

City of Kingston Report to Council Report Number 24-197

То:	Mayor and Members of Council
From:	Paige Agnew, Commissioner, Growth & Development
	Services
Resource Staff:	Brandon Forrest, Director, Business, Real Estate &
	Environment
Date of Meeting:	August 13, 2024
Subject:	Updated Municipal Capital Facility Agreement and By-Law -
	1300 Bath Road

Council Strategic Plan Alignment:

Theme: Corporate business

Goal: See above

Executive Summary:

The Boys and Girls Club of Kingston & Area Inc., operating as BGC South East (BGC), is a well established community organization that provides critical programs and services for children and youth throughout Kingston. Over the past several years, BGC has been a valued partner with the City and other community organizations in the delivery of these services.

In addition to its owner-operated facility at 559 Bagot Street and other satellite facilities for site specific programs such as the EarlyOn Years program and Before and After School Programs, BGC operates a large, leased facility in Kingston West. The facility is located in the Frontenac Mall and provides a wide range of services. In addition to its own programs, BGC offers space and support in this location for other community social and health service partners including the Seniors Association (Seniors Centre West) and the Kingston Community Health Centres (KCHC). The facility is very large and over the past few years the BGC has expressed concerns

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to City staff regarding its ability to continue to support ongoing operation costs in the absence of additional financial support.

Since 2015, the City has had a Purchase of Service Agreements with the BGC allowing the City to purchase pool time at the BGC facility on Bath Road in order to provide expanded aquatics programming to the community through swimming lessons, adult lane swims and recreational swim times. The City's partnership has allowed for over 1,500 hours annually to be added into the community aquatics inventory – this being one of many social and health services on site.

In addition, in 2022, Council passed a by-law approving a municipal capital facilities agreement (MCFA) with BGC under the *Municipal Act* pursuant to which the City agreed to exempt the BGC premises from taxation for municipal and school purposes as a facility used for social and health purposes.

BGC has now executed an agreement with its landlord to lease additional premises in the Frontenac Mall due to the need to expand their programming space. In recognition of the social and health services programs provided to the community by BGC, it is recommended that Council approve a by-law to authorize an amending agreement with the landlord, Frontenac Shopping Centres Inc., for the provision of an MCFA to exempt the additional premises from property taxes at 1300 Bath Road. The amount of space covered by the existing MCFA was 55,170 square feet and the intent of the amending agreement is to expand the MCFA to the entire premises, being 80,805 square feet. This will assist the BGC in lowering its annual operating costs so that it can invest more of its funding into the programs and services it provides to the community.

Staff is recommending all three readings of the by-law at this meeting to provide financial assistance in the form of property tax relief as soon as possible in the 2024 tax year.

Recommendation:

That Council authorize the Mayor and Clerk to execute an Amended Municipal Capital Facility Agreement with Frontenac Shopping Centre Inc., the owner of 1300 Bath Road, for the entirety of the premises leased to the Boys and Girls Club of Kingston & Area Inc. o/a BGC South East, in order to exempt the premises from taxation for municipal and education purposes, which tax exemption is to be effective as of the latest of the following days: the day the amendment to the municipal capital facility agreement is signed; the day the lease amending agreement is signed; and the day the tax exemption by-law is enacted; and

That in accordance with Section 110(6) of the *Municipal Act, 2001*, the by-law, attached as Exhibit C to Report Number 24-197, be presented and given all three readings, to provide an exemption to the portion of the property to which the Municipal Capital Facility Agreement applies, from taxation for municipal and school purposes; and

That in accordance with Section 110(8) of the *Municipal Act, 2001* the Clerk be directed to give written notice of the passing of the by-law to the local school boards having jurisdiction in the

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area in which the property is located and to the Municipal Property Assessment Corporation as required by Section 110(5) and (8); and

That Council authorize the Mayor and Clerk to enter into any other agreements as required to provide for this municipal capital facility in a form satisfactory to the Director of Legal Services.

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Authorizing Signatures:

p.p. ORIGINAL SIGNED BY COMMISSIONER

Paige Agnew, Commissioner, Growth & Development Services

ORIGINAL SIGNED BY CHIEF

p.p. ADMINISTRATIVE OFFICER Lanie Hurdle, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Jennifer Campbell, Commissioner, Community Services

Neil Carbone, Commissioner, Corporate Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives	Not required
Brad Joyce, Commissioner, Infrastructure, Transportation & Emergency Services	Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer

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Options/Discussion:

BGC is a well-established community organization offering programs for children and youth at various locations throughout the City. BGC originally leased a large 55,170 square foot facility in Kingston West in the Frontenac Mall at 1300 Bath Road. BGC and the landlord of the Frontenac Mall recently agreed to an expansion of the premises and the new lease will have a total space of 80,805 square foot. In addition to delivery of their core programs for children and youth focused on leadership, teamwork, learning, healthy choices and service to club and community, they also provide space and support in this location for other social and health service agencies such as the Seniors Association and KCHC.

Since 2015, the City has had a Purchase of Service Agreement with the BGC. Report Number 15-353 (attached as Exhibit A) in 2015 followed by Report Number 17-045 (attached as Exhibit B) in 2017 outline the details of these initial agreements. In 2023 challenges arose in the interpretation of the amended agreement, and it was agreed by both parties that the clearest way to move forward would be to return to a purchase of service agreement based on an hourly rate, <u>Report Number 24-098</u>. The updated agreements continue to focus on the healthy choices component of this social and health services facility. The in effect agreement allows the City to purchase pool time at the BGC facility on Bath Road in order to provide expanded aquatics programming to the community through swimming lessons, adult lane swims and recreational swim times. The partnership between the BGC and the City of Kingston has allowed for over 1,500 hours annually to be added into the community aquatics inventory.

In 2022, Council approved an MCFA with BGC to provide 100% exemption from taxation for space leased at that time. Since that time, BGC has agreed to lease additional premises at the Frontenac Mall. To assist further with reducing operating costs, BGC approached both their landlord and the City to consider approvals that would provide 100% property tax exemption on the increased area of their leased premises.

Subject to the approval by Council of the by-law, the City will execute an amendment to the existing MCFA with the property owner and landlord Frontenac Shopping Centre Inc. Under the terms of the lease amending agreement recently executed between BGC and the property owner, BGC will receive 100% of the benefit from any tax exemption attributed to the leased premises. It is noted that no part of the tax exemption applies to the common area of the plaza, only the leased premises. The tax exemption is to be effective the latest of the following days: the day the amendment to the MCFA is signed; the day the lease amending agreement is signed; and the day the tax exemption by-law is enacted.

The MCFA By-Law remains in force so long as the property is used for social and health services and will end automatically with the termination of use of the property for these purposes.

Existing Policy/By-Law:

The Revenue Leasing and Licensing Policy, approved by Council in 2012, supports the use of MCFAs for property tax exemption where a strategic Council direction is being met.

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Financial Considerations:

The total property tax exemption resulting from the amended MCFA, net of a charity rebate to which BGC would otherwise qualify, is estimated at approximately \$16,000.

Contacts:

Brandon Forrest, Director, Business, Real Estate & Environment 613-546-4291 extension 2205

Steve Biro, Property Specialist, 613-546-4291 extension 3169

Other City of Kingston Staff Consulted:

Jeff Walker, Manager, Taxation & Revenue, Financial Services

Jenna Morley, Counsel for the City of Kingston

Tony Gargaro, Manager, Recreation Services

Amy Elgersma, Director, Recreation and Leisure Services

Exhibits Attached:

Exhibit A - Council Report 15-353

- Exhibit B Council Report 17-045
- Exhibit C Municipal Capital Facility By-Law



City of Kingston Report to Council Report Number 15-353

То:	Mayor and Members of Council
From:	Lanie Hurdle, Commissioner, Community Services
Resource Staff:	Luke Follwell, Director, Recreation & Leisure Services
Date of Meeting:	August 11, 2015
Subject:	Boys & Girls Club of Kingston & Area Agreement

Executive Summary:

In the fall of 2014, the Boys & Girls Club of Kingston & Area (Boys & Girls Club) opened its new west end location, the West End Hub. The Boys & Girls Club continues to develop partnerships for the programming and use of the new facility. The on-site pool was opened in the spring of 2015 in partnership with Canadian Forces Base Kingston, providing programming for the Boys & Girls Club and CFB Kingston members. As result of the Council direction in March 2015 to pursue partnership options with the Boys & Girls Club at its West End Hub, City staff and Boys & Girls Club staff have identified the option to rent space for public programming purposes.

City staff met with Boys & Girls Club representatives to determine what programming was needed and best suited for their site. Based on the full capacity of both City Preschool and Swim Kids programs, the City and the Boys & Girls Club identified available pool times at the West End Hub that could be rented to and programmed by the City to accommodate additional swim programs to meet community needs.

A service-level agreement is required to enter into a partnership for the City to offer swim programs at the West End Hub starting in the fall of 2015. City staff have been negotiating a rental rate of \$75 per hour. It is anticipated that if the City rents at this rate and adds staffing costs, it could provide a cost-neutral service. Rates higher than \$75 per hour would impact the City's ability to make this service viable. It is important to mention that \$75 per hour is higher than rates charged at Artillery Park. Should the negotiations be successful and an agreement be established, the City would be able to expand services to the community and the Boys & Girls Club would increase its operational revenues by renting hours that are currently underutilized at its pool.

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Recommendation:

That Council authorize staff to continue negotiations at the rate of \$75 per hour and authorize the Commissioner of Community Services to execute a service-level agreement, in a form satisfactory to the Director of Legal Services, with the Boys & Girls Club of Kingston & Area to provide public access to their pool located at 1300 Bath Road, commencing in 2015 for up to 5 years on a cost neutral basis.

Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

Lanie Hurdle, Commissioner, Community Services

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Cynthia Beach, Corporate & Strategic Initiatives	Not required
Denis Leger, Transportation, Facilities & Emergency Services	Not required
Jim Keech, President and CEO, Utilities Kingston	Not required
Desiree Kennedy, Chief Financial Officer & City Treasurer	Not required

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Options/Discussion:

Even with the recent expansion at Artillery Park, the City of Kingston is at capacity for a large number of its Preschool and SwimKids aquatic programs. There is an opportunity to partner with the Boys & Girls Club at their new west end location on Bath Road to add capacity to fill this need in the City's west end.

The new 55,000-square-foot West End Hub features a 25-metre swimming pool, a full-size gymnasium, a dance studio, an arts and crafts studio, a technology lab, a games room and more.

In 2014, the Boys & Girls Club approached the City of Kingston's Recreation & Leisure Services Department to discuss partnership opportunities for the provision of programs at their proposed west end location in the Frontenac Mall. The 'West End Hub' was opened in September 2014 to coincide with the 2014/15 school year. In March 2015, Council endorsed a recommendation directing staff to explore partnership options with the Boys & Girls Club at that west end facility. The on-site pool was opened in June 2015 in partnership with CFB Kingston Personal Support Services and the Kingston Military Family Resource Centre to provide aquatics programs for the Boys & Girls Club and CFB Kingston members.

Staff identified an opportunity for aquatic programming which would provide additional capacity to full and waitlisted swim programs offered at the Artillery Park Aquatic Centre. Other programming opportunities were explored; however, staff are recommending proceeding only with providing City swim lessons at this time. Any future partnership opportunities will be brought to Council. These swimming programs can be offered on a full cost recovery basis which means that there will be no impact on the operational budget and on tax payers. A rental fee to the City of \$75 per hour is being negotiated with the Boys & Girls Club. The City will also be responsible to provide staffing for those programs. It is anticipated that the programs will be cost recovery if the rental fee is set at \$75 per hour and the program registration fees are set at the same level as Artillery Park program registration fees. Fees for pool rentals across the City tend to vary between \$50 per hour to \$150 per hour depending on the type of pool and the inclusion of staff within the rental fee.

Additionally, by offering registered swim programs only, all payments would be collected on-line, in person at the Artillery Park Aquatic Centre or the INVISTA Centre, eliminating the need for administrative staff on site at the Boys & Girls Club west end facility.

The swim lessons will be offered by City staff and be operated under the Red Cross program requirements as currently offered at the Artillery Park Aquatic Centre and Tomlinson Aqua Park. Access to the public would be provided during programmed hours for this purpose and the City would control public promotion and communication of these programs.

The Boys & Girls Club has established a number of community partnerships at its West End Hub. In addition to the Canadian Forces Base Kingston Personnel Support Programs and the Kingston Military Family Resource Centre other program partners include the Seniors Association Kingston Region, Limestone District School Board and the Kingston Police. August 11, 2015

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Existing Policy/By-Law:

The 2010 Parks & Recreation Master Plan recommended:

"Review the approach to partnership development and ongoing agreements with community partners with a view to a standardized approach, better supporting existing partners and expanding the partnership base in the delivery of services."

"Develop opportunities for all residents to learn introductory skills in traditional Canadian sport, recreational and cultural opportunities and make these available for all Kingston residents."

"...determine the full range of program and service delivery needs, program capacities and fill rates, gaps in service provision and the resources needed to develop greater capacity where programs and services are needed."

Additional public swimming programs in the west end will help achieve some of the recommendations and objectives established through the Parks and Recreation Master Plan.

Notice Provisions:

Not applicable

Accessibility Considerations:

The Boys & Girls Club of Kingston & Area, West End Hub location meets accessibility requirements for programming.

Financial Considerations:

All programming costs will be operated on full cost recovery basis should the rental rate be established at \$75 per hour. It is anticipated that these programs will not have an impact on the City's operational budget. It has been estimated that the Boys & Girls Club would be able to generate an additional \$4,000-\$5,000 annually through the rental of pool hours to the City at the rate of \$75 per hour.

Contacts:

Luke Follwell, Director, Recreation & Leisure Services 613-546-4291 extension 1815

Jaclyn Grimmon, Manager, Recreation Programs 613-546-4291 extension 1805

Other City of Kingston Staff Consulted:

Lynda Breen, Supervisor, Recreation Programs

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Exhibits Attached:

Not applicable



City of Kingston Report to Council Report Number 17-045

То:	Mayor and Members of Council
From:	Lanie Hurdle, Commissioner, Community Services
Resource Staff:	Luke Follwell, Director, Recreation & Leisure Services
Date of Meeting:	January 24, 2017
Subject:	Boys and Girls Club – Purchase of Services and Community
	Hub at West End Facility

Executive Summary:

In December 2016, Council directed staff to review options to establish a partnership with the Boys and Girls Club of Kingston and Area (Boys & Girls Club) to provide financial support in exchange for community services in order to minimize the impact of paying taxes at the commercial tax rate at the west end facility. Council further directed staff to report back in Q1 of 2017.

The Boys and Girls Club leased the facility in the Frontenac Mall in 2014 with the intent to expand its outreach and programs to youth throughout the City. In 2014, the focus was on after school programs and expanded in 2015 with the operation of the pool. The Boys and Girls Club has been providing services to youth for many years at various locations including the Robert Meek Youth Centre on Bagot Street and schools across the City. The Boys and Girls Club are also working closely with the City to offer a variety of programs at the Rideau Heights Community Centre, currently under construction, and in Kingston East. City staff recognize the value and importance of programs and services provided by the Boys and Girls Club.

Staff reviewed partnership options within the context of Council's strategic priorities, more specifically, creating a Liveable City. Council priorities have also supported recent decisions on the development of the Tett Centre as well as community hubs in Rideau Heights and in Kingston east. Although there are a number of recreation facilities, both operated by the City and others by not-for-profit organizations, there is no comprehensive community hub in Kingston west. Staff reviewed partnership options with the intent of supporting the operations and programs of the Boys & Girls Club and the development of a more comprehensive community hub in Kingston west.

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Staff recognize that the Boys and Girls Club have been successful in delivering programs which meet the needs of youth and that other partners, such as the Seniors Association, have been providing senior focused programs at the west end facility. Staff are proposing to support the ongoing delivery of those services but have also reviewed areas where there are service gaps and opportunities to increase community access in the west end. Those programs focus on families, increased programs for seniors, and a variety of health and social programs.

In order to support this community hub, staff recognized that it required multiple partnerships. Although the Boys and Girls Club has a large facility that can accommodate this program, it does not have the capacity to deliver this wide range of community programs. Therefore, staff reviewed options to involve other service providers in the delivery of services within the Boys and Girls Club west end facility.

Staff are proposing to establish a purchase of service agreement with the Boys and Girls Club in order to secure access and use of the pool, multi-purpose room and some office space. These spaces would be utilized for additional programming mostly during non-prime time and therefore not impacting the Boys and Girls Club programming options.

Staff are proposing that the City delivers additional aquatic programs as well as establishing a partnership agreement with the Kingston Community Health Centres (KCHC) who will deliver a variety of health and social services at that location. Staff are also proposing to work with the Seniors Association to include the delivery of additional programs at the Boys and Girls Club's west end facility.

Staff are proposing a purchase of service agreement for a total of \$103,000 per year, for a period of 5 years, starting in April 2017. This amount is based on potential space to support the delivery of programs. The purchase of service would be reviewed should there be significant changes to community access to the facility over the 5 year period.

Staff believe that this proposed purchase of service is a win/win proposition as it will support the Boys and Girls Club by generating additional revenues for the Boys and Girls Club and additional programs to the community by ensuring a better usage of space during non-prime time. The combination of both the wide range of programs and services, as well as the number of agencies involved in service delivery, contributes to improving the quality of life for residents of all ages and incomes. This is part of making Kingston a smart City.

This report is time sensitive in order to include program information in the Spring Leisure Guide.

Recommendation:

That Council endorse the purchase of service agreement, for a period of 5 years with an option to renew for another 5 years, between the City of Kingston and the Boys and Girls Club of Kingston & Area in the amount of \$103,000 annually for community access to the west end facility starting in April 2017; and

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That Council approve a budget amendment to the 2017 operational budget to include the \$103,000 to be funded from the Working Fund Reserve in 2017 and direct staff to include this expense in the future operational budgets for the remainder of the purchase of service agreement; and

That Council endorse a partnership with Kingston Community Health Centres for the delivery of various health and social services at the Boys and Girls Club of Kingston & Area west end facility; and

That Council authorize the Commissioner of Community Services or her delegate to review and approve all necessary documents and agreements and the Mayor and Clerk to execute all approved documents and agreements, in a form satisfactory to the Director of Legal Services, related to the purchase of services and partnerships outlined in Report Number 17-045.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

Lanie Hurdle, Commissioner, Community Services

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Denis Leger, Commissioner, Corporate & Emergency Services

Jim Keech, President and CEO, Utilities Kingston

Desiree Kennedy, Chief Financial Officer & City Treasurer



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Options/Discussion:

On December 20, 2016, Council endorsed the following motion:

Whereas the Boys and Girls Club expanded its operations and service delivery in the West end by leasing space at the Frontenac Mall in 2015; and

Whereas the Frontenac Mall is taxed at Commercial Rate and Boys and Girls Club have applied and were denied by MPAC for a change in property class for the space they occupy from Commercial to Residential; and

Whereas the Commercial tax rate is not sustainable for the Boys & Girls Club to ensure long term service delivery in the West end; and

Whereas the City has been investing in expanding its community services in the North and East areas of the City;

Therefore Be It Resolved That Council direct staff to review options to establish a partnership with the Boys and Girls Club to provide financial support in exchange for community services in order to minimize the impact of paying taxes at the commercial tax rate; and

That staff report back to Council during Q1 of 2017.

Boys and Girls Club – Background & West End Facility

The Boys and Girls Club of Kingston & Area (Boys and Girls Club) was incorporated in 1993, but operated in the 1980's as the Kingston Community Council as a north end program. Since then, the Boys and Girls Club has served thousands of youth throughout the City at locations such as the Robert Meek Youth Centre, which is owned and operated by the Boys and Girls Club and schools. The Boys and Girls Club have been working with City staff to introduce programs in the Rideau Heights community centre that is currently under construction as well as the upcoming Kingston east community centre. Their programs are designed to reach out to youth of all neighbourhoods and of all economic backgrounds. Programs focus on four (4) core areas: Learning and Career Development; Physical Activity, Health, and Safety; Leadership, Growth, and Empowerment; and Families and Communities.

The Boys and Girls Club leased space at the Frontenac Mall in 2014 to provide programs in the west end. At that time, operations focused mostly on after-school programs with the pool becoming operational in 2015. The City started to rent some pool time to provide aquatic programs in 2015. The Boys and Girls Club also had another major tenant leasing access to the pool and a number of other exercise/fitness rooms; however, they are reducing their hours of use starting in April. The Seniors Association has also been renting space to provide some programs.

Boys and Girls Club has a ten (10) year lease, with an option to extend, and they have been paying property taxes at a commercial rate which was equivalent to \$191,492 in 2015. The Boys

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and Girls Club unsuccessfully applied to Municipal Property Assessment Corporation (MPAC) for a change in tax class. In 2015, the Boys and Girls Club received a charity rebate of \$76,597 which reduced its taxes to \$114,895. Staff received information from the MPAC indicating that the assessed value for the area that the Boys & Girls occupies would not change if the tax class was changed. Thus total property taxes would be approximately \$69,430 if the property was assessed at a residential rate. The Boys and Girls Club will continue to be eligible to apply to receive a charity rebate and therefore the difference between the taxes at a commercial rate and residential rate is approximately \$46,000. Many not-for-profit organizations access rebates and some are exempted.

It is important to note that staff's recommendation is based on structuring a purchase of service that supports the Boys and Girls Club and also enables the development of a more comprehensive community hub. Taxation information is provided to Council for information, as per the Council motion, but it is not the basis of staff's recommendation.

Council Priorities & Community Hub

In 2015, Council endorsed its strategic plan which included a priority for a Liveable City. In the past few years, the City has been engaging various stakeholders in the development of community hubs (i.e. the Tett Centre, Rideau Heights Community Centre, currently under construction, and the future Kingston East Community Centre).

Kingston west has a number of recreational facilities owned and operated by both the City and not-for-profit organizations (i.e. the Invista Centre, Centre 70, YMCA on Progress Avenue and the Boys and Girls Club located in the Frontenac Mall). City owned and operated facilities in the west end are providing some wellness services but are mostly focused on ice sports programs. They are generally not configured and built to provide access to multiple uses. Other facilities are primarily focused on recreational/fitness programs and/or focused on certain groups of residents (i.e. youth). Therefore, there is currently no comprehensive community hub in Kingston west that provides a wide range of services delivered by multiple organizations and agencies.

The Boys and Girls Club facility in the Frontenac Mall provides an ideal location with transit access and options to expand on programs which are currently provided primarily for youth. There are also some programs currently being delivered by the Seniors Association. Through conversation and review with the Boys and Girls Cub staff, it was identified that the large facility has underutilized areas, especially during weekdays. This provides a great opportunity to introduce additional programs and services to be delivered by various partners without impacting the current comprehensive programs being delivered by the Boys and Girls Club.

Programs and Services at the Boys and Girls Club West End Facility

Staff have reviewed and discussed options for programs and services with the Boys and Girls Club staff. It was identified that there is an opportunity to expand on aquatic programs, fitness and wellness programs, as well as some additional programs for seniors. Below is a description of some of the programs that are being proposed as part of the purchase of service agreement with the Boys and Girls Club and partnerships with KCHC and the Seniors Association. It is

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important to note that the actual details of programs and their schedule may change over the next five (5) years based on community needs.

Aquatics – Staff are proposing to introduce additional swim sports programs, aquafit programs and drop in swims for individuals and families.

Fitness – Staff are proposing to introduce parent and tot as well as adult fitness programs.

Health and Social Services – Staff recognize that health, recreation and social services programs are complimentary and it is important to try to provide a wide range of services to residents. KCHC has been active in introducing health programs in community hubs and is working closely with the City to introduce these programs at Rideau Heights. KCHC is working on implementing a variety of programs that will support a caring community, active living and healthy eating. KCHC and the Maple Family Health Team will be introducing individual and group programs which would include one-on-one support and group programming such as smoking cessation, anxiety management, active living, income tax program, food skills and self-management programs.

Seniors – The Seniors Association has been providing a number of programs at the Boys and Girls Club west end facility, including pickleball. Staff are proposing to work with the Seniors Association to potentially add more programs for seniors.

Existing Policy/By-Law:

Not applicable

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

Financial Considerations:

The proposed five (5) year purchase of service agreement is for \$103,000 annually, to be funded from the Working Reserve Fund in 2017, and be incorporated in future operational budgets for the remainder of the purchase of service agreement.

Contacts:

Lanie Hurdle, Commissioner, Community Services 613-546-4291 extension 1231

Luke Follwell, Director, Recreation & Leisure Services 613-6546-4291 extension 1815

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Other City of Kingston Staff Consulted:

Alan McLeod, Senior Legal Counsel, Legal Services

Exhibits Attached:

Not applicable

By-Law Number 2024-XX

A By-Law to Authorize an Amending Agreement for the Provision of a Municipal Capital Facility at 1300 Bath Road, Kingston, Ontario

Passed: [Meeting Date]

Whereas Section 110(1) of the *Municipal Act, 2001* (the "Act") provides that a municipality may enter into agreements for the provision of municipal capital facilities; and

Whereas Section 110(6) of the Act states that the council of a municipality may exempt from all or part of the taxes levied for municipal and school purposes land or a portion of it on which a municipal capital facility is or will be located that is the subject of an agreement under Section 110(1) of the Act; and

Whereas pursuant to Ontario Regulation 603/06 enacted under the Act, a municipality may enter into an agreement under Section 110(1) of the Act for the provision of municipal facilities related to the provision of social and health services; and

Whereas Boys and Girls Club of Kingston & Area Inc. o/a "BGC South East", as tenant, entered into a lease agreement (the "Lease") with Frontenac Shopping Centre Inc., as landlord (the "Landlord"), whereby the Landlord agreed to lease approximately 55,170 square feet of the building municipally known as 1300 Bath Road, Kingston (the "Premises") to the Tenant for the purposes of a social and health services facility; and

Whereas the Council of the Corporation of the City of Kingston (the "**City**"), at its meeting of January 18, 2022, enacted By-law No. 2022-24 (the "**By-Law**") authorizing the City to enter into an agreement with the Landlord for the provision of a municipal capital facility at the Premises; and

Whereas pursuant to a municipal capital facilities agreement dated January 4, 2022 between the Landlord and the City (the "**MCFA**"), the City agreed to exempt the Premises from taxation for municipal and school purposes in accordance with the By-Law and subject to the terms and conditions of the MCFA; and

Whereas pursuant to a lease amending agreement dated May 6, 2024 between the Landlord and the Tenant (the "Lease Amending Agreement"), the Landlord and the Tenant agreed to expand the Premises to include an additional rentable area of approximately 9,189 square feet, designated as Unit A004 (the "Expansion Premises"), commencing on September 1, 2024, for the balance of the term of the Lease; and

Whereas pursuant to a lease agreement dated July 31, 2024 between the Landlord and the Tenant (the "**Lease Agreement**"), the Landlord and the Tenant agreed to expand the Premises to include an additional rentable area of approximately 16,446 square feet,

designated as Basement Units L020 and L030 (the "**Expansion Premises**"), commencing on September 1, 2024

Whereas Council is desirous of entering into an agreement with the Landlord to expand the application of the MCFA to the Expansion Premises for a total of 80,805 square feet; and

Therefore be it resolved that the Council of The Corporation of the City of Kingston hereby enacts as follows:

- Pursuant to Section 110 of the *Municipal Act*, 2001 the City of Kingston is authorized to enter into an amending agreement with the Landlord for the provision of a municipal capital facility for social and health services at the Expansion Premises, in accordance with Ontario Regulation 603/06 (the "Agreement"). The Premises and the Expansion Premises are hereinafter collectively referred to as the "Premises".
- 2. The Premises are exempt from taxation for municipal and school purposes.
- 3. This By-Law shall be deemed repealed:
 - (a) If the Landlord ceases to own the Premises without having assigned the Agreement to the new owner of the Premises;
 - (b) If Boys and Girls Club of Kingston & Area Inc. o/a "BGC South East" ceases to use the Premises for purposes of the provision of social and health services;
 - (c) When the Lease, or any renewal or extension of the Lease, expires or is otherwise terminated for any reason whatsoever; or
 - (d) If the Agreement is terminated for any reason whatsoever.
- 4. Sections 1 and 4 of this By-Law shall come into force on the day that this By-Law is enacted. Sections 2 and 3 of this By-Law, as they relate to the Expansion Premises, shall come into force on the day that the Agreement is entered into by the City and the Landlord.

Given First and Second Readings

Given Third Reading and Passed

Janet Jaynes City Clerk

Bryan Paterson Mayor