingston market. A full list of people interviewed can be found in Appendix C. Insights regarding Kingston as a business events destination, as offered by these interviewees, are summarized below.

## ***Thoughts on Kingston as a destination and the conference centre***

- Kingston's proximity to Toronto, Ottawa, and the US positions it uniquely to attract groups with delegates in multiple markets.
- Tourism draw is access to the waterfront, historical sites historical significance of the City, and the quantity and quality of food and beverage available.
- Opportunity to incorporate in conference programming local tourism amenities like Kingston Penitentiary and Thousand Island Cruises.
- Current market hotel supply can't meet meeting demands for events too large for the Ambassador.
- A conference facility could help flatten hotel market demand, which is currently very seasonal (high demand in the summer months). Conference centre demand providing hotel demand in the Spring and Fall would help with consistent staffing at hotels.
- Current graduations hosted at the Leon's Centre (Queen's University, St. Lawrence College) may be improved by an adjacent meetings facility.
- Potential for events to synergize between the Leon's Centre and conference centre if the design facilitates it. Examples of events like the Tim Hortons Brier, Memorial Cup, and Canadian Country Music Awards provided as examples where programming could be shared between venues and make hosting bids more competitive with other destinations.
- Opportunities for Tourism Kingston to work with leaders in research areas at academic institutions to attract conferences to Kingston.
- The City and tourism stakeholders are supportive of the project and potential economic benefits.
  - Support from the City financially is balanced against other tourism initiatives currently being funded.
  - Hoteliers are supportive of the project with a limited hotel scope (100-rooms discussed) as part of the site program.



# KINGSTON DESTINATION SWOT ANALYSIS

As discussed earlier in this report, meeting planners assess key destination selection criteria when choosing a destination to host their meeting. While local meeting planners are likely to host an event in Kingston if the space is required, provincial, national and international meeting planners have increasingly diverse destination choices when planning their meeting. With this perspective, the following SWOT analysis was prepared for Kingston based on the key selection criteria of provincial, national, and international meeting planners.

## Strengths

- **Proximity to major markets** – Proximity to GTA, Ottawa, and Montreal make Kingston an accessible option for many association delegates (particularly provincial groups).
- **Strong educational institutions** – Educational institutions can be a strong source of demand, both for university events (graduations, receptions, etc.) and conventions catered to faculty specialties.
- **Historical and cultural appeal of destination** – Kingston provides a unique experience from other destinations driving distance from Ottawa and the GTA. Historical significance of the destination provides a unique selling proposition when compared to other GTA proximate cities.

## Weaknesses

- **Limited air access to Kingston** – national and international conference attendees in North America prioritize transit by plane when attending conferences.
- **Size of largest hotel** – largest proximate hotel is 200 rooms, requiring most conference groups to split room block across multiple hotels. All-in-one hotel venues allow for “headquarter” hotel.
- **Limited corporate base** – Lacks significant corporate base (limited private employment) which can be strong demand drivers for meetings and corporate conferences.

## Opportunities

- **Improved air access** – improved air linkages from Toronto and Montreal would give Kingston the opportunity to position itself as a “one-connection” destination. Majority of markets outside Toronto, Montreal, and Vancouver require one-connection so would improve competitive position for national and international events.
- **Position destination as a “retreat” option** – meeting planners expressed desire for an alternative to Niagara and Muskoka for corporate retreats. Kingston could position itself as a viable corporate retreat option.
- **Sports/Music Event Co-hosting opportunities** – Opportunity to co-host sport and music events at Leon’s centre given planned adjacency of the conference centre.

## Threats

- **Competitive Ontario supply** – there is significant business events supply established in Ontario. Appropriate facility size for the market puts facility in direct competition with self-contained hotels, which often have price flexibility in meeting package.
- **Slower recovery in smaller meeting destinations** – To date, recovery in the Canadian convention centre industry from the pandemic has been stronger in larger destinations (Toronto, Montreal, Vancouver). Among other things, airline flight route reductions have affected smaller destinations ability to attract groups.

# **KINGSTON CONFERENCE CENTRE BUILDING PROGRAM AND EVENT LOAD PROJECTIONS**

In considering potential sources of demand and operating costs for the Kingston Conference Centre, HLT made the following assumptions:

- The City would contribute the value of the land to the development. The remainder of the Kingston Conference Centre will be privately funded and operate with a primary focus of profit generation and a secondary focus of economic impact generation. To the extent building uses overlap, a priority will be given to profit generating events.
- The Kingston Conference Centre will not have any restrictions when pursuing local market event types (e.g. banquet/wedding events).
- Community uses will not be prioritized over revenue or economic impact generating events.

Based on performance of comparable facilities, interviews with meeting planners, and interviews with local tourism stakeholders, HLT believes the primary target market for the Kingston Conference Centre will include provincial groups with a mandate to rotate across venues in Ontario or groups with a particular incentive to attend the City (e.g. education, relevant research, etc.).

Additionally, the venue should be able to cater to some local demand that cannot currently be accommodated in hotel meeting space and is a poor fit in sports arenas. Local galas and consumer shows prevent an opportunity to infill demand periods and help overall profitability of the venue.

Given the contemplated funding structure of the facility (majority privately funded), there is risk that events catering to the local market that generate profit and have less risk will take booking priority over economic impact generation events (e.g. Hamilton Convention Centre example on p. 34). HLT has assumed a “balanced” event load at the venue, where the venue is able to attract events during high convention demand periods in the spring and fall, while increasing building occupancy with other event types to maximize economic impact and profitability.

# CONFERENCE CENTRE BUILDING PROGRAM

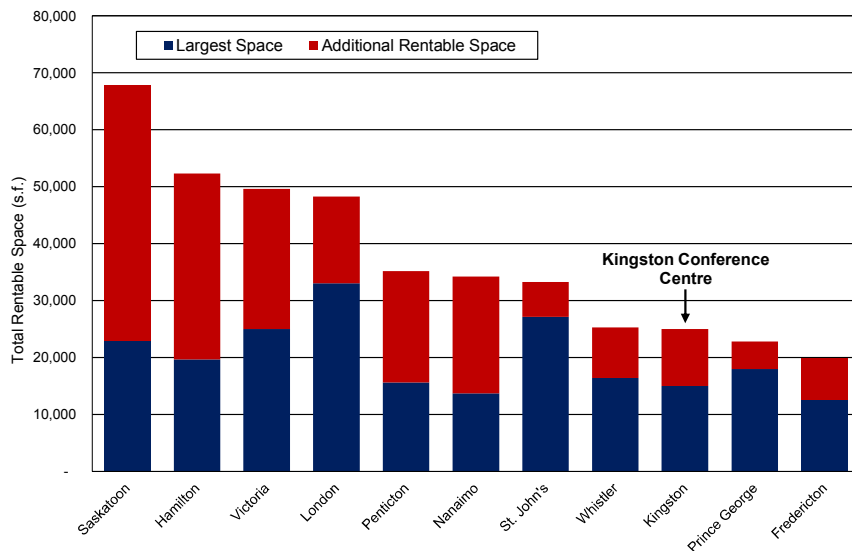
The conference centre building program recommendation is based on identified business events demand for the Kingston market.

The program includes:

- 15,000 sf of ballroom/exhibit space divisible into 3 rooms.
- 10,000 sf of breakout meeting space across 6-8 rooms of various sizes.
- 12,500 sf Back of House: Includes Loading and Service, Employee Areas, Storage and Circulation)
- 15,000 sf Front of House (Includes Prefunction, Dedicated Entry Lobbies, Washrooms and Casual Breakout Areas)
- 2,000 sf of Food Service (Includes Central Kitchen and Dedicated Food Service areas)

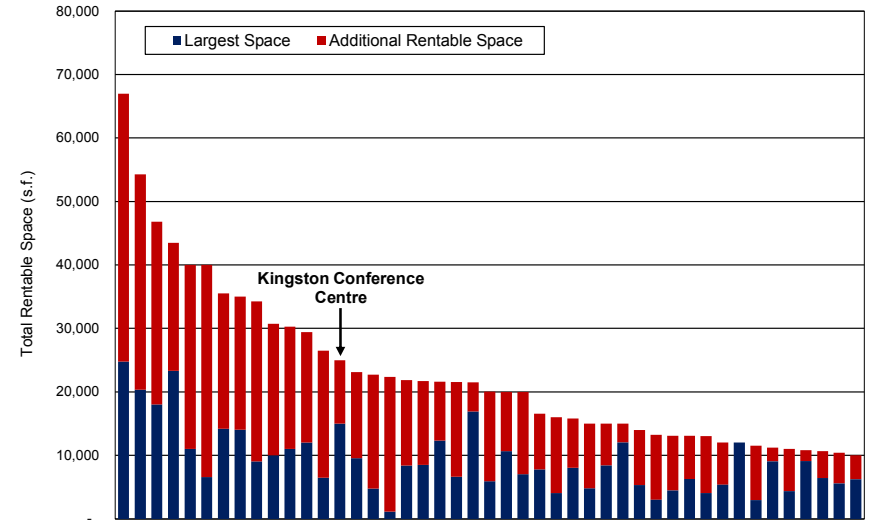
This program will allow Kingston to comfortably host groups up to 1,000 delegates. It will position Kingston comparably to most Tier 1 and Tier 2 Canadian convention destinations (shown in the graph below). It will also position Kingston competitively with GTA and Ottawa proximate meeting space (as shown in the graphs opposite).

Canadian Purpose-Built Convention Centre Space Available



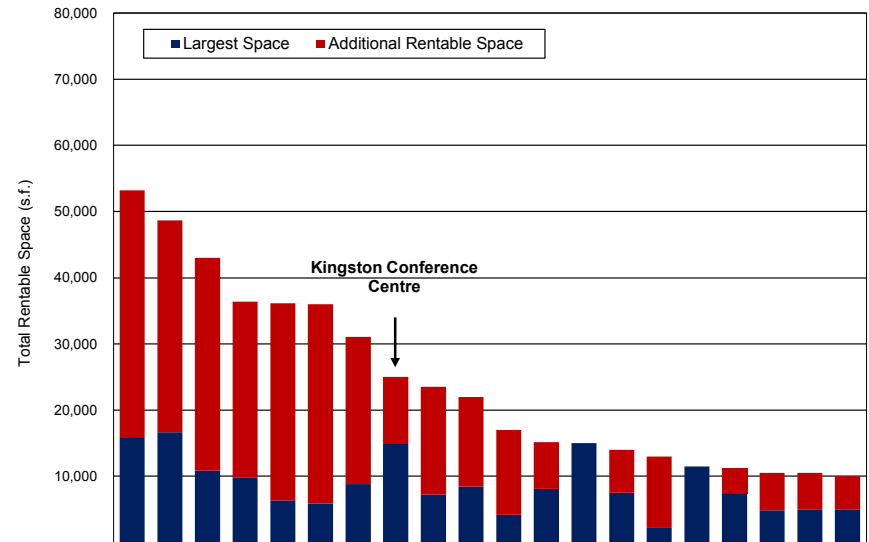
Source: HLT Advisory Inc. based on convention centre floor plans.

GTA Proximate Meeting Space Available



Source: HLT Advisory Inc based on individual hotel websites, DMO websites and hotel sales agents.  
Note - Does not include sports venues and purpose built convention centres.

Ottawa Proximate Meeting Space Available



Source: HLT Advisory Inc based on individual hotel websites, DMO websites and hotel sales agents.  
Note - Does not include sports venues and purpose built convention centres.

# EVENT PROJECTIONS

Based on assessed market demand factors, comparable centre event performance and HLT’s understanding of existing event demand in Canada, HLT projected future event load and attendance for a Kingston conference centre during a stabilized year.

This table summarizes the estimated number of events, event days, and unique delegates for a stabilized year of operations for each of the four major demand segments. It has been assumed that the peak periods for each segment are as follows:

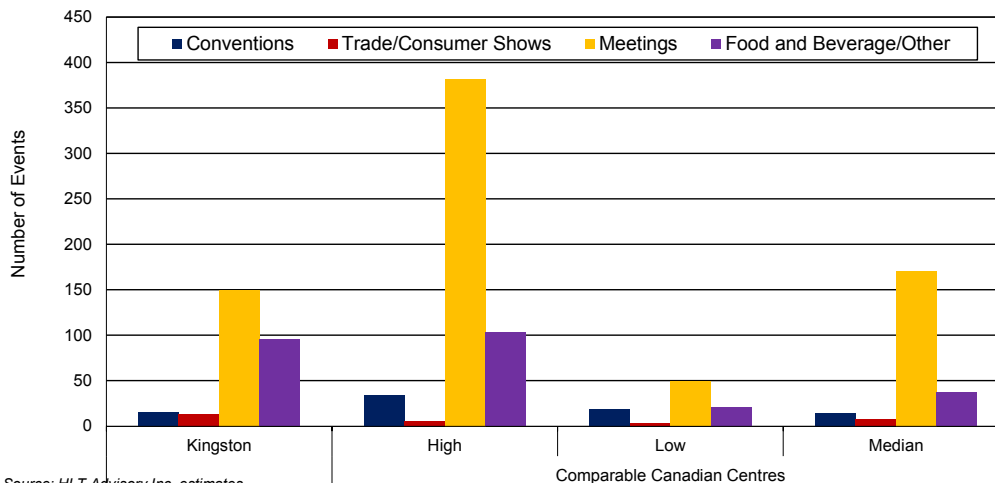
**Conventions/Meetings**– weekdays from mid-March through June, September & October. It is assumed that off-peak weekdays will be filled with smaller meetings booked on short-notice.

**Trade/Consumer Shows**– weekdays year-round. Higher usage in winter months when convention demand is reduced.

**Food and Beverage (Banquets, Galas, etc.)**– weekends year-round and weekdays from mid-November through December.

This event projection is consistent with comparable Canadian convention centre annual event totals (see chart below).

Comparison to Comparable Canadian Convention Centres - Events Hosted



Source: HLT Advisory Inc. estimates.

Conference Centre Demand Projections - Stabilized Year	
<b>Conventions</b>	
Events	15
Event Days	43
Delegates	6,375
<i>Delegates as % of Total</i>	15%
<b>Trade/Consumer Shows</b>	
Events	13
Event Days	39
Delegates	8,100
<i>Delegates as % of Total</i>	19%
<b>Meetings</b>	
Events	150
Event Days	188
Delegates	11,425
<i>Delegates as % of Total</i>	27%
<b>Food and Beverage (Banquets, Galas, etc.)</b>	
Events	95
Event Days	95
Delegates	15,750
<i>Delegates as % of Total</i>	38%
<b>Total</b>	
<b>Events</b>	<b>273</b>
<b>Event Days</b>	<b>365</b>
<b>Delegates</b>	<b>41,650</b>

Source: HLT Advisory Inc. estimates.

*Note: HLT projected 15 conventions with an average size of 425 delegates (ranging from 200-1,000 attendees). Some smaller centres include conventions with <200 delegates in convention totals, while HLT has classified those smaller events as meetings in our projections.*

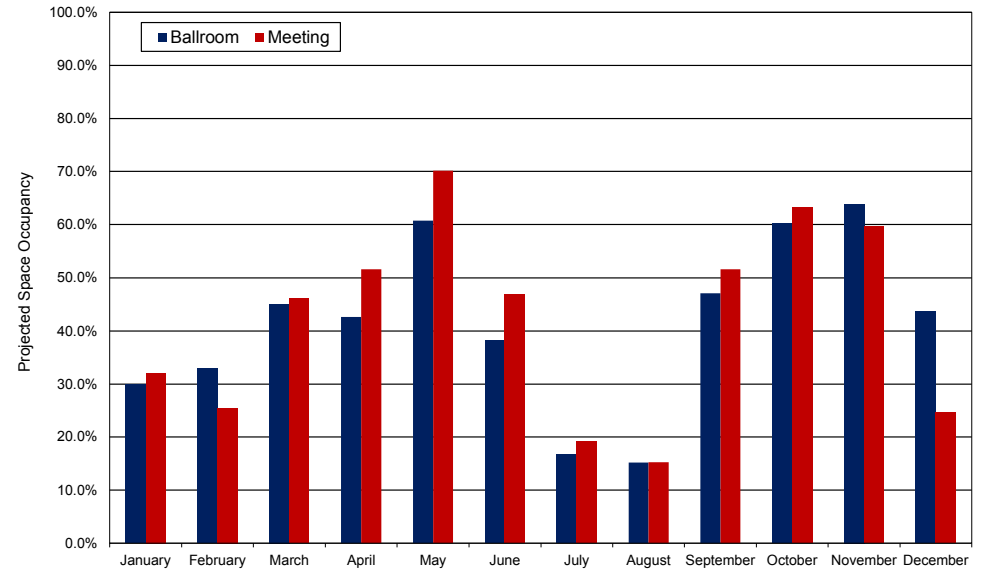
# OCCUPANCY PROJECTIONS

When developing the event load projections, HLT scheduled the projected event load to a calendar for the stabilized year to ensure that event totals projected were achievable within the space provided, particularly in peak periods when space is in high demand from a number of different event types. Using delegate totals and square footage used data from other comparable Canadian centres, HLT was able to estimate total ballroom and meeting space used by the projected event load. HLT then calculated total occupancy of ballroom and meeting space, based on available space over 365 days divided by projected space usage. Monthly space usage can be seen in the chart opposite top.

This projected monthly occupancy is consistent with similar sized Canadian convention centres, with occupancy peaking in the spring (April-June) and fall periods (September-December). Summer demand (typically lower occupancy period) is also expected to be affected in Kingston due to hotel room cost/availability (high leisure demand).

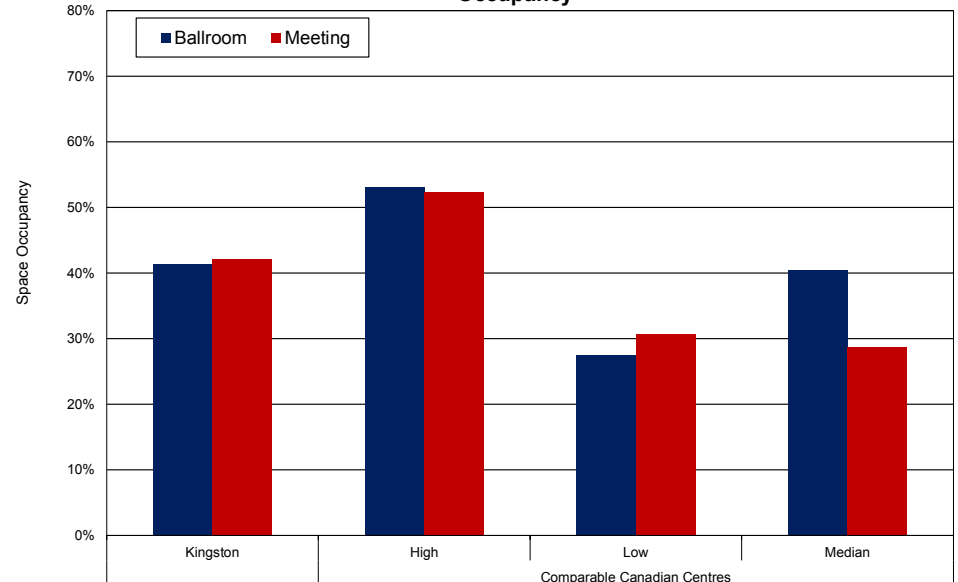
The overall annual occupancy projected is just over 40% for both ballroom and meeting space. The chart opposite bottom shows the space occupancy for comparable Canadian convention centres. In general, if a convention centre reaches 60% occupancy it indicates that there is excess demand and business is likely being lost. Convention centre occupancies are generally in the 40%-50% range.

Kingston Conference Centre Monthly Space Occupancy



Source: HLT Advisory Inc. estimates.

Comparison to Comparable Canadian Convention Centres - Space Occupancy



Source: HLT Advisory Inc. estimates.



# KINGSTON CONFERENCE CENTRE CAPITAL COSTS

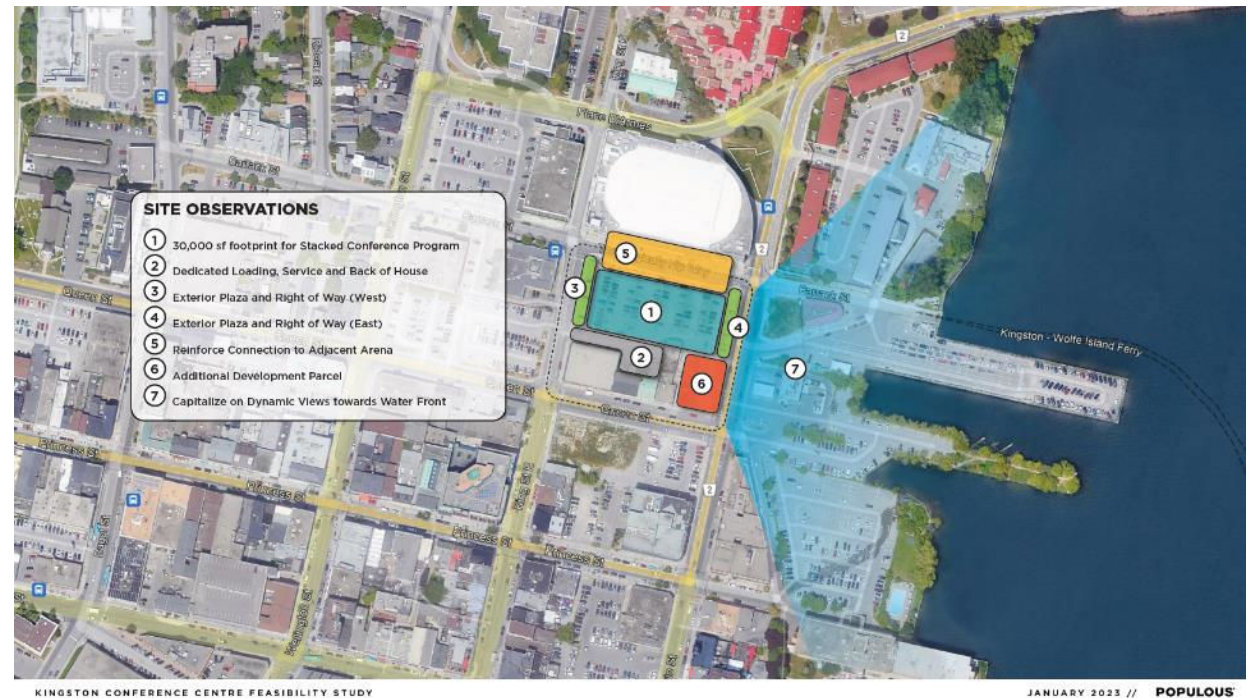
# POPULOUS & PROJECT/SITE CONSIDERATIONS

For the Kingston Conference Centre capital costs, design considerations and site considerations HLT worked with Populous, a leading global convention centre design firm. Populous has provided the following background, site observations, design considerations, technical considerations and capital costs in this section.

## Populous Background

For nearly 40 years, Populous has been recognized as world leaders in the planning, design and delivery of public assembly facilities. In January of 1999, Populous added its Convention Centre Practice specifically for the planning and design of convention and exhibition centers. Since then, Populous has worked with over 50 destinations on improving their position in the competitive tourism and meetings industries. Populous is the only design firm with experienced design professionals who are committed solely to this building type.

Populous approaches convention centre design from the viewpoint that our work should enable your business. Recognizing these buildings are intended to sell, Populous looks for ways to maximize operational efficiencies, connect your guests with your city, and enhance the customer experience. Satisfied customers will return again and again which translates into more revenue for your city.



## Site Observations

Based on the recommended space program, the proposed site, and Populous' experience designing similarly sized venues, Populous developed site observations (shown in the image above). These include:

- a stacked conference program to maximize building efficiency
- exterior plazas to the east and west of the venue
- the design should reinforce the connection to the adjacent arena
- the design should capitalize on dynamic views towards the waterfront

# DESIGN CONSIDERATIONS

To date, the traditional convention and meetings industry is experiencing a robust reimagining, furthered by the Covid-19 pandemic; Trends in meetings that were once “nice to haves” have quickly become “must do’s” to not only attract new business but to maintain existing business and elevate attendee satisfaction. Meeting spaces are no longer “blank boxes, with generic programs” yet have become an inclusive building type representative of a destination’s aspirations and values, fully integrated into nature, and sustainably regenerative to the community all with a focus on delegate **experience, wellness and safety**. Based on current industry feedback, future meeting space should be designed with the attendee in mind. Access to natural light and outdoors, healthy food and beverages options, casual yet intimate space for networking, conversations and access to mixed use programs within a district are all at the forefront of the next generation of gathering. Current industry trends are based on a few key factors:

- **Sustainability** – Conference centre designers must continuously seek new, impactful solutions in response to the realities of the climate crisis. Because the buildings and events are often vast and the centerpiece of wider community districts, the conference centre’s role in climate action is unique. Environmentally responsive design, energy performance, sustainable materials selection and technological integration are foundational elements of current conference centre design. Kingston’s approach as a City to the climate crisis (the first Ontario municipality to declare that climate change is an emergency) aligns directly with this sustainable design approach.
- **Unique Variety of Space:** After years of research, it is clear that unique and bespoke experiences attract business. The excitement of hosting an event, deeply integrated into a destination, the community and nature is second to none.
- **Designing “Liminal” Space:** Traditionally, days of convention going consisted of a linear experience of meeting room to meeting room. However, the future attendee is looking for a more imaginative way to spend their days. The types of spaces that exist inside of meeting facilities that support dynamic mixed-use developments have enormous potential to align perfectly with customers future expectations.
- **Ballrooms, Meeting Rooms, and Banqueting Space:** It should be no surprise that each of these programs can serve similar purposes depending on the type of event at hand. Great care should be taken to align the technical requirements and program areas to increase the sell-ability and symbiotic relationships of these types of spaces.
- **Designing for the District:** Historically, it was common practice in hospitality to keep attendees’ attention for as long as possible to capitalize on additional spending. However, the expectation of the modern attendee is to attend an event with purpose for a finite amount of time to receive content. It is then desirable for that same attendee to explore the surrounding district and destination. Hence it is important to develop these types of experiences, inside and outside of the traditional building in a synergistic manor. The model is less about keeping people spending in your facility, but to allow that financial impact to permeate into the district in order to leverage a great experience and to attract return business.

# TECHNICAL CONSIDERATIONS

For the conference program to attract meaningful meetings and events business, it is of utmost importance to meet minimum industry standards for technical requirements such as:

- **Ballroom Floor and Ceiling loading:** To host a variety of event types reinforced floor loading and substantial rigging capacity in the ceiling should be explored. While there is no strict technical requirement, substantial engineering for both areas should be explored and reviewed during the design process.
- **Utilities and Technology:** Having utility access in the floor for each program area is required. For the ballroom program utility floor boxes spaced no further than 30 feet minimum apart should be considered standard. Each meeting room will require similar utility access in multiple locations based on room size and layout. Typical floor utilities consist of power (various capacities) data, fiber and empty conduit for future infrastructure. High speed wi-fi should be considered a standard offering.
- **Flexibility:** Regardless of the size of the conference program, having the ability to transform the space into a series of larger or smaller rooms through moveable partitions should absolutely be considered.
- **Adaptability:** Conceiving of the conference program should align with the overall program of the development and district to create unique and adaptable sales packages for the entire area.
- **Food Service:** While a purpose-built kitchen adjacent to the conference space is ideal, it is not necessarily a requirement. Clear circulation to a central kitchen is acceptable, however a warming kitchen, storage pantries and dedicated service lifts adjacent to the conference space would then be required.
- **Size:** With the overall size of the program determined, it is Populous' belief that overbuilding a conference space to be bigger than it needs to be, to simply host more events is antiquated thinking. Designing a smart space, with appropriate flexibility that supports the entire program of the development is desired. Simply put, "Better is Better" not "Bigger is Better."

# ORDER OF MAGNITUDE CAPITAL COSTS

Based on the recommended building program identified on p.46 of this report, Populous developed rough order of magnitude ("ROM") capital costs required to build the conference centre (summarized in the table below).

ROM Costs - Kingston Conference Centre					
Program	Area (sf)	Cost Range (\$ per sf)		Total Cost	
		Low	High	Low	High
Ballroom	15,000	\$700	\$900	\$10,500,000	\$13,500,000
Breakout & Meeting	10,000	\$700	\$900	\$7,000,000	\$9,000,000
Back of House & Service	12,500	\$500	\$600	\$6,250,000	\$7,500,000
Front of House	12,500	\$700	\$800	\$8,750,000	\$10,000,000
Food Service	2,000	\$400	\$500	\$800,000	\$1,000,000
Total Cost*				\$33,300,000	\$41,000,000
<i>Source: Populous</i>					
<i>*Includes project soft costs.</i>					

These projections are based on today's building cost environment. Annual escalation of these costs is expected to be between 4% and 7%.

The above identified costs do not include potential synergies with other site uses (e.g. hotel, retail, residential). A discussion of potential program synergies with other site uses is provided on the following page.

# ORDER OF MAGNITUDE CAPITAL COSTS – POTENTIAL SYNERGIES WITH OTHER USES

Exhibit A to Report Number 23-130

For a facility of this size and its potential relationship to an incorporated mixed-use development, Populous would encourage an efficient layout of the program, to capitalize on potential synergies with the connected development. With no definitive scope for the additional development determined to date, the following areas should be considered for increased efficiency and cost savings:

- **Lobbies & Circulation:** Public Lobbies, Meeting and Ballroom Prefunctions, and vertical circulation all enjoy similar requirements for the moving of people safely and comfortably around each respective program area in a mixed-use + hospitality development. Designing these spaces to be hard working and efficient should be at the forefront of planning to alleviate redundant areas.
- **Exterior Enclosure:** By designing all program areas (mixed use program included) as a single facility the total amount of exterior enclosure required would be drastically reduced as compared to designing each program as separate buildings.
- **Back of House and Loading:** There is a natural relationship between loading and back of house service areas between meeting, hospitality, and retail programs. Developing a strong common relationship between these spaces will help reduce overall project square footage.
- **Kitchen and Food Service:** While a dedicated central kitchen for the meeting and hospitality program is strongly recommended, allowing for the central kitchen to provide food preparation for the rest of the development is within the realm of possibility. Smaller food preparation areas and staging pantries would be required to distribute food throughout the facility, but certain efficiencies can and should be considered.

By exploring these opportunities and developing the program in tandem to the mixed-use development, significant project cost savings could range from anywhere between 10-15% for the conference center scope only in lieu of building a stand-alone conference and meeting facility.



# FUNDING OF COMPARABLE CONFERENCE CENTRE PROJECTS

The table below summarizes the capital cost and funding sources for major Canadian convention centre developments for Tier 1 through Tier 3 purpose-built convention centres. Only Hamilton’s most recent and planned future renovations have been funded by the private sector.

For larger convention centres, the funding model often includes contributions from the federal, provincial, and municipal government (e.g. Niagara Falls, Halifax, Ottawa).

For smaller centres, the ability to gain funding from federal and provincial governments is more limited, since incremental visitation does not necessarily deliver incremental economic impact to the province or country.

Funding Source for Comparable Convention Centre Projects (\$Millions CAD)												
Name of Centre	Hamilton Convention Centre <sup>1</sup>	Fredericton Convention Centre <sup>2</sup>	Prince George Conf. and Civic Centre	St. John's Convention Centre	RBC Place London <sup>3</sup>	Whistler Convention Centre	RBC Convention Centre Winnipeg	Niagara Falls Convention Centre <sup>4</sup>	Edmonton Convention Centre	Shaw Centre Ottawa <sup>5</sup>	Halifax Convention Centre	Calgary BMO Convention Centre
Ownership	Public - Municipal	Public - Municipal	Public - Municipal	Public - Municipal	Public - Municipal	Public - Municipal	Public - Municipal	Public - Municipal	Public - Municipal	Public - Provincial	Public - Provincial	Private
New/Reno/Expansion	Reno	New	New	Expansion	Reno	Reno	Expansion	New	Expansion	New	New	Expansion
Year	2022	2011	1994	2016	2016	2003	2016	2011	2006	2011	2018	2021
<i>Source of Funds</i>												
Federal				\$15.0			\$46.7	\$35.0	\$7.0	\$50.0	\$51.4	\$166.7
Provincial		\$8.0		\$15.0	\$0.7		\$51.0	\$35.0	\$7.0	\$50.0	\$58.9	\$166.7
Municipal		\$19.9	\$12.1	\$30.0	\$2.0	\$9.0	\$87.3	\$35.0	\$15.0	\$40.0	\$58.9	\$166.7
Private	\$12.5											
Other					\$2.0				\$40.0			
<b>Total</b>	<b>\$12.5</b>	<b>\$27.9</b>	<b>\$12.1</b>	<b>\$60.0</b>	<b>\$4.7</b>	<b>\$9.0</b>	<b>\$185.0</b>	<b>\$105.0</b>	<b>\$29.0</b>	<b>\$180.0</b>	<b>\$169.2</b>	<b>\$500.0</b>

Source: HLT Advisory Inc. based on publicly available government reports and releases and news articles for individual convention centre projects.

<sup>1</sup> The \$12.5 million has been reported as the capital contribution to both the convention centre and concert hall as part of a \$500 million district redevelopment project. The specific private entity providing funding has not been publicly disclosed.

<sup>2</sup> Provincial contribution to the Fredericton Convention Centre jointly committed with the federal government through the Provincial/Territorial Base Fund. Through the P/T fund the federal government provided \$175 million to each province and territory to address core infrastructure priorities.

<sup>3</sup> \$2 million listed in other category originated from the centre's own operations.

<sup>4</sup> Includes contributions from Niagara Falls BIA, Falls Management Company, Victoria Centre BIA and the Niagara Parks Commission.

<sup>5</sup> Other includes debt financed through the Ontario Financing Authority.

It is worth noting that there are no scenarios where a municipally owned building had provincial or federal funding that exceeded municipal funding. In Ottawa, the building is owned by the province of Ontario and, in addition to the \$50 million contribution by the province, the Ontario Financing Authority (“OFA”) also provided \$40 million in debt financing.

Based on Canadian convention centre funding in other markets, Kingston is not likely to receive provincial and federal funding that exceeds its municipal contribution. Any funding that is not provided by the municipality will likely need to be provided by a private developer.

# KINGSTON CONFERENCE CENTRE STATEMENT OF PROJECTED OPERATIONS

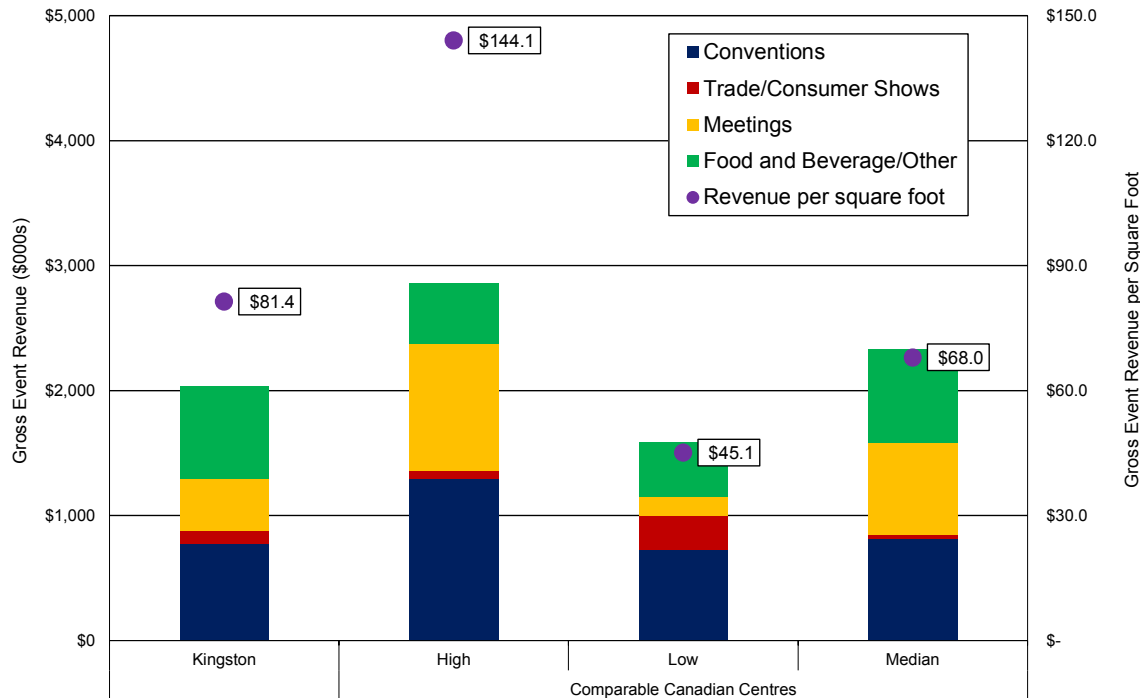
# REVENUE PROJECTIONS

This table opposite summarizes revenue projections for a stabilized year of operations for each of the four major demand segments.

Food and Beverage revenues per event and space rental rates are consistent with comparable Ontario convention centres (and to a lesser extent, comparable national convention centres).

The graph below compares projected conference centre gross event revenue by type and revenue per square foot with comparable Canadian centres. Kingston is projected to be comparable to the median centre performance for all event types except meetings. On a revenue per square foot basis, Kingston's projected performance is directly comparable to existing performance of similar venues.

**Comparison to Comparable Canadian Convention Centres - Gross Event Revenue**



Source: HLT Advisory Inc. estimates.

Conference Centre Event Revenue Projections - Stabilized Year	
<b>Conventions</b>	
Food and Beverage	\$510,000
Space Rental	\$191,250
Other	\$76,500
<b>Total Convention Revenue</b>	<b>\$777,750</b>
<b>Trade/Consumer Shows</b>	
Food and Beverage	\$40,500
Space Rental	\$48,600
Other	\$16,200
<b>Total Trade/Consumer Show Revenue</b>	<b>\$105,300</b>
<b>Meetings</b>	
Food and Beverage	\$285,625
Space Rental	\$91,400
Other	\$34,275
<b>Total Meetings Revenue</b>	<b>\$411,300</b>
<b>Food and Beverage (Banquets, Galas, etc.)</b>	
Food and Beverage	\$630,000
Space Rental	\$94,500
Other	\$15,750
<b>Total F&amp;B Event Revenue</b>	<b>\$740,250</b>
<b>Total</b>	
<b>Food and Beverage</b>	<b>\$1,466,125</b>
<b>Space Rental</b>	<b>\$425,750</b>
<b>Other</b>	<b>\$142,725</b>
<b>Total Revenue</b>	<b>\$2,034,600</b>
Source: HLT Advisory Inc. estimates.	

# STATEMENT OF PROJECTED OPERATIONS

The 5-year Statement of Projected Operations provided for the proposed Conference Centre is based on the following assumptions:

- Year 1 revenues are projected at 85% of the stabilized year (to account for business ramp up of the facility).
- Food & Beverage operations were assumed to be outsourced to a third-party service provider. HLT assumed the Conference Centre would receive a Food & Beverage commission of 27.5% of revenue. Based on HLT's experience, convention centre commission rates range from 25%-30% across North America.
- Repairs & Maintenance, Housekeeping, Utilities, and Insurance were calculated on a per square foot basis based on similar ratios at comparable facilities.
- Sales, Advertising and Marketing, Event Support, and General & Administration-Payroll were calculated as a percentage of total revenue in a stabilized year. Continued convention sales efforts from Tourism Kingston have been assumed as well (currently have a full-time business events position).
- General & Administration-Other were calculated annually as a percentage of total revenue. Property taxes are not included as it is assumed the Conference Centre would not be subject to Property tax payments to the City.
- Inflation on facility prices for years 2-5 of operation has been assumed to be 1% annually.
- Inflation on fixed operating expenses was also assumed to be 1% annually.
- No synergies and related cost savings between multiple site uses (e.g., shared management) have been assumed as a part of these projections.

<b>Conference Centre 5 Year Pro-Forma</b>					
	Year 1	Year 2	Year 3	Year 4	Year 5
F&B Commission	\$342,707	\$403,184	\$407,216	\$411,288	\$415,401
Space Rental Revenue	\$361,888	\$425,750	\$430,008	\$434,308	\$438,651
Other Revenue	\$121,316	\$142,725	\$144,152	\$145,594	\$147,050
<b>Total Revenue</b>	<b>\$825,910</b>	<b>\$971,659</b>	<b>\$981,376</b>	<b>\$991,190</b>	<b>\$1,001,102</b>
<b>Operating Expenses</b>					
Event Support	\$345,882	\$406,920	\$410,989	\$415,099	\$419,250
General & Admin*					
Payroll	\$142,422	\$143,846	\$145,285	\$146,738	\$148,205
Other	\$69,176	\$81,384	\$82,198	\$83,020	\$83,850
Sales, Advertising, Marketing	\$203,460	\$205,495	\$207,550	\$209,625	\$211,721
Repairs and Maintenance	\$120,000	\$121,200	\$122,412	\$123,636	\$124,872
Utilities	\$90,000	\$90,900	\$91,809	\$92,727	\$93,654
Insurance	\$30,000	\$30,300	\$30,603	\$30,909	\$31,218
<b>Total Operating Expenses</b>	<b>\$1,000,940</b>	<b>\$1,080,045</b>	<b>\$1,090,845</b>	<b>\$1,101,754</b>	<b>\$1,112,771</b>
<b>Net Operating Income (Loss)</b>	<b>(\$175,030)</b>	<b>(\$108,385)</b>	<b>(\$109,469)</b>	<b>(\$110,564)</b>	<b>(\$111,670)</b>

Source: HLT Advisory Inc. estimates.  
\*Only includes incremental General & Admin expense required for operations of the conference centre.

*Our Report has been prepared for the Client in accordance with the terms contained in our engagement letter (including the attached Standard Terms and Conditions). The Report has been prepared for the use of the Client to assist in the assessment of the merits of proceeding with the project. To the extent third parties are provided with a copy of the Report, third parties are advised to complete their own due diligence on either the merits of an investment in or on any other involvement with the project. HLT Advisory does not accept responsibility or liability for any liabilities, damages, costs or expenses suffered by any third party arising from any claims or actions by such third party relating to the use of or reliance upon our report.*

# STATEMENT OF PROJECTED OPERATIONS- CONCLUSIONS

The preceding Statement of Projected Operations has been prepared based on HLT's knowledge of the market-area industry and applicable benchmark cost data. As the project is potentially part of a mixed-use development and as cost allocations have yet to be determined between other site components, certain operating costs are subject to change. Building maintenance, energy and property taxes for example, will require additional analysis at the point where the project is further defined.

The Statement of Projected Operations indicates that the Conference Centre will operate at a loss annually. This is typical for many convention/conference centres in Canada operating facilities comparable in size and comparable in location to this project.

As the Statement of Operating Projections depicts the Conference Centre Operations, it does not include the operational impacts of the other site uses. Other site uses like parking can commonly improve convention centre operations.

HLT has not quantified the revenue and profitability from other site uses as part of this report. In the last section of this report HLT has included a preliminary analysis of "excess cash flow required from other sources" to make the capital investment in the project commercially viable.

Potential cash flow from other sources such as parking, hotel, retail and residential development should be assessed separately to determine overall project viability.

# KINGSTON CONFERENCE CENTRE ECONOMIC IMPACT PROJECTIONS

# ECONOMIC IMPACT OF COMPARABLE CENTRES

As part of this analysis, HLT has calculated the economic impact that the development and operation of the Conference Centre will have on the City of Kingston. This facility will likely produce economic benefits for the City such as increased employment, tourism and increased business activity in downtown Kingston.

To provide some context in terms of the impact similarly sized convention centres have on their communities, the following table summarizes publicly reported direct economic impact generated by some comparable Canadian convention centres.

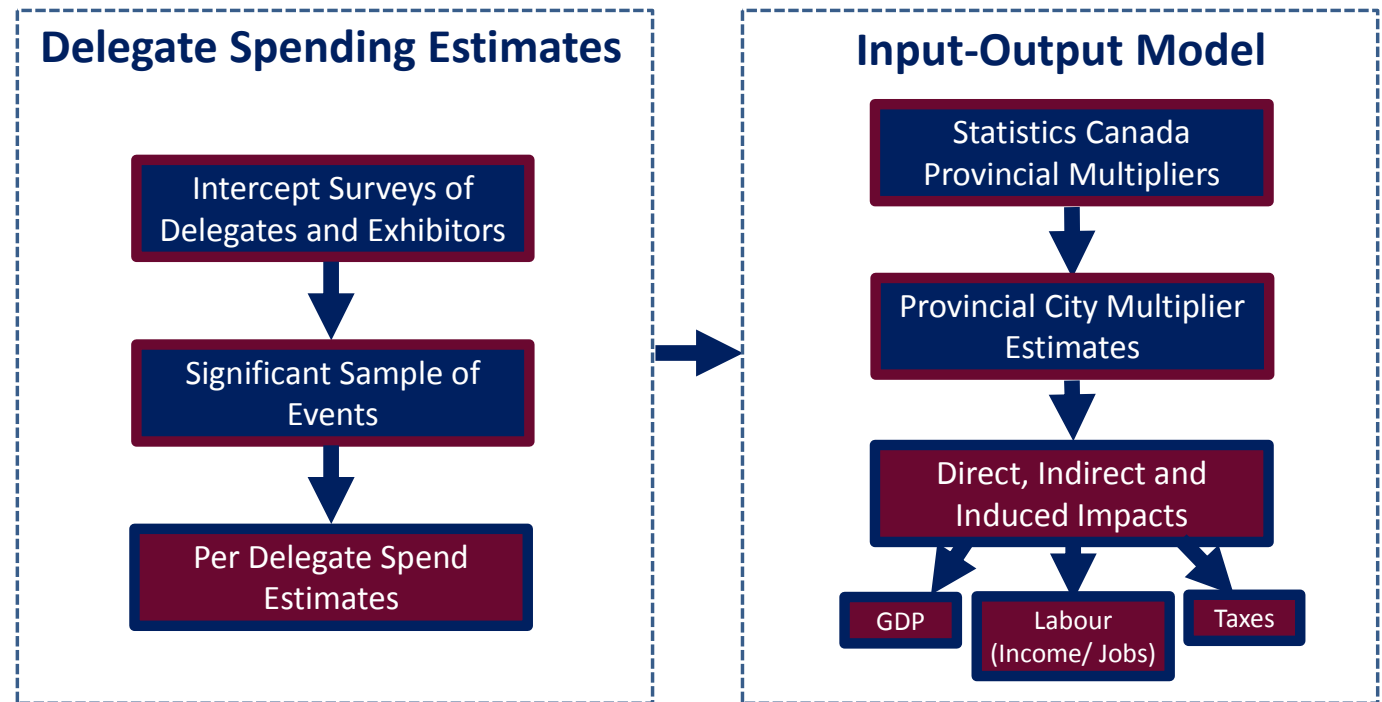
<b>Economic Impacts Reported by Comparable Centres</b>				
	RBC Place London	Penticton Trade and Convention Centre	Prince George Conference and Civic Centre	Fredericton Convention Centre
Exhibit Space (ft <sup>2</sup> )	-	13,590	18,000	-
Ballroom Space (ft <sup>2</sup> )	33,033	15,620	-	12,490
Meeting Space (ft <sup>2</sup> )	15,247	5,934	4,800	7,354
<b>Total Rentable Space (ft<sup>2</sup>)</b>	<b>48,280</b>	<b>35,144</b>	<b>22,800</b>	<b>19,844</b>
Year Economic Impact Reported	2019	2017	2019	2019
Number of Events	323	84	350	229
Delegate Days	107,120	83,780	176,176	69,959
Direct Economic Impact (\$m)	\$18.4	\$11.7	\$17.5	\$15.7
Source: HLT Advisory inc. based on publicly available centre information.				

It should be noted that these facilities operate in markets with varying levels of hotel supply, airline access and market attractiveness that impact the ability to attract out-of-town delegates.



Industry standard economic impact calculation is based on the methodology outlined in the diagram below. Economic impact calculation includes the following two components:

- Delegate Spending Estimates** - This step estimates how much delegates spend in a destination on aspects such as lodging, transportation and food and beverage. Industry standard is to collect this information by surveying delegates at existing events. This component allows centres to quantify the total spending in the community by delegates in different spend categories.
- Input-Output Model** - This step allows centres to quantify how that spending impacts their community in terms of incremental GDP, labour (income/job), and taxes generated. Statistics Canada determines input-output multipliers by province and then provincial statistical agencies further refine these input-output tables for municipalities



Since delegate spending estimates from existing events can not be determined, HLT worked with Tourism Kingston to identify the spending characteristics of existing visitors to the Kingston region. These characteristics were then compared to other Canadian destinations, and HLT's knowledge of convention centre delegate spend patterns in those jurisdictions (and nationally) were used to approximate delegate spending (further detailed on next page). For the Input-Output model, the Tourism Regional Economic Impact Model ("TREIM") developed by the Ontario Ministry of Heritage, Sport, Tourism and Culture Industries was used (further detailed on page 65).

# VISITOR SPENDING CHARACTERISTICS

To assess delegate spending at the proposed Kingston Conference Centre, HLT first reviewed existing visitor spending characteristics in Kingston. The numbers below highlight spending estimates for business versus leisure travelers, as well as visitation and spending by visitor origin.

Over the last 5 years, business visitors have accounted for less than 10% of total visitors to Kingston, with greater than 90% of visitors coming to Kingston for leisure. In 2018 and 2019, spend per visitor was similar for business versus leisure travelers, while from 2021 through 2022 spending per business visitor was greater than spending per leisure visitor.

The majority of visitation to Kingston in the last 5 years has come from provincial visitation (80%-90%). This is consistent with HLT's analysis and event load projections where provincial associations and corporate groups are projected as a key market demand segment.

The existing Kingston visitor spending also shows that visitors that travel further, on average, spend more when they visit a destination. This is consistent with HLT's experience across North America and internationally with respect to delegate spending patterns, where international delegates stay longer and spend more in a destination than regional attendees.

These existing visitor spending characteristics as well as local market cost factors (e.g., hotel rates) formed the basis for HLT's delegate spending estimates.

<b>Total Visitors and Visitor Spend to Kingston by Leisure and Business Travellers</b>					
	2018	2019	2020	2021	2022
Business Visitors	208,300	207,000	37,100	38,600	60,600
Business Spend	\$40,039,000	\$36,856,000	\$5,327,500	\$9,657,500	\$20,973,000
Leisure Visitors	2,269,700	2,256,300	1,322,600	1,434,300	1,613,000
Leisure Spend	\$436,313,000	\$401,623,500	\$226,311,000	\$300,873,500	\$467,913,500

*Source: HLT Advisory Inc. based on Twenty31 Consulting estimates.*

<b>Total Visitors and Visitor Spending in Kingston by Origin</b>					
	2018	2019	2020	2021	2022
<u>Visitation to Kingston</u>					
Provincial	2,219,600	2,208,300	1,263,200	1,368,300	1,371,500
National	142,400	141,700	50,700	54,900	91,600
US	208,000	201,000	37,000	40,000	163,900
International	142,000	145,000	8,800	9,600	46,400
Total	2,712,000	2,696,000	1,359,700	1,472,800	1,673,400
<u>Spending in Kingston</u>					
Provincial	\$376,476,700	\$344,879,300	\$207,251,400	\$277,832,200	\$404,553,800
National	\$22,776,800	\$22,130,700	\$8,321,100	\$11,148,100	\$26,742,100
US	\$42,515,000	\$48,551,000	\$8,306,000	\$11,135,000	\$47,891,300
International	\$78,194,000	\$64,333,000	\$4,425,800	\$5,931,100	\$13,556,800
Total	\$519,962,500	\$479,894,000	\$228,304,300	\$306,046,400	\$492,744,000

*Source: HLT Advisory Inc. based on Twenty31 Consulting estimates.*

# DIRECT SPENDING ESTIMATE

HLT reviewed a number of sources to estimate direct spending by delegates projected to attend the proposed Kingston Conference Centre. In addition to Tourism Kingston visitor spending statistics, HLT also reviewed national conference attendee spend statistics from MPI (national survey data) and Destination Canada.

HLT also reviewed delegate spending data based on delegate surveys from similar sized convention centres across Ontario and Canada.

HLT then assessed local market data including monthly hotel rates, food and beverage costs, and transportation costs to quantify per diem spending by delegates in a stabilized year.

Total delegate spending estimates (not including spending at the proposed Kingston Conference Centre) are estimated in the adjacent table. Consistent with other Canadian convention centres, the majority of delegate spending is on lodging, followed by food and beverage and transportation.

In total, HLT estimates \$9.8 million in direct spending from delegates in a stabilized year of operations, with \$4.6 million coming from non-local delegates. The majority of this non-local delegate spending can be viewed as incremental to Kingston.

While the majority of attendance in a given year is from local delegates, spending in the destination is significantly higher from non-local delegates. Both the estimated proportion of local versus non-local delegates and the estimated spending patterns of those delegates are consistent with the performance of other comparable Ontario convention centres.

<b>Kingston Conference Centre Delegate Spending Estimates</b>		
	All Delegates	Non-Local Delegates
<u>Delegate Spending</u>		
Lodging	\$3,621,471	\$2,548,515
Transportation	\$2,169,163	\$739,145
Food and Beverage	\$2,892,218	\$985,527
Retail	\$628,743	\$214,245
Recreation	\$471,557	\$160,684
<b>Total Delegate Spending</b>	<b>\$9,783,152</b>	<b>\$4,648,116</b>
Delegates	41,650	10,350
<u>Spend per Delegate</u>		
Lodging	\$86.95	\$246.23
Transportation	\$52.08	\$71.42
Food and Beverage	\$69.44	\$95.22
Retail	\$15.10	\$20.70
Recreation	\$11.32	\$15.53
<b>Total Spend per Delegate</b>	<b>\$234.89</b>	<b>\$449.09</b>

*Source: HLT Advisory Inc. based on Tourism Kingston visitor spending data and HLT estimates.*

The Ontario Tourism Regional Economic Impact Model (“TREIM”) is a regional economic impact model designed for Tourism Policy and Research Branch of the Ontario Ministry of Tourism, Culture and Sport. The most recent version of the model (2017) was developed by The Centre for Spatial Economics.

TREIM produces estimates of the:

- **Direct, Indirect** and **Induced** impacts of tourism-related activities on **Gross Domestic Product (GDP), Labour Income** and **Employment**
- **Direct** and **Total impacts** of tourism-related activities on **Federal, Provincial** and **Municipal Tax Revenues**

Tourism is defined as all activities that people engage in when travelling outside their usual environment for any purpose. The Ministry of Tourism, Culture and Sport developed TREIM and made it available to the public in the 1980s. A web version was made available in 2005. The current updated version is based on data from the year 2011 but is capable of simulating tourism-related economic impacts from 2010 to 2025.

The TREIM model is based on provincial input-output tables are produced annually by Statistics Canada. Input-output tables show what each industrial sector produced in that year, what inputs it used and who consumed its outputs and are central to the construction of TREIM.

In addition to the impacts of visitor spending, operating expenses and investment activities, the TREIM model has a portal specifically related to convention centre activity to assess the economic impacts of delegate spending.

The TREIM model is used by convention centres across Ontario to quantify the economic impact generated by convention centre delegate spending.

# ECONOMIC IMPACT PROJECTIONS

Exhibit A to Report Number 23-130

The adjacent table shows the projected economic impact of the Kingston Conference Centre based on the TREIM Model outputs. A definition of the economic measures and the levels of economic impact is provided in Appendix D of this report.

HLT has provided economic impacts from all delegate spending as well as non-local delegate spending. Non-local delegate spending is generally viewed as incremental to a destination, whereas spending by local delegates can be viewed as a redistribution of community spending.

The adjacent economic impacts are generated by projected visitor spending outside of the Kingston Conference Centre in the community. Employment (income and jobs) as well as taxes generated directly by operations of the Kingston Conference Centre are not included in the TREIM model outputs.

<b>Kingston Conference Centre Economic Impact Projections</b>				
	All Delegate Spending		Non-Local Delegate Spending	
	Kingston	Rest of Province	Kingston	Rest of Province
<b>GDP</b>				
Direct	\$5,025,494		\$2,519,380	
Indirect	\$839,613	\$592,725	\$390,270	\$205,405
Induced	\$1,345,355	\$871,092	\$649,660	\$410,602
<b>Total</b>	<b>\$7,210,462</b>	<b>\$1,463,817</b>	<b>\$3,559,310</b>	<b>\$616,007</b>
<b>Labour Income</b>				
Direct	\$3,012,392		\$1,494,183	
Indirect	\$552,819	\$384,441	\$257,128	\$133,172
Induced	\$814,150	\$570,976	\$392,864	\$270,308
<b>Total</b>	<b>\$4,379,361</b>	<b>\$955,417</b>	<b>\$2,144,175</b>	<b>\$403,480</b>
<b>Employment (Jobs)</b>				
Direct	71		34	
Indirect	7	5	3	2
Induced	8	7	4	3
<b>Total</b>	<b>86</b>	<b>12</b>	<b>41</b>	<b>5</b>
<b>Direct Taxes</b>				
Federal	\$854,518		\$413,970	
Provincial	\$955,736		\$448,471	
Municipal	\$9,917		\$5,024	
<b>Total</b>	<b>\$1,820,171</b>		<b>\$867,465</b>	
<b>Total Taxes</b>				
Federal	\$1,295,895	\$213,456	\$626,524	\$90,142
Provincial	\$1,271,206	\$149,236	\$600,320	\$62,659
Municipal	\$23,004	\$8,228	\$11,305	\$3,755
<b>Total</b>	<b>\$2,590,105</b>	<b>\$370,920</b>	<b>\$1,238,149</b>	<b>\$156,556</b>

Source: HLT Advisory Inc. based on the Ontario Ministry of Tourism, Culture and Sport TREIM Model and HLT delegate spending estimates.

# FINANCIAL OPERATING CONSIDERATIONS

# COMMERCIALY REASONABLE RATE OF RETURN

As provided by Populous and detailed earlier in this report, the ROM costs associated with the development of a potential Kingston conference facility are between \$33.3 and \$41.0 million. In developing a Statement of Operations HLT has estimated that the facility would realize a net operating loss of between \$108,000 and \$175,000 during its first 5 years of operations. Given HLT's assumption that the City's contribution to the Conference facility would be limited to providing land and providing a waiver on the property tax (for the conference centre only), a private investor will likely require the projected annual operating loss and any ongoing capital maintenance costs to be covered by excess free cash flows generated by other potential site uses.

Examples of other potential uses for this site may include:

- Parking – to service the conference facility and other site uses but also to service local market demand for downtown parking
- Hotel
- Condo/Residential development
- Office
- Retail

In developing an estimated range of the excess free cash flows from other site uses required to fund the capital development, HLT first considered commercially reasonable rates of return for Canadian hotel & meeting facilities in the current financing environment. The overall commercially reasonable rates of return are comprised of existing expected rates of returns on investor equity and relevant, prevailing commercial mortgage rates. Per the following table, HLT estimates that an indicative current reasonable rate of return for calculating excess free cash flows required to fund the capital development operations is 10.4%.

<b>Reasonable Rates of Return - Canadian Hotel &amp; Meeting Industry</b>			
	Portion of Capital Costs	Current Estimated	Weighted Rate
Investor Equity	40%	17.0%	6.8%
Debt Financing (Mortgage)	60%	6.0%	3.6%
<b>Total</b>	<b>100%</b>		<b>10.4%</b>
<i>Source: HLT Advisory inc. based on recent HVS 2022 survey of hotel investor expected returns on equity and current prevailing rates on commercial mortgage rates</i>			

This estimate is intended as an indicative calculation of a commercially reasonable rate of return. Each investor/operator evaluating this site development opportunity will have its own rate of return requirement and derive its own estimate of cash flows required to undertake the comprehensive site development, including the conference facility.



# PROJECTED CASH FLOW REQUIRED FROM OTHER SOURCES

In developing an estimated range of the excess free cash flows from other site uses required to support the capital development, HLT has multiplied the ROM capital budget by the estimated commercially reasonable rate of return for Canadian hotel & meeting facilities of 10.4%

The product of this capital budget and rate of return calculation is then added to HLT's estimates of the conference centre's annual operating loss and an estimated budget for annual maintenance (assumed to be 0.5% of original development costs). This calculation derives the excess total free cash flows likely required from other site uses to support the development costs and operation of the conference centre.

Based on this simple return on investment methodology, HLT estimates that approximately \$3.7-\$4.6 million in excess free cash flow from other site uses will be required by an investor/developer to fund the development and annual operations of the conference centre.

*Note: this methodology does not take into account the time value of money, potentially deferred capital maintenance schedules (e.g., less capex required in initial years of a new build), an investor return horizon, or a terminal value of the asset. Different site uses can vary significantly in terms of return horizon and exit multiple expectations.*

Projected Excess Cash Flow Required from Other Site Uses		
	Low	High
ROM Capital Costs	\$33,300,000	\$41,000,000
Reasonable Commercial Return	10.4%	10.4%
Annual Excess Cash Flow to Fund Capital Costs	\$3,463,200	\$4,264,000
HLT Estimated Operating Loss <sup>1</sup>	\$123,024	\$123,024
Annual Capital Maintenance Costs <sup>2</sup>	\$166,500	\$205,000
<b>Annual Excess Cash Flow Required from Other Uses</b>	<b>\$3,752,724</b>	<b>\$4,592,024</b>
<i>Source: HLT Advisory inc. based on recent HVS 2022 survey of hotel investor expected returns</i>		
<i><sup>1</sup> Based on average of 5 year net operating loss.</i>		
<i><sup>2</sup> Calculated based on 0.5% of original capital costs.</i>		

# APPENDIX A: REPORTS REVIEWED

As part of this feasibility study, HLT reviewed the following documents.

Report	Completed by	Date
Kingston Conference Centre (Block 4) Feasibility Study – Prepared in 2013 for Kingston Economic Development Corporation (“KEDCO”)	HLT Advisory Inc.	October 2013
Integrated Destination Strategy Plan for Kingston	Twenty31 Consulting	January 2019
City of Kingston Strategic Plan 2019-2022	City of Kingston	March 2019
A Business Case for a Conference Centre in Kingston, Ontario	Twenty31 Consulting	June 11, 2020
A Business Case for a Conference Centre in Kingston, Ontario – Revised Forward	Twenty31 Consulting	May 2021
Kingston Conference Centre Hotel Capacity Research Paper	Floor13 Consulting	October 2021
Integrated Destination Strategy Plan 2022-2027	Twenty31 Consulting	July 29, 2022
Determining the Economic Contribution of Tourism Kingston (and Frontenac County): 2019 to 2022	Twenty31 Consulting	February 3, 2023

# APPENDIX B: MEETING PLANNERS INTERVIEWED

Exhibit A to Report Number 23-130

As part of this feasibility study, HLT interviewed the following meeting planners.

Name	Title	Organization
Alexandra Anderson	Executive Director	Camping in Ontario
Barbara McRae	Chief Planner	Strategic Events
Gilles Lavigne	Head of Operations	Canadian Country Music Association
Helene Getty	Director	Global Strategic Selection
Jennifer Allaby	Executive Director	Canadian Association of Exposition Management
Joe Nishi	Managing Partner	Meeting Encore
Landon Logie	Founder & CEO	Landon Logie Events
Linda Cho	Director of Events	Canadian Country Music Association
Nancy Irvine	President	Canadian Association of Movers
Samantha Rosen	Senior Event Manager	Redstone Events
Stuart Galloway	President	20/20 Show Productions

# APPENDIX C: KINGSTON STAKEHOLDERS INTERVIEWED

As part of this feasibility study, HLT interviewed the following Tourism Kingston stakeholders.

Name	Title	Organization
Allyson Tonnelli	Director of Sales	Tourism Kingston
Brandon Tatersall	General Manager	Leon's Centre
Christopher Marz	General Manager	Holiday Inn Kingston Waterfront
Craig Leroux	Director, Government and Corporate Relations	Queen's University
Elyse Helder	Sales & Marketing Manager, Events & Hospitality Services	Queen's University
Heather Ford	Owner	Green Acres Inn
Krista LeClair	Executive Director	Kingston Accommodation Partners
Lanie Hurdle	Chief Administrative Officer	City of Kingston
Marijo Cuerrier	Executive Director	Downtown Kingston BIA
Matthew Fry	Regional General Manager	Easton's Group of Hotels (Kingston Area)
Megan Knott	Executive Director	Tourism Kingston
Michael Springer	President	Diamond Hotels Management Inc.
Moira Demorest	Music Commissioner	Tourism Kingston
Neil Carbone	Commissioner of Corporate Services	City of Kingston
Ryan Rowe	General Manager	Residence Inn by Marriott Kingston Water's Edge
Scott Follwell	Chief Operating Officer	Diamond Hotels Management Inc.
Shelley Hirstwood	Director of Business Development	Kingston Economic Development
Ted Robinson	Business Events Specialist	Tourism Kingston

# APPENDIX D: ECONOMIC IMPACT OUTPUT DEFINITIONS

## TREIM Definition of Level of Impact

- **Direct impact:** refers to the impact generated in businesses or sectors that produce or provide goods and services directly to visitors, e.g., accommodations, restaurants, recreations, travel agents, transportation and retail enterprises etc. Direct impact on GDP, employment and tax revenues is also called tourism GDP, tourism employment and tourism tax revenues.
- **Indirect impact:** refers to the impact resulting from the expansion of demand from businesses or sectors that directly produce or provide goods and services to visitors, to other businesses or sectors.
- **Induced impact:** refers to the impact associated with the re-spending of labour income (household spending) and/or profits earned in the industries (business investment) that serve visitors directly and indirectly.

## TREIM Definition of Economic Impact Measure Generated

- **GDP:** is the value of goods and services produced by labour and capital located within a country (or region), regardless of nationality of labour or ownership. The GDP measures in TREIM are valued at market prices in nominal dollars.
- **Labour income:** is the value of income generated by labour from wages, salaries, supplementary labour income and mixed income. Mixed income largely consists of non-wage income earned by self-employed persons.
- **Employment:** refers to the number of jobs, including full-time, part-time, seasonal and temporary employment for employed and self-employed (paid and unpaid) persons.
- **Federal tax revenues:** include personal income tax, corporate income tax, commodity tax (GST/HST, gas tax, excise tax, excise duty, air tax and trading profits) and payroll deductions that are collected by the federal government.
- **Provincial tax revenues:** include personal income tax, corporate income tax, commodity tax (PST/HST, gas tax, liquor gallonage tax, amusement tax and trading profits) and the employer health tax collected by the Ontario government.
- **Municipal tax revenues:** include business and personal property taxes that are collected by municipalities. Collection, however, does not immediately follow the consumption or production of goods and services in a municipality (as is the case with GST/HST or personal income taxes). Rather, if selected, these taxes represent property taxes collected by a municipality that can be attributed to tourism because of tourism's contribution to the economic activity of the municipality and hence its tax base.







## Preface

### Intent of the Document:

This document is meant to augment the *Kingston Residential Intensification/ New Community Design Guidelines* and *Kingston Downtown and Harbour Architectural Guidelines* as they relate to the future development of Block 4.

These Design Guidelines are to be read in conjunction with other studies and reports for Block 4 including:

- Heritage Preservation Guidelines (Inventory, Preservation Component, Design Guidelines and Technical Conservation);
- Pedestrian, Bicycle and Traffic Analysis; and,
- Environmental Assessments.

### Purpose of the Document:

This document will act as the guiding document on the design of development proposals that will be prepared in response to the Request for Proposals from Purchasers/Developers of Block 4, and is organized into two parts: High Priority Components that should be strongly considered by proponent responses and; Desired Components that will be used, in part, to rank the design proposals submitted.

### Previous Design Studies:

The North Block District Community and Business Enhancement Opportunities Study completed in 2009 for the City of Kingston provides several design scenarios for the North Block District and specifically Block 4. While these scenarios will not be used precisely as a basis for evaluation of proposals, many of the recommendations in this Study have been carried forward into the Design Guidelines.

### Official Plan Height Requirements:

The Official Plan under Section 3.18.22 a. requires that any building proposals in excess of 25.5 metres (approximately 6 storeys) are subject to an urban design study. The study must show that the development will:

- Not overshadow surrounding buildings;
- Be compatible with the scale and massing of buildings in the surrounding built form context; and,
- Satisfies all other Official Plan policies.



## Contents

<b>1.0 Context and Vision for Block 4</b> .....	<b>1</b>	6.2 Sun Access .....	16
1.1 Site Context and Location .....	1	6.3 Reduction of Wind Effect.....	16
1.2 Components of Block 4 .....	2	6.4 Noise Reduction.....	16
1.3 Current Policy Context .....	3	<b>7.0 Building Massing and Articulation</b> .....	<b>17</b>
1.4 Current Zone Provisions .....	4	7.1 Podium Design and Activation .....	17
1.5 Vision .....	4	7.2 FSI Requirements .....	17
<b>2.0 Site Design Considerations</b> .....	<b>5</b>	7.3 Definitions FSI Calculation .....	18
2.1 General Design Objectives .....	5	7.4 Low-Rise Building (4 - 6 storeys) .....	19
2.1.1 Sustainability.....	5	7.5 Mid-Rise Building (7-9 storeys).....	19
2.1.2 Crime Prevention through Environmental Design .....	5	7.6 High-Rise Building (10-18 storeys).....	20
2.1.3 Live/ Work/ Play Component .....	5	7.7 Height and Density Bonus.....	21
2.1.4 Hotel/ Conference Centre .....	5	<b>8.0 Building Facades</b> .....	<b>22</b>
<b>3.0 Street Level Interaction and Interface</b> .....	<b>6</b>	8.1 Walls, Windows, Materials and Colour.....	22
3.1 Building Setbacks.....	6	8.2 Building Lighting.....	22
3.2 Building Entries .....	6	8.3 Building Signage .....	22
3.3 Ground Level Retail Interface with street .....	8	<b>9.0 Site Mobility Features</b> .....	<b>23</b>
3.4 Ground Level Live-Work Interface with street .....	8	9.1 Pedestrian.....	23
3.5 Ground Floor Heights.....	8	9.2 Bicycle.....	23
<b>4.0 Open Spaces Interface</b> .....	<b>9</b>	9.3 Transit.....	23
4.1 Mid-Block Courtyard.....	9	<b>10.0 Site Parking</b> .....	<b>24</b>
4.2 Cross-Block Pedestrian Connection.....	9	10.1 Underground Parking Design .....	24
4.3 Public Space and Sidewalks .....	11	10.2 At Grade Parking Design .....	24
4.4 North-East Corner Parkette.....	12	10.3 Above Grade Parking Design.....	25
4.5 Private Amenity Areas.....	12	10.4 Service Delivery .....	25
<b>5.0 Heritage Interface</b> .....	<b>13</b>	<b>11.0 Sustainability</b> .....	<b>26</b>
5.1 Integrative Guidelines for New Design .....	13	11.1 Sustainable Design Features for New Development.....	26
5.2 Rear Setback/Courtyard.....	13	11.2 Block 4: A Component of a Sustainable Neighbourhood .....	26
5.3 Street-Wall Design .....	15	11.3 Green Roof .....	27
5.3.1 Street-wall along Queen Street.....	15	11.4 Green Infrastructure.....	27
5.3.2 Street-wall along KingStreet .....	15		
5.3.3 Northwest Corner.....	15		
<b>6.0 View Protection and Microclimate</b> .....	<b>16</b>		
6.1 Protection of Key Views (please refer to Image 7) .....	16		

## 1.0 Context and Vision for Block 4

### 1.1 Site Context and Location

Block 4 is a feature block in the North Block District of downtown Kingston with close proximity to the waterfront and the northern gateway to the Downtown. The site context is as follows:

To the **North** of the site are The Tragically Hip Way and the Rogers K-Rock Centre. The Rogers K-Rock Centre is a 5700 seat arena which hosts the Kingston Frontenacs, concerts and other large events in the City. Slightly further north of the Rogers K-Rock Centre is the Great Cataraqui River, which is also the southern end of the Rideau Canal system, a UNESCO World Heritage Site.

To the **East** of the site are Ontario Street, the Wolfe Island ferry terminal and Fort Frontenac. Ontario Street is a key access into downtown Kingston with Block 4 serving as a gateway site into the historic downtown. The ferry to Wolfe Island is a free service and runs hourly.

To the **South** of the site are Queen Street and the Princess Street retail district. Princess Street and Market Square are located within 2 blocks to the south of Block 4 providing a strong retail market base for future development. Immediately to the south of Block 4 lies Block 5 of the North Block District, a privately owned property which has been identified for partial future site redevelopment.

To the **West** of the site are King Street and some large format retail. Adjacent to the King Street frontage are Food Basics grocery store, an LCBO store and Goodlife Fitness Centre. It is anticipated that this area will also be subject to further intensification as the North Block District is developed.



Photo 1: Wolfe Island Ferry



Photo 2: City Hall and Market Square

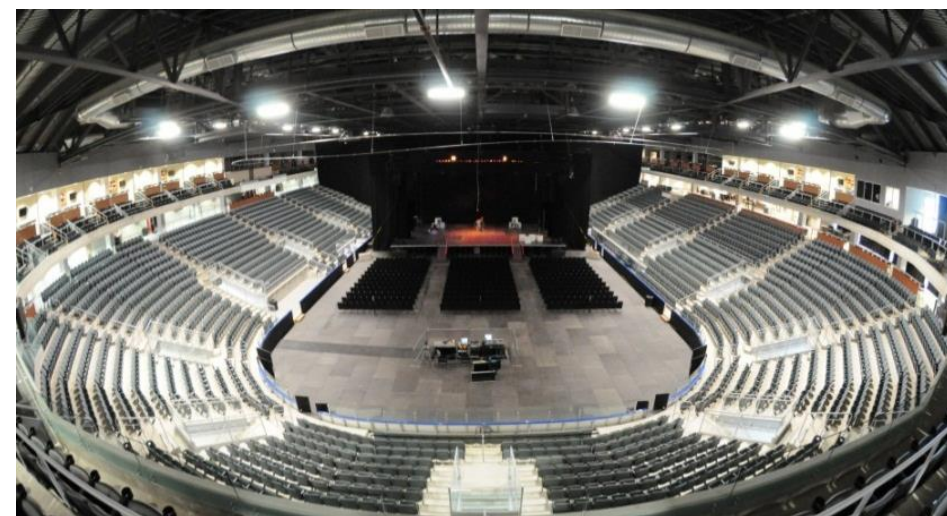


Photo 3: Rogers K-Rock Centre

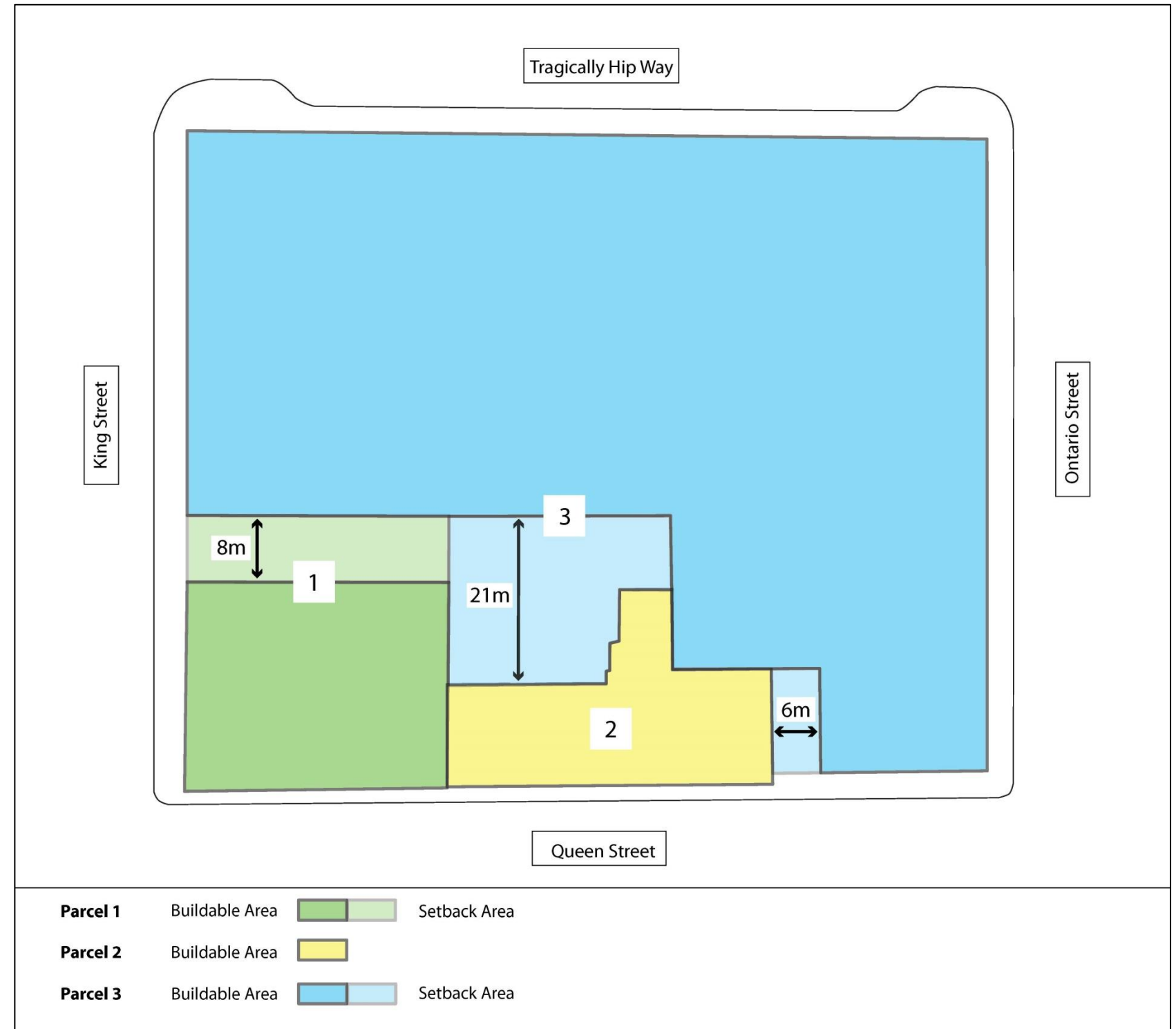
## 1.2 Components of Block 4

Block 4 consists of three parcels of land; parcel 1 is a substation building owned by Kingston Hydro Corporation located at 27 Queen Street; parcel 2 includes protected heritage buildings located at 19-23 Queen Street; and parcel 3 is a City owned surface parking lot. Contaminated soils on site have been partially remediated by the City of Kingston. The property is approximately 0.82 hectares in area, or 2.02 acres and consists of three parcels (please refer to Image 1):

**Parcel 1** – Electrical Substation, 27 Queen Street (owned by Kingston Hydro Corporation);

**Parcel 2** – Heritage Properties, 19, 21, and 23 Queen Street to be sold to a developer proponent (owned by the City of Kingston); and

**Parcel 3** – The Remainder of the site to be sold to a developer proponent (owned by the City of Kingston).



**Image 1:** The subject property is made up of three Parcels as listed above. Parcel 1 is to remain under the ownership of Kingston Hydro Corporation and requires an 8 m rear-yard setback. Parcel 2 is to be sold to a developer proponent and includes the built boundary of preserved heritage buildings on site. Parcel 3 is currently a public parking lot and is to be sold to a developer proponent along with Parcel 2. Parcel 3 contains several setbacks from the heritage buildings in Parcel 2 as shown above.



### 1.3 Current Policy Context

Block 4 is located within the City of Kingston's Central Business District Centre, which is intended to remain as the City's primary economic centre. Centre area policies with respect to intensification and heritage preservation are as follows;

"The Centre policies within the Central Business District apply to *infill* lots in the downtown core, including the North Block Area and recognizes the importance of maintaining and conserving the heritage buildings and character of the Lower Princess Street Heritage Character Area in accordance with Sections 7.3 and 10A of this Plan."

The North Block District is identified as **Site Specific Policy Area No. 22**. These policies recognize the special status of the North Block District and outline a number of provisions intended to guide the gradual intensification of the District. These provisions relate to such matters as: building heights; strengthening pedestrian access; ground floor building setbacks to allow for covered pedestrian walkways; amenity space requirements; maintaining waterfront views; replacement of surface parking with parking structures; requirements for traffic and parking impact studies; protection of heritage buildings; archaeological investigations and site remediation. The site is currently subject to the use of a Holding (H) Symbol for two aspects: i) All servicing issues have been resolved to the City's satisfaction and; ii) A Record of Site Condition must be completed.

The Official Plan provides more detailed policies for the **Downtown and Harbour Special Policy Area**. These policies are based on a number of other special studies, including: the Downtown Action Plan; Urban Growth Strategy; Downtown and Harbour Architectural Guidelines Study; Community Improvement Plan Brownfields Project Areas 1A, 1B and 1C; Kingston Transportation Master Plan; Cycling and Pathways Study; and, Core Area Transportation Review. The goal for the Downtown and Harbour Special Policy Area is: "To foster the continued prominence and function of the Downtown and Harbour Area as the principal mixed use business district or commercial "Centre" and civic focus within the City, for both residents and visitors".

A wide range of commercial use is permitted, including all levels of retailing, offices, professional and service uses, hospitality uses and tourist accommodation, cultural, entertainment and recreation uses. Medium and high density residential uses are also encouraged in the Area. New industrial, automotive and low density residential uses are prohibited. Large-scale commercial uses and automobile sales or gas bars that are not compatible with the massing of historic buildings may be prohibited.

Particular policies in the Official Plan that affect Block 4 include:

- Identification of the half block south of Queen Street and the half block on the north side of Queen Street between King and Wellington Streets as Major Development sites on Schedule DH-2;

- Identification of King Street, Ontario Street, Barrack Street (between Ontario and King Streets) and Queen Street (between Ontario and King Streets) as Prime Pedestrian Streets on Schedule DH-3;
- Identification of Ontario Street, King Street, Queen Street, The Tragically Hip Way (Formerly Barrack Street) and Wellington Street (between Queen and Barrack Streets) as requiring mandatory commercial frontage on Schedule DH-3;
- A maximum building height of 25.5 metres (after employing angular plane setbacks) – higher building heights may be considered subject to submission of a site specific urban design study to the satisfaction of the City;
- Preserving views to the water from Barrack (The Tragically Hip Way) and Queen Streets;
- Conservation and re-use of existing heritage buildings; and
- New development to be compatible with the built heritage fabric and street-oriented pedestrian function of the Area.

*Note: Official Plan policies referred to throughout this document will read as **OP 3.18.22**.*

## 1.4 Current Zone Provisions

The site is currently zoned (H) C1-22 – Central Business System Zone, which permits a wide range of commercial uses as well as mixed commercial/residential developments. Minimum lot coverage is 50%; maximum lot coverage is 100%. Maximum density is 123 dwelling units per net hectare. The maximum permitted building height is 17 metres (55 feet) at the street line (build-to-plane) and 25.5 metres (83 feet) along the required angular plane (upper floor step-back). Specific provisions are also included for parking structures.

The site specific zoning places a Holding (H) Symbol on the entire District that will not be removed until such time as: i) All servicing issues have been resolved to the City's satisfaction; and ii) A Record of Site Condition has been registered in accordance with Provincial regulations.

The current zoning on the subject property allows for 123 units per hectare. Based on the site area of Block 4, only 101 units would be permitted on site under the current regulations. This requirement is proposed to be amended to allow for increased density on Block 4.

## 1.5 Vision

Based on the previous design studies completed to date and the current initiative undertaken by Council, the following represents a vision for the future of Block 4;

*Block 4 is a vibrant urban space for residential and commercial use that engages users of Kingston's waterfront, downtown Kingston and the K-Rock centre. The site is mixed-use and complements the existing heritage structures on site while creating a distinct built form.*



**Photo 4:** Existing structures on Block 4 including the Kingston Hydro substation and heritage buildings at 19, 21 and 23 Queen Street



## 2.0 Site Design Considerations

### 2.1 General Design Objectives

#### 2.1.1 Sustainability

- Inclusion of sustainability throughout the project;
- Provision of Leadership in Energy and Environmental Design (LEED) Certified buildings is preferred;
- Adaptive re-use of existing heritage buildings on site; and,
- Consideration to allow for the integration of Block 4 into a LEED Neighbourhood Development (ND) approach for the entire North Block District.

#### 2.1.2 Crime Prevention through Environmental Design

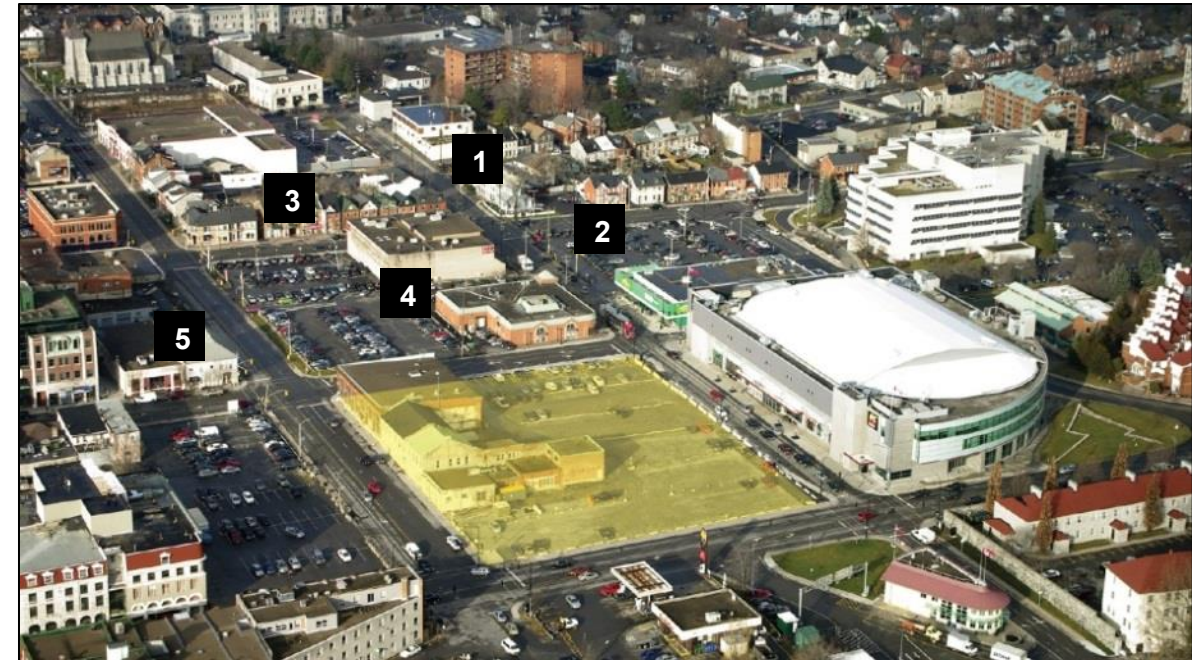
- Safe and universally accessible design for pedestrian areas; and,
- Interior courtyard area and cross-block connection to be designed consistent with the principles of CPTED.

#### 2.1.3 Live/ Work/ Play Component

- Complete mixed-use design to include uses such as housing, vibrant commercial areas and unique gathering places; and,
- Opportunities for artist or professional live-work spaces to animate ground floor.

#### 2.1.4 Hotel/ Conference Centre

- May be provided in development proposals.



**Photo 5:** The North Block District (Blocks 1-5) presents a good opportunity for a LEED ND approach to development.



**Photo 6:** Artist live-work spaces at Artscape's Wychwood Barns in Toronto



### 3.0 Street Level Interaction and Interface

#### 3.1 Building Setbacks

**High Priority** *(please refer to Image 2 on following page)*

- Minimum 8 m setback from the north side of the Kingston Hydro substation building;
- Minimum 21 m setback from the north façade of the preserved heritage buildings (21 to 23 Queen Street);
- Minimum 6 m side yard setback from preserved heritage buildings (19 Queen Street);
- Maximum 2 m arcade setback for new buildings; and,
- For buildings in excess of 10 storeys, public open space area at the intersection of Ontario Street and The Tragically Hip Way with a minimum area of 400 m<sup>2</sup> but having no required dimensions.

**Desirable**

- Increased setback from designated heritage buildings to allow for interior courtyard space; and,
- For buildings below 10 storeys, public open space area at the intersection of Ontario Street and The Tragically Hip Way with a minimum area of 400m<sup>2</sup> but having no required dimensions.

#### 3.2 Building Entries

**High Priority**

- All main entrances at grade;
- Principal entry point for residential and retail space faces a public street;
- Clearly visible building entries from public sidewalks; and,
- Identification of parking and loading entries from King Street.

**Desirable**

- Functional building entries occur at an average of 10-20 metres or less; and,
- Unique architectural/ landscape entrances for retail uses.

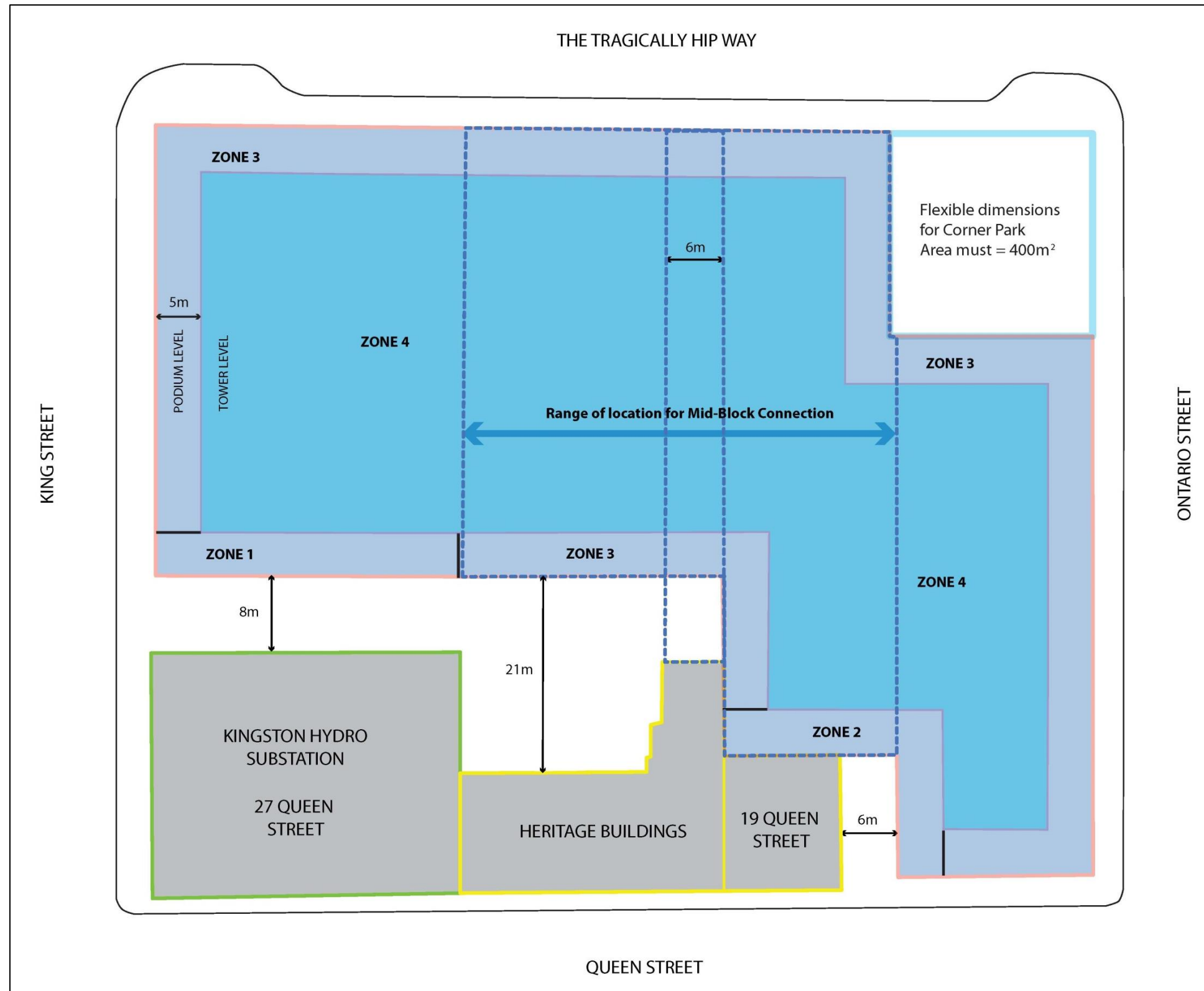


**Photo 7:** ‘The Shops’ development in Waterloo creates an engaging retail setting for pedestrians by providing active frontages and regular building entries.



**Photo 8:** Active retail frontages on Princess Street in Kingston with functional building entries at 10-20 metres or less





**Height Zones**

**Zone 1 Maximum:**  
Height of 27 Queen Street

**Zone 2 Maximum:**  
Height of 19 Queen Street

**Zone 3 Maximum:**  
17 m

**Zone 4 Maximum\*:**  
25.5 m

\*Current zoning for Zone 4 requires an angular plane setback of 39° from podium edge.

\*Heights in excess of the current zoning (25.5m) in Zone 4 and changes to the angular plane in Zone 4 to be determined by future rezoning of the site.

Note: Podium edge has the same meaning as the build-to-plane.

**Image 2:** Tower and Podium Setback Requirements. The above image shows requirements for the 8 m Hydro setback, the 21 m rear yard heritage setback, the 6 m sideyard heritage lane setback and the 400 m<sup>2</sup> corner parkette at the corner of Ontario Street and The Tragically Hip Way. The image demonstrates a 5 m setback from podium edge (street wall) which applies for buildings in excess of 17.0 m.

### 3.3 Ground Level Retail Interface with street

#### High Priority

- Retail facades must include at least 60% glass between 1 and 2.4 metres above grade; and,
- Retail facade windows must be kept visible at night.

#### Desirable

- Patio or café uses where possible;
- Use of awnings to provide a sense of enclosure and human scale; and,
- Animated retail facing into courtyard where possible.

### 3.4 Ground Level Live-Work Interface with street

#### High Priority

- Clearly identifiable residential lobby areas; and,
- Residential lobby-accessible from street face.

#### Desirable Uses

- Differentiate residential lobby areas from commercial areas through architectural treatments;
- Provide space for live-work uses;
- Provide public art and/or gallery space; and
- Walk of Fame (subject to further discussions with BIA)

### 3.5 Ground Floor Heights

#### High Priority

- Minimum podium level of 10 m
- Maximum podium level of 17 m (subject to rezoning).

#### Desirable (please refer to Image 3)

- Raised ground floor ceilings for retail and lobby space (4.5 m preferred except for special architectural features such as atriums).

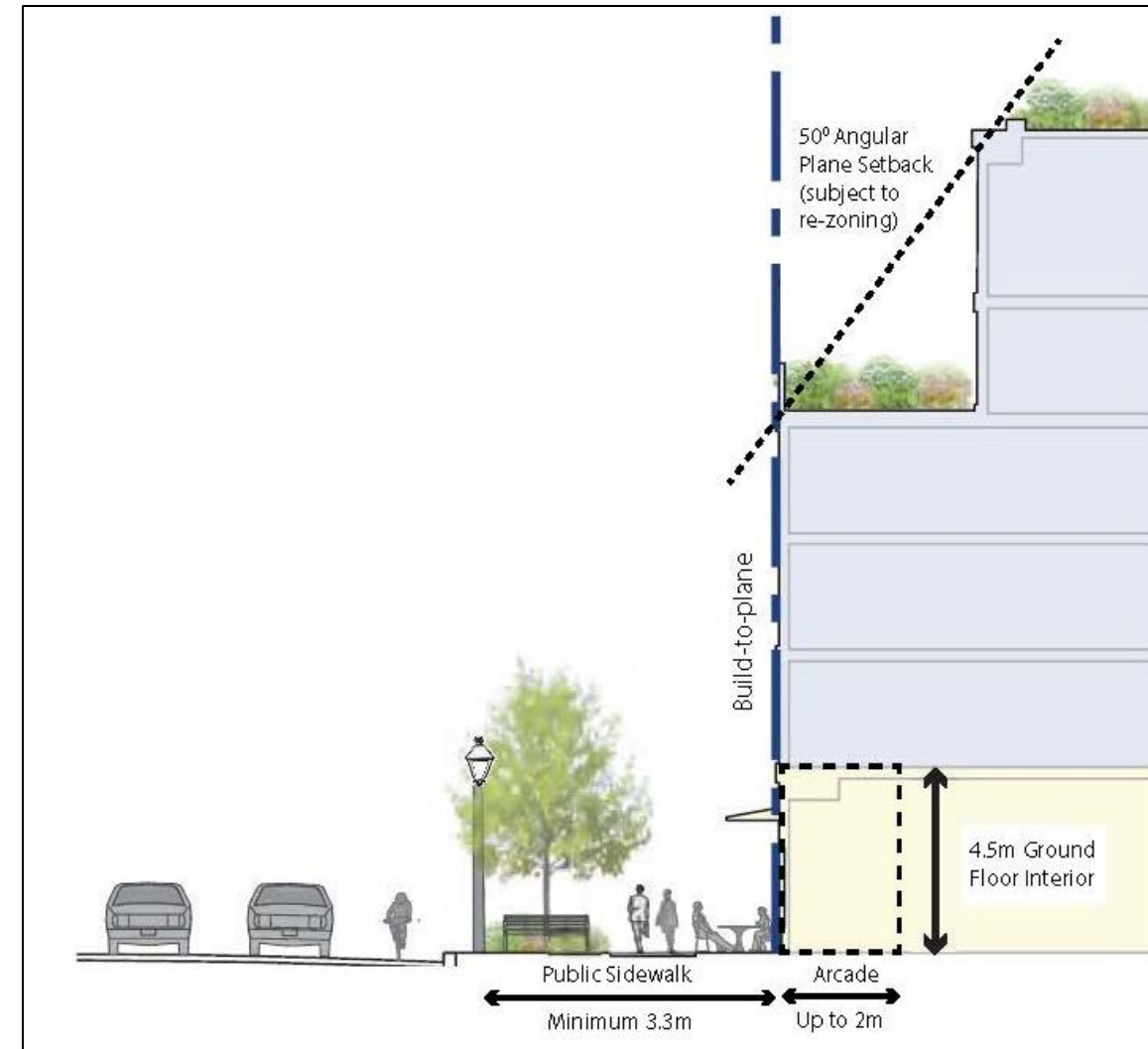


Image 3: Ground Level Retail Street Interface

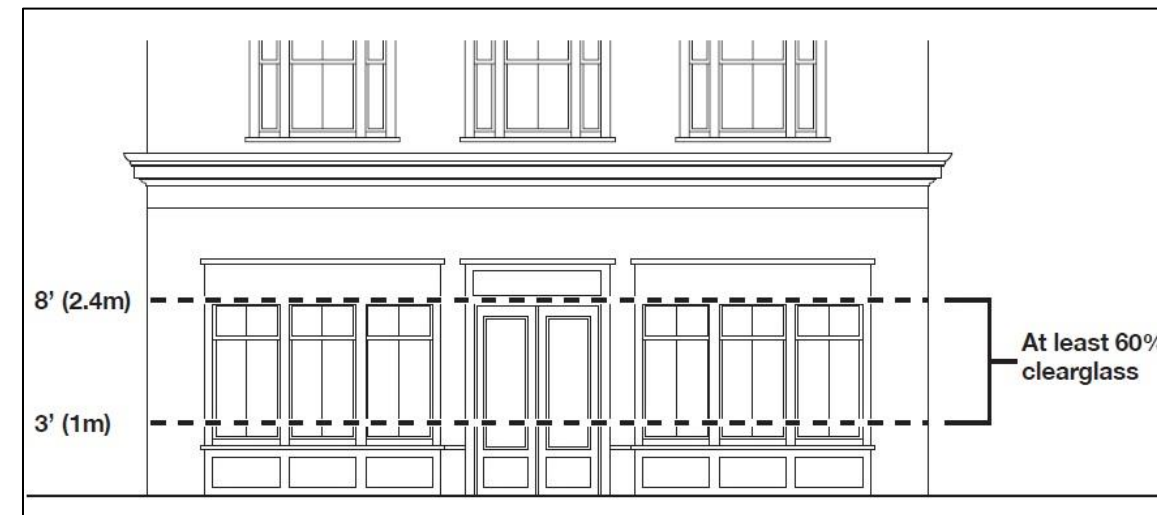


Image 4: Retail Façade Design



## 4.0 Open Spaces Interface

“Courtyards, as spaces and shortcuts, offer considerable texture to the pedestrian experience, as well as significant development frontages additional to the facing streets.” – Kingston Downtown Action Plan (2004).

### 4.1 Mid-Block Courtyard

#### High Priority (please refer to Image 2)

- Historic buildings minimum rear yard set-back of 21 m (69 ft.);
- Historic buildings minimum side yard setback of 6 m (20 ft.); and,
- Safe and accessible design.

#### Desirable

- 30% tree canopy coverage in mid-block courtyard;
- Hard surface ground treatment with border planting areas;
- Optimize sun exposure into mid-block courtyard through massing and setbacks;
- Connection to as many public streets/ sidewalks as possible;
- Inclusion of public art; and,
- Active space by design including inward facing retail/ restaurant uses.

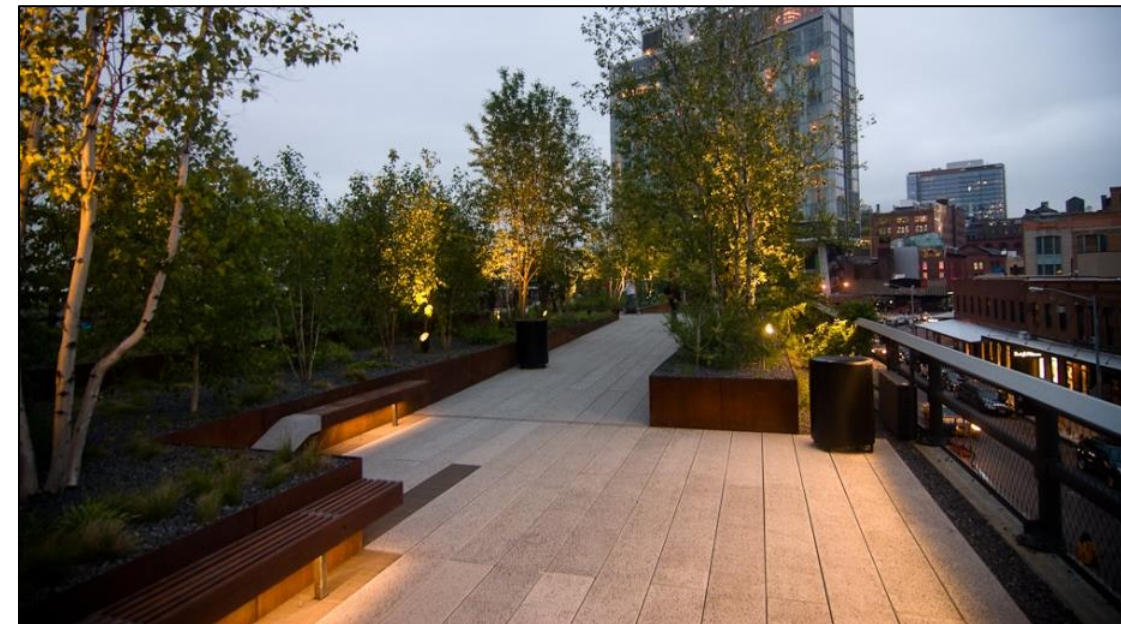
### 4.2 Cross-Block Pedestrian Connection

#### High Priority

- Connection extends from Queen Street to The Tragically Hip Way;
- Provide rhythmic architectural/ landscape features along the cross-block connection (animated space);
- Minimum volume of 6 m (width) by 8 m (height) inside or out of buildings;
- Minimum 50% open to the sky;
- Connection of pedestrian route to central courtyard area; and
- Commercial access for interior portions of pedestrian connection.



**Photo 9:** Chez Piggy Courtyard in Kingston creates an intimate patio space with a physical connection to heritage buildings on-site. A mix of hard and soft landscaping features helps to break up the space.



**Photo 10:** Engaging pedestrian area through the use of landscaping features and lighting, Highline, New York City.



**Desirable**

- Residential access, commercial glass store fronts;
- Utilize at least one of the previous historical carriage way locations (please refer to Image 5) for the pedestrian connection (minimum 4 m in width);
- Designed in conjunction with the restored historical wall of the gas holder; and,
- Pedestrian connection 100% open to the sky.



**Photo 11:** Trinity Square Park in Toronto includes heritage structures with modern construction to create an intimate urban space. The area acts both as an urban courtyard and as a pedestrian connection to retail in the Eaton’s Centre.



**Image 5:** Possible Carriage Way/ Pedestrian Connection Points. Identified above are two possible locations for an entrance point to the cross-block connection from Queen Street. Entrance 1 represents the most historically accurate location of a past carriage way within the heritage buildings on site. Entrance 2 is believed to have been a carriage way but has not been architecturally confirmed. The internal space behind entrance 2 is a large hallway space which may allow for the most simple construction/ engineering option.



### 4.3 Public Space and Sidewalks

**Per the Official Plan 3.18.22 c)** “In order to encourage a more pedestrian friendly form of retail *development* along King Street, the ground floor building face may be set back from the sidewalk to allow for an arcade form of *development*, characterized by a covered pedestrian walkway with supporting columns”.

#### High Priority

- The Tragically Hip Way; maintain 3.1 m (9.5 ft.) wide bus lay-by (will require a 1.1 m setback from the property line on The Tragically Hip Way);
- The Tragically Hip Way; sidewalk minimum of 3.3 m (10 ft.) unobstructed width from curb to building face;
- Tragically Hip Way; introduce right turn lane and stacking for two vehicles
- Ontario Street; sidewalk minimum 3.3 m (10 ft.) unobstructed width from curb to building face (will require up to a 1.1 m setback from the property line on Ontario Street);
- King Street sidewalk minimum of 3.3 m (10 ft.) unobstructed width from curb to building face;
- King Street Special surface treatment at vehicular crossing for hydro lay-by access
- Queen Street; maintain sidewalk as existing at 1.97 m (6.5 ft.) unobstructed width from curb to building face;
- Queen Street; widen portion of sidewalk not affected by heritage buildings to 3.3 m (10 ft.);
- Maximum 2 m (6.5 ft.) arcade recess on Ontario Street, The Tragically Hip Way and King Street
- Comfortable walking and seating conditions along streets and at appropriate courtyard and parkette locations; and,
- Locate trees and pedestrian lighting along public sidewalks to encourage pedestrian traffic.

#### Desirable

- Street furniture responds to the surrounding historic context.



**Photo 12:** Pedestrian focused streetscape including awnings and tree cover. The red brick demonstrates an optional arcade recess that could be utilised on Block 4



#### 4.4 North-East Corner Parkette

##### High Priority

- For building heights above 35 m or when the building is 10 storeys or more;
- Located on the corner of Ontario Street and The Tragically Hip Way but may extend from the corner in a linear fashion along the Tragically Hip Way to provide a gathering place in front of the K-Rock Centre and/or a direct connection with the cross-block pedestrian connection;
- Minimum area of 400 m<sup>2</sup>; and,
- Primarily hard surface landscape.

##### Desirable

- Increased dimensions as appropriate;
- Incorporate public art elements; and,
- Design to support the role of Block 4 as part of the northern gateway into downtown Kingston.

#### 4.5 Private Amenity Areas

**Per the Official Plan 3.18.22 d)** “Reduction of amenity space requirements as required in the Downtown and Harbour Zoning By-law may be considered, subject to the provision of alternate common amenity space, such as on rooftops, in internal courtyards, or mid-block walkways designed to improve pedestrian movement”.

##### High Priority

- Outdoor podium and roof top amenity space when building over 35 m or when the building is 10 storeys or more.

##### Desirable

- Green roof incorporating urban garden area; and,
- Increased amenity space with increased height.



**Photo 13:** Trinity Park in Toronto includes a pedestrian labyrinth and grade changes to create a unique space in the City.



**Photo 14:** Urban park with primarily hardsurface and extensive landscaping, Greenacre Park, New York City.



## 5.0 Heritage Interface

Please refer to the Block 4 Heritage Preservation Guidelines (consisting of the Heritage Preservation Inventory, Integrative Guidelines for New Design, Preservation Design Guidelines and Technical Conservation Guidelines) for a more detailed indication of required and desired measures with respect to designated heritage buildings on Block 4.

### 5.1 Integrative Guidelines for New Design

#### High Priority

- Preservation of the Queen Street designated heritage building envelope;
- New design recognizes and engages with historic context; and,
- New design shall not be faux historic but instead stand on its own merits.

#### Desirable

- New design should respect the heritage context through form, scale, proportion, and colour/material palettes.

### 5.2 Rear Setback/Courtyard

#### High Priority (please refer to Image 2)

- Minimum setback of 21 m from the rear wall of 21-23 Queen Street (less from the retained addition of 19 Queen Street);
- No new structures may be constructed directly above the heritage buildings;
- New structures adjacent to the rear wall of 19 Queen Street shall not exceed the height of the historic buildings; and
- The area to the rear of 21 and 23 Queen Street will form a courtyard with the Kingston Hydro building as its west wall and the retained portion of the addition to 19 Queen Street as the east wall.

#### Desirable

- Integration of courtyard area with the reopening of the original carriageways from Queen Street to provide an evocative and historically authentic access to the heart of the site and a link between the existing and the new design; and,
- Creation of an atrium/pavilion treatment of the courtyard area through the interface of the framing for such a structure with the existing heritage buildings.



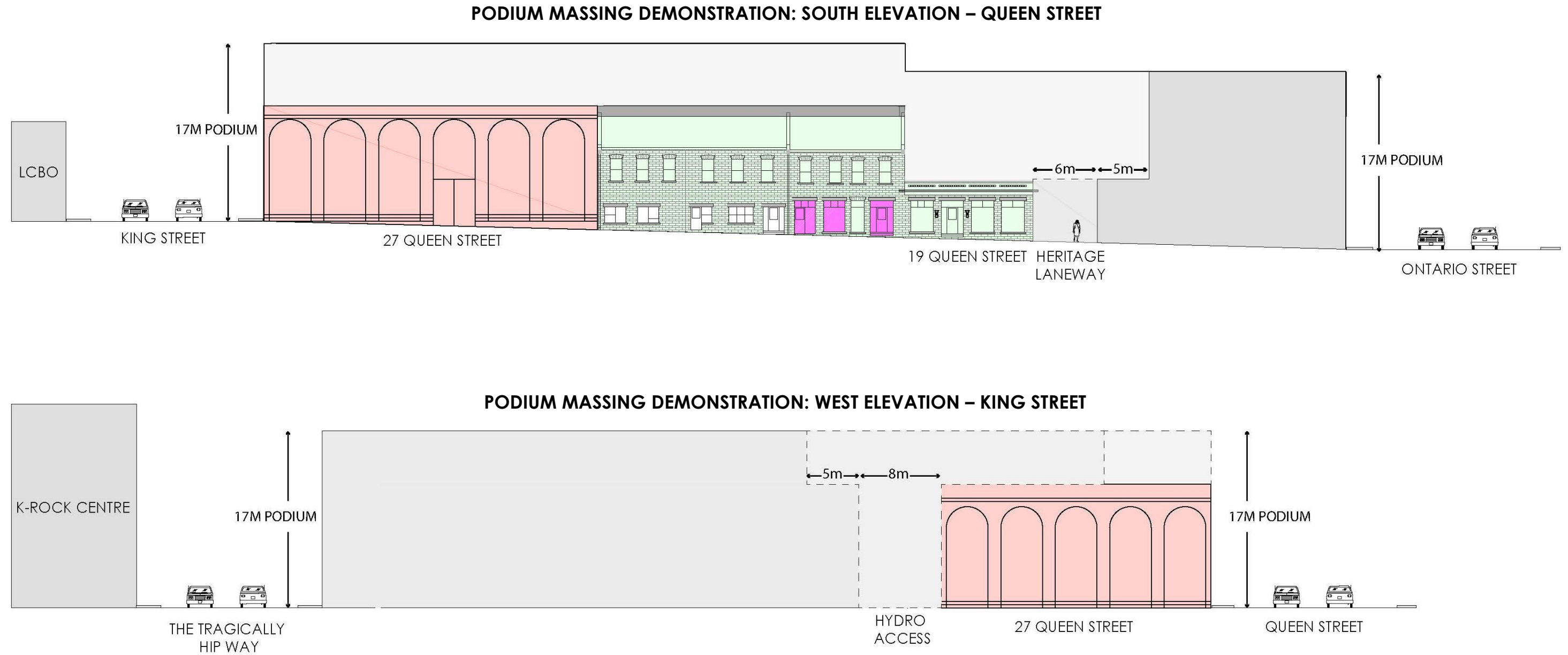
Photo 15: Heritage street-wall with contextual infill: Jarvis St, Toronto



Photo 16: Heritage contextual infill development and rehabilitation, Terry Avenue Building, Seattle



Heritage Interface with Podium Design Elevations



NORTH BLOCK DISTRICT: BLOCK 4 DESIGN GUIDELINES

**Image 6:** Podium elevation views showing required setbacks for new infill development adjacent to the existing heritage buildings on site.

## 5.3 Street-Wall Design

### 5.3.1 Street-wall along Queen Street

(Described as the building face at zero setback from the property line)

#### High Priority

- Continue street-wall treatment at an appropriate scale and make use of materials which integrate visually with the existing historic architecture; and,
- Retain the historic lane access into the block adjacent to 19 Queen Street as a side yard setback. The lane space adjacent to 19 Queen Street must be a minimum of 6 m wide to allow the gable of 21 Queen Street to be able to still be viewed clearly from just south of the Ontario Street /Queen Street intersection.

#### Desirable

- New construction at the corner of Queen and Ontario Streets extends the historic street-wall along Queen Street and onto Ontario Street;
- New built form at the corner should reflect/extend the apparent floor heights and heights of window banding established at 21 and 23 Queen Street, or the Kingston Hydro Building;
- Re-establishment of carriage way; and,
- The rhythm of bays existing in the heritage buildings should be referenced but not duplicated.

### 5.3.2 Street-wall along KingStreet

#### High Priority

- Maintenance of the Kingston Hydro right of way and access from King Street.

#### Desirable

- The height at the street-wall could continue to be 4 storeys and potentially stepping up from that point either following the 39 degree angular plane already zoned (to 6 storeys) or possibly something taller with a steeper angular plane and the street wall forming the podium (subject to re-zoning);
- The rhythm of the bays and of the cornice/parapet height should be referenced in the new adjacent composition, but not duplicated;
- Visual connections from buildings to street; and,
- Screening of parking.

### 5.3.3 Northwest Corner

#### Desirable

- Inclusion of the corner park as required by height and density zoning; and,
- Recognition of historic elements from the adjacent Fort Frontenac.



Photo 17: Existing carriage way rehabilitation, Kingston



Photo 18: Retention of historic stone wall, Kingston



## 6.0 View Protection and Microclimate

### 6.1 Protection of Key Views (please refer to Image 7)

#### High Priority

- Protection of key views to City Hall along public streets;
- Protection of views to the waterfront along public streets;
- Orientation of building massing to allow for permeability and views to the sky from the street level;
- Restrict views to the interior of Fort Frontenac; and,

#### Desired

- Protection of elevated view planes;

### 6.2 Sun Access

#### High Priority

- Sun/ shadow study for the 4 seasons; and,
- Natural light provided for all residential units in mid-rise or high-rise development scenarios.

#### Desirable

- Southern sun exposure to new public space at the rear of the historic buildings along Queen Street;
- Minimum 50% sun exposure to mid-block courtyard; and,
- Sun exposure for the corner parkette where appropriate.

### 6.3 Reduction of Wind Effect

#### High Priority

- Pedestrian level wind study for comfortable walking conditions;
- Protected/ sheltered sitting areas;
- Integrate wind mitigation measures into building design; and,
- Measures to prevent venturi/ down draft effects at street level.

### 6.4 Noise Reduction

#### High Priority

- Noise impact study required if any low level generator or HVAC systems are proposed.

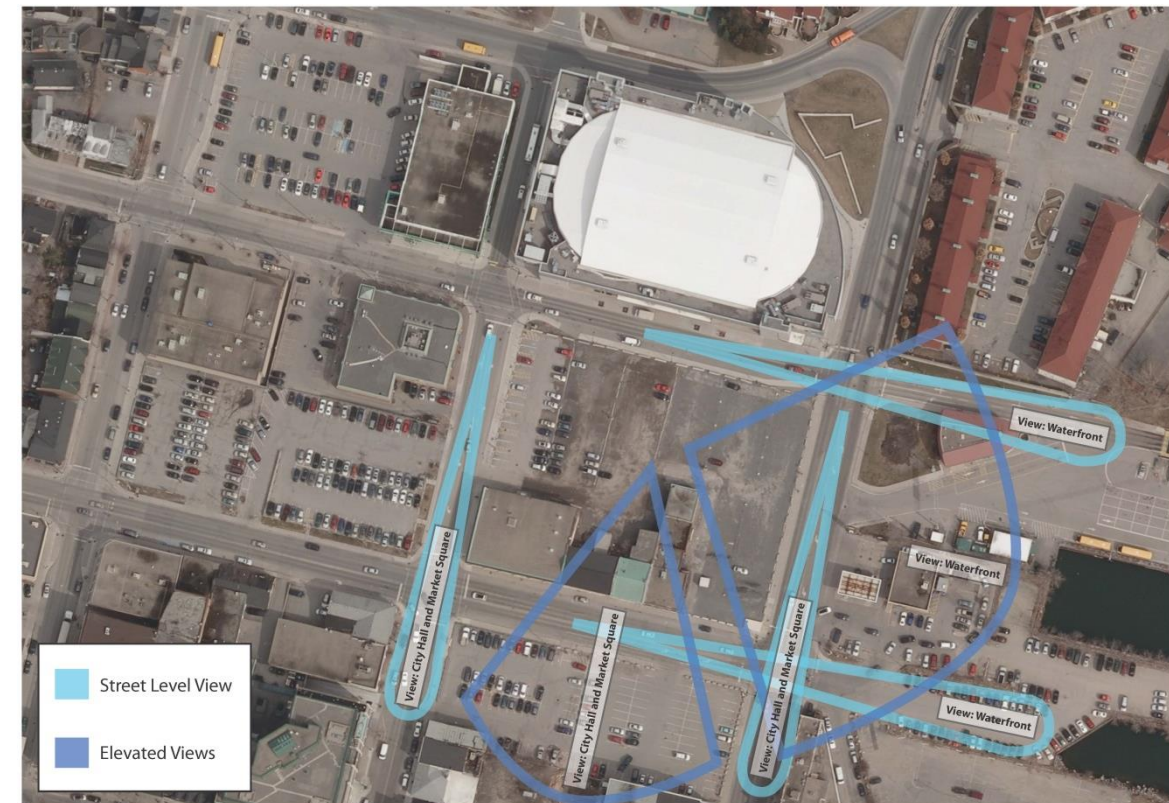


Image 7: Key views of waterfront and City Hall

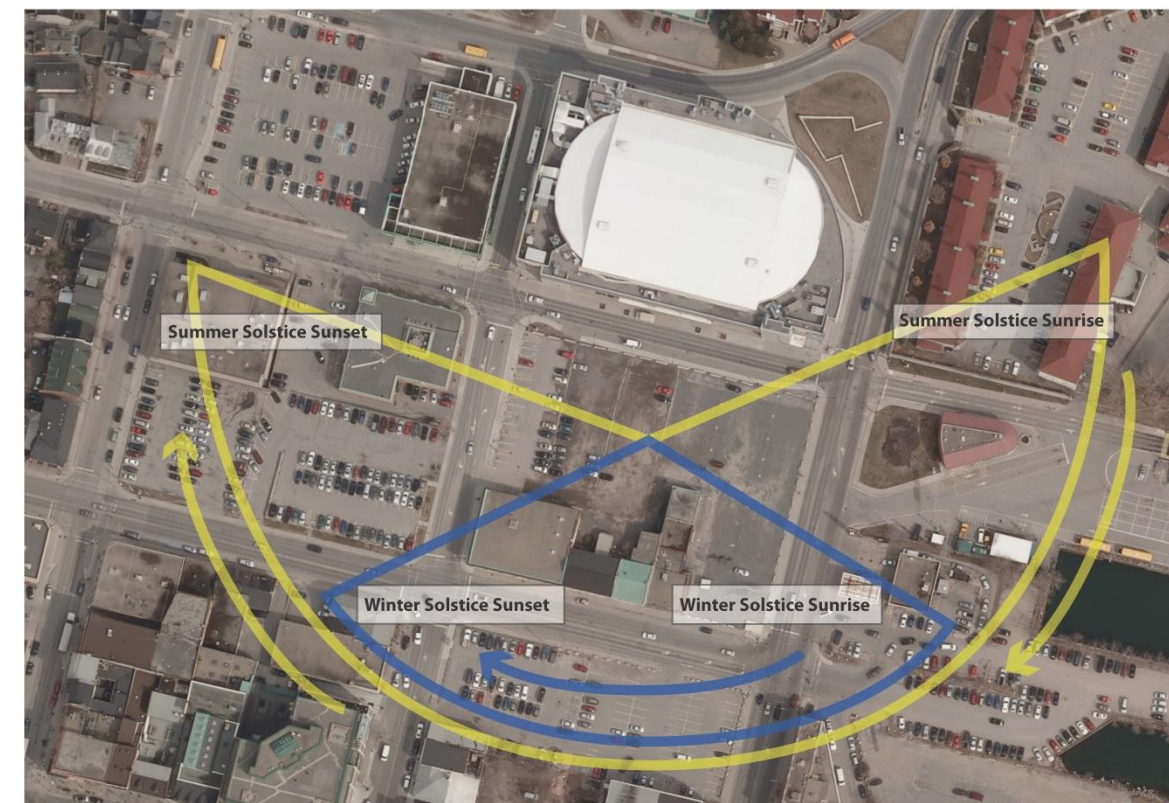


Image 8: Sun Exposure in winter and summer



## 7.0 Building Massing and Articulation

### 7.1 Podium Design and Activation

#### High Priority

- Locate podium levels parallel to the streets along the perimeter of the site;
- The maximum height of the podium levels shall be as shown on Image 2;
- Provide views/access from the podium levels into both the street and interior courtyard public realms; and,
- Respect the massing and height of existing heritage buildings on the site when designing the podium level.

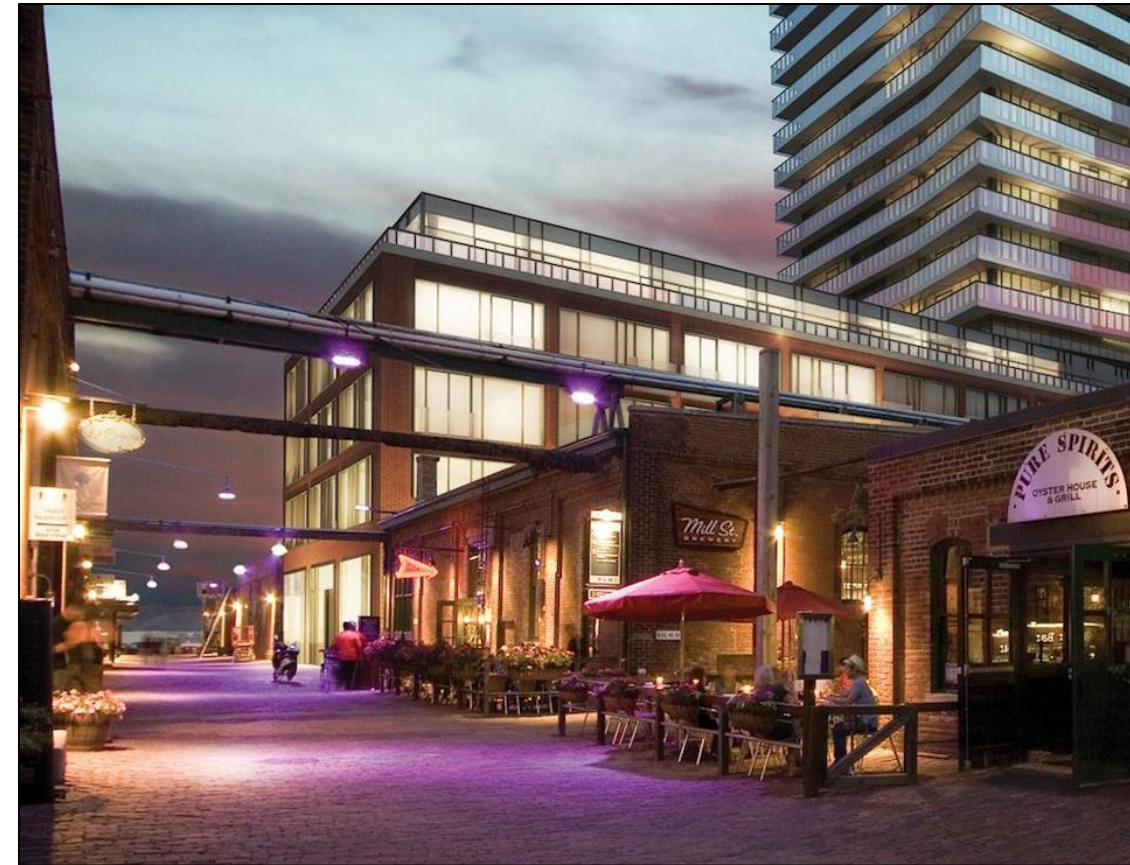
#### Desired

- Design of podium to provide appropriate scale with neighbouring properties including low density residential and the Rogers K-Rock Centre; and,
- Materials – limestone, smooth and cut face, glass, aluminum curtainwall.

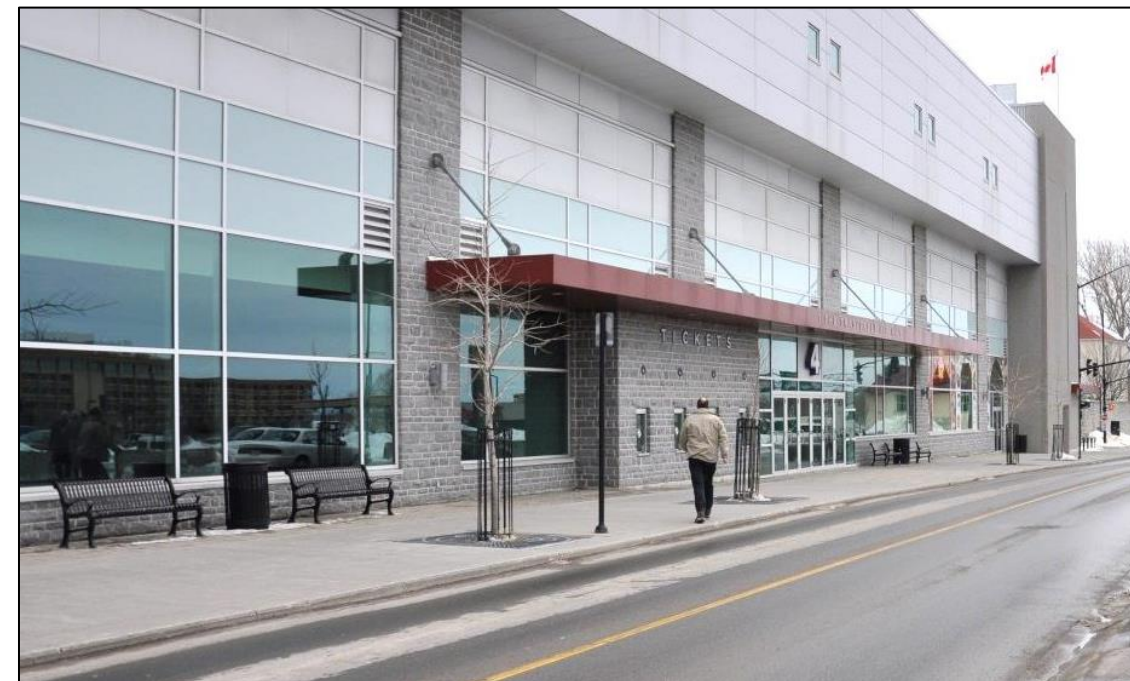
### 7.2 FSI Requirements

#### High Priority

- Site development must respect the following maximum FSI limits (subject to Zoning By-law amendment);
  - FSI of 5.5 based on the Gross Site Area; or
  - FSI of 7.0 based on the Net Site Area including underground parking;
- The intent of the FSI requirement is to encourage the following:
  1. Optimize public open space at grade;
  2. Minimize massive blocky building design; and,
  3. Encourage tall buildings to have smaller floor plates to promote slender towers.



**Image 9:** Active podium design in the Distillery District, Toronto



**Photo 20:** K-Rock Centre primary entrance and materials (limestone and glass), Kingston

### 7.3 Definitions FSI Calculation

**“GROSS FLOOR AREA” (GFA)**

means the sum total of the gross horizontal areas of all floors of all buildings or structures on a lot, measured from the interior faces of the exterior walls as defined by the City of Kingston Zoning By-law including any area used for parking structure above grade and mechanical/electrical uses above grade.

For the purposes of this Block 4 development, Floor Area, Gross includes any area below grade used for parking, storage or mechanical uses unless the height of the below grade use extends more than 600 mm above grade.

**“NET LAND AREA” (NLA)**

means the area of a lot owned by a proponent less any lands which have been or which will be dedicated to the City for public roads, public pathways, public open space, municipal parkland or public community facilities as defined by the City of Kingston Zoning By-law.

For the purposes of this Block 4 development, the Net Land Area includes Heritage Buildings sold as part of the development, and does not include the minimum land area dedicated for sidewalk widenings, the cross-block connection, and land dedicated as public open space at the corner of The Tragically Hip Way and Ontario Street for buildings over 9 storeys in height. For the purposes of the Block 4 development, net land area is calculated to be as follows:

- For buildings under 10 storeys (including mechanical penthouse): 6095 sq. m.
- For buildings of 10 storeys and up to 18 storeys (including mechanical penthouse) - 5695 sq. m.

**“FLOOR SPACE INDEX“ (FSI)**

as defined by the Kingston Zoning By-law means the ratio of gross floor area (GFA) permitted within a building or structure to the net land area of the lot on which the building(s) or structure(s) is (are) situated.

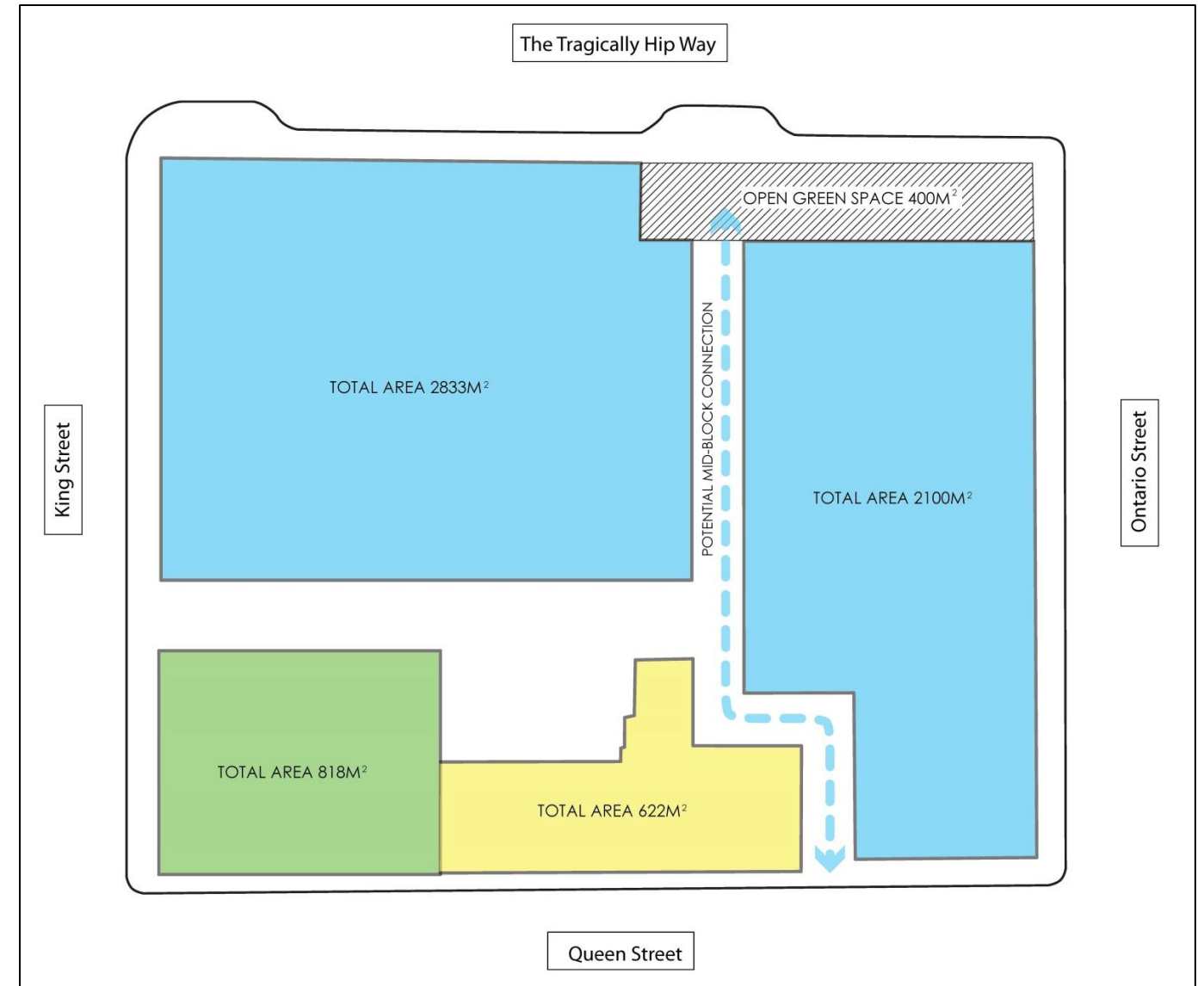


Image 10: Areas included in Gross Floor Area Measurement



## 7.4 Low-Rise Building (4 - 6 storeys)

### High Priority

- Minimum 10m and maximum 17m podium level;
- Appropriate and compatible with waterfront exposure;
- Cross-block pedestrian connection;
- Ground level uses should be lively and engaging on all sides due to the building's exposure at both the street level and into the interior courtyard; and
- Setback of 5th and 6th storeys on a 50 degree maximum angular plane (subject to re-zoning) from build-to-plane (podium level).

### Desirable

- Articulation of exterior façade (can be achieved through use of balconies, terraces, exterior shading, fenestration, etc.); and,
- No blank walls on the street facades or internal to the courtyard area.

## 7.5 Mid-Rise Building (7-9 storeys)

### High Priority

- Minimum 10m and maximum 17m podium level;
- Appropriate and compatible with waterfront exposure;
- Cross-block pedestrian connection;
- Ground level uses should be lively and engaging on all sides due to the building's exposure at both the street level and into the interior courtyard; and,
- Towers setback from street edge of the podium level by a minimum of 5 m.

### Desirable

- Refined shape and elegant use of materials;
- Maximize views along waterfront;
- Materials – glass and aluminum beyond 4 storey podium;
- Corner park located at Ontario Street and The Tragically Hip Way (minimum area of 400 m<sup>2</sup>);
- Articulation of exterior façade (can be achieved through use of balconies, terraces, exterior shading, fenestration, etc.); and,
- No blank walls on the street facades or internal to the courtyard area.



Image 11: Conceptual massing for 25 m (6 storeys) Low-Rise Building

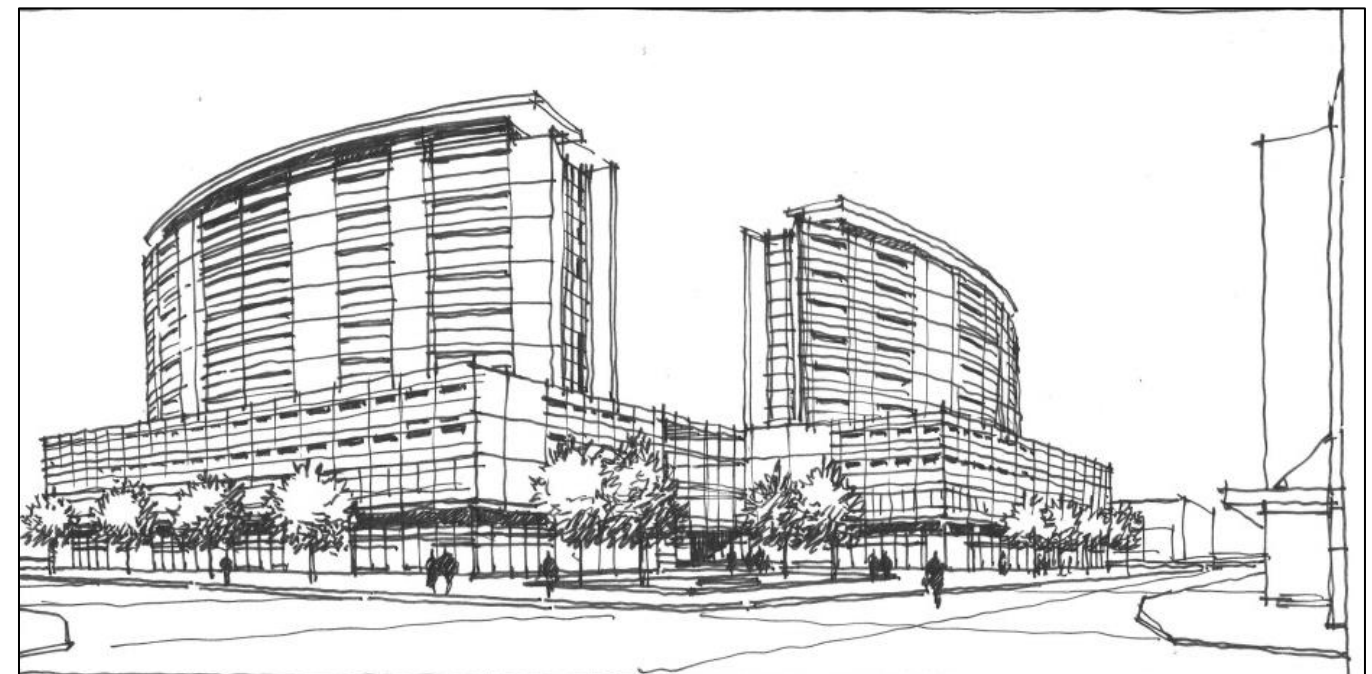


Image 12: Conceptual massing for two 39 m (10 storeys) Mid-Rise Buildings



## 7.6 High-Rise Building (10-18 storeys)

### High Priority

- Minimum 10m and maximum 17m podium level;
- Appropriate and compatible with waterfront exposure;
- Cross-block pedestrian connection;
- Ground level uses should be lively and engaging on all sides due to the building's exposure at both the street level and into the interior courtyard;
- Setback of towers a minimum of 5 m from the street edge of the podium level;
- Towers over 35 m or 10 storeys should have a distinctiveness in their design to provide new landmarks along Kingston's waterfront;
- Corner parkette measuring a minimum area of 400 m<sup>2</sup>; and
- Screening of mechanical uses.

### Desired

- Refined shape and articulated use of materials;
- Maximize views along waterfront;
- Glass and aluminum materials beyond 17 m podium;
- Density split into two (2) towers. Any structure(s) above the currently zoned 25.5 m should be designed to allow for a sense of space and transparency through the site rather than appearing overly massive/ monolithic;
- Two tower proposals should separate towers by a minimum of 20 m and show a relationship between the two towers;
- Recognition of design context and architectural vocabulary surrounding the site;
- Design building floor plates to respect the dimensions and orientations of the site; and,
- Articulate massing of large floor plates to reduce the bulk of buildings on the site.



**Image 13:** Conceptual massing for two 65m (18 storeys) High-Rise Buildings



**Photo 21:** Refined shape of a High-Rise Building, One King West, Toronto



## 7.7 Height and Density Bonus

In accordance with Section 9.5.25 of the Official Plan, Council may approve a By-law to authorize an increase in height and/or density beyond that allowed by the existing zoning in return for facilities, services or matters benefiting the public. With respect to development proposals on Block 4, the City will be looking for the following public benefits in return for an increase in height or density.

### High Priority

- 40 public parking spaces;
- Preservation and restoration of the heritage buildings at 19-23 Queen Street according to the mandatory requirements of the Heritage Preservation Guidelines;
- Provision of setbacks from the 19-23 Queen Street heritage buildings, including the courtyard;
- Provision of one cross-block pedestrian connection; and
- Provision of a corner parkette at the intersection of Ontario Street and The Tragically Hip Way with a minimum area of 400 m<sup>2</sup> for development with buildings over 9 storeys.

### Desired

- Public parking in excess of 40 spaces or financial contribution towards the provision of additional public parking off site;
- Preservation and restoration of the heritage buildings at 19-23 Queen Street according to the desirable requirements of the Heritage Preservation Guidelines;
- Provision of public access through the former carriageway(s) in 19-23 Queen Street;
- Provision of additional cross-block pedestrian connections;
- Provision of the corner parkette at the intersection of Ontario Street and The Tragically Hip Way with a minimum area of 400 m<sup>2</sup> for development with buildings under 10 storeys;
- Public art;
- Public gallery/studio space;
- Reduced impact on infrastructure (better than regulated requirements for utility usage, traffic demand management strategies, bus stop shelter, cyclist facilities); and,
- Walk of Fame.



Photo 22: Interactive street furniture, Exploratorium, San Francisco



Photo 23: Indoor bike parking facility, Portland



## 8.0 Building Facades

New buildings on Block 4 must complement the existing character of the area through the integration of materials, lighting and signage where appropriate. Please refer to the Block 4 Heritage Preservation Guidelines for a more detailed indication of high priority and desired measures with respect to designated heritage buildings on Block 4.

### 8.1 Walls, Windows, Materials and Colour

#### High Priority

- All 4 sides of the building must be vibrant and include transparent windows/ active uses; and,
- Use of historic materials in combination with a variety of modern materials to form a contemporary expression at the podium level.

#### Desirable

- The palette of materials selected for the exterior cladding of the new construction should be appreciated as an integrated coherent composition including the heritage buildings;
- Inclusion of Kingston limestone in the podium level architecture through accents or building materials;
- Poured and /or precast concrete when used thoughtfully can 'stand in' for and/or work in concert with limestone walling; and,
- Use of copper, present as the roofing at 23 Queen Street, as an accent material.

### 8.2 Building Lighting

#### High Priority

- Pedestrian level interior courtyard lighting;
- Pedestrian focused lighting for public sidewalks;
- Reduction of spill over light; and,
- Night sky protection.

#### Desirable

- Use of lighting to express different levels of the building and highlight architectural features.

### 8.3 Building Signage

#### High Priority

- Refer to City of Kingston Sign By-law.

#### Desirable

- Create clear signage at the pedestrian level; and,
- Integration of heritage elements in signage.



Photo 24: Context sensitive signage, Kingston



Photo 25: Pedestrian scale lighting, Distillery Toronto



## 9.0 Site Mobility Features

### 9.1 Pedestrian

#### High Priority

- Protected pedestrian environment through the inclusion of weather protection measures.

#### Desirable

- Co-ordinated pedestrian canopies between retail stores;
- Inclusion of landscaped and architectural elements to create an engaging pedestrian realm; and,
- Pedestrian comfort areas including benches and public washrooms.

### 9.2 Bicycle

#### High Priority

- Public and private bicycle parking provided as per City of Kingston standards.

#### Desirable

- Provision of change room facilities;
- Provision of one secure enclosed bicycle storage space for each new residential unit constructed; and,
- Provision of one secure enclosed bicycle storage space for each new retail space.

### 9.3 Transit

#### High Priority

- Pedestrian connections to adjacent Express Bus stops.

#### Desirable

- Allocation of introductory transit passes for new residents; and,
- Car-share co-op membership/ support.



Photo 26: Engaging Pedestrian Connection, Ottawa



Photo 27: Kingston Transit, covered stop



## 10.0 Site Parking

A total of **40 Public Parking spaces** to be provided on Site. This provision may be completed by a combination of underground, at grade or above grade structures. The number of accessible parking spaces will be finalized following consultation with the Municipal Accessibility Advisory Committee.

**Per the Official Plan 3.18.22 f)** “As *redevelopment* takes place over time, the intent of these policies is to support the replacement of parking lots with above-grade parking structures, subject to the same build-to planes, minimum building height and minimum lot coverage provisions, as currently apply to other building forms in the area. Large structures such as a parking garage or a transportation terminal will be subject to design considerations in accordance with the policies of this Plan. Design considerations may include a façade treatment that will be harmonious with the intended massing and rhythm of design elements of the more traditional residential or office uses planned for the area”.

### 10.1 Underground Parking Design

#### High Priority

- Clear, 24 hour motion activated lighting;
- Access from King Street; and,
- Provision of a minimum of 100 parking spaces below grade.

### 10.2 At Grade Parking Design

#### High Priority

- Clear, 24 hour lighting with motion sensors;
- Only allowable if associated with Block 4 commercial or residential uses;
- At grade parking limited to a maximum of 25% of the block area; and,
- Access from King Street.

#### Desirable

- No at grade parking on-site.



**Photo 28:** Possible locations for underground parking entrance from King Street, Kingston, Block 4



**Photo 29:** Underground parking lighting, Germany



### 10.3 Above Grade Parking Design

#### High Priority

- Clear, 24 hour motion activated lighting;
- Screening of parking area by providing commercial uses at grade; and,
- Access from King Street.

#### Desirable

- Exterior surfaces to provide decorative screening using finished metal screen, plant material or other approved artistic expression;
- Housed in thoughtfully designed structures that fit contextually with the general architectural treatment. This can range from the unobtrusive well screened modest structure to a larger structure of a quality to work into the street wall with commercial below; and,
- Inclusion of an elevated enclosed walkway available for use during Rogers K-Rock Centre events.

### 10.4 Service Delivery

#### High Priority

- Indoor garbage/ recycling storage; and,
- Loading bays, delivery and maintenance vehicle access from King Street only.



**Photo 30:** Parking garage with architectural screening, Charleston

## 11.0 Sustainability

The development of Block 4 should be designed to minimize its impact on the environment and existing municipal infrastructure. Rating systems such as LEED can assist proponents in the consideration of various components of sustainable design. The implementation of many of the guidelines addressed within this report would assist the developer of the site in achieving Leadership in Energy and Environmental Design (LEED) Neighbourhood Development certification and LEED New Construction certification. The achievement of these designations is desirable as they would assist the City of Kingston towards reaching the goal of becoming Canada's most sustainable city.

### 11.1 Sustainable Design Features for New Development

Block 4 presents a unique location for the inclusion of a range of sustainable design features and project proposals that include LEED Certified buildings will receive more points in proposal evaluations. Proponents are encouraged to consider the following LEED categories when undertaking new building design:

- Natural Ventilation (i.e. exterior balconies, sliding glass doors, pivoting windows);
- Sustainable Sites;
- Water Efficiency;
- Energy and Atmosphere;
- Materials and Resources;
- Indoor Environmental Quality; and,
- Innovation and Design Process.

### 11.2 Block 4: A Component of a Sustainable Neighbourhood

Proponents should also consider opportunities for supporting a broader sustainable development strategy that incorporates the North Block District.

The North Block area is positioned to act as an integrated sustainable neighbourhood through design features including pedestrian linkages, renewable energy and an integrated network of open space. Possible certifications for the North Block District include:

- LEED for Neighbourhood Development; and,
- Formation of an Eco-District.



**Photo 31:** LEED Projects in Canada that have achieved Gold and Platinum Levels. The LEED ND logo represents a new category of LEED which includes a broader analysis to include several buildings and larger site areas.



### 11.3 Green Roof

#### High Priority

- Inclusion of extensive green roof on podium and roof levels for buildings over 35 m or when the building is 10 storeys or more;

#### Desirable

- Dedication of intensive green roof (i.e. permanent community garden space for residents) on podium and roof levels for buildings over 35 m or when the building is 10 storeys or more.

### 11.4 Green Infrastructure

#### Desirable:

- Green Infrastructure elements to improve the quality of the environment and contribute to reduced greenhouse gas emissions, clean water, and clean air and place less demand on existing infrastructure (roads, sewer, potable water, utilities) than conventional developments; and,
- Waste management strategy during construction and during building operation.



**Photo 32:** Mountain Equipment Co-op intensive greenroof, Toronto



**Photo 33:** Greenroof integration with residential tower, Dockside Green, Vancouver