



**City of Kingston  
Report to Council  
Report Number 25-093**

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**To:** Mayor and Members of Council  
**From:** Lanie Hurdle, Chief Administrative Officer  
**Resource Staff:** None  
**Date of Meeting:** March 4, 2025  
**Subject:** Kingston Penitentiary Potential Disposition and Securing  
Community Interests

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**Council Strategic Plan Alignment:**

Theme: 5. Drive Inclusive Economic Growth

Goal: 5.7 Foster culture, history, education, arts and recreation (CHEAR)

**Executive Summary:**

The intent of this report is to provide the public with information on all the City's efforts and attempts to secure the Kingston Penitentiary property for community access since 2016. In light of the federal government's recent decision to add Kingston Penitentiary to the Canada Public Land Bank Inventory of federally owned properties identified for long-term leasing to support new housing development, Council has consented to releasing information related to Kingston Penitentiary previously provided in closed session on November 21, 2023 and February 18, 2025.

There have been public tours and filming activities at the Kingston Penitentiary site since 2016. This has been possible based on partnerships with St. Lawrence Parks Commission, Tourism Kingston, United Way KFL&A and with strong support from Correctional Services Canada Regional Directors.

Kingston Penitentiary is the oldest penitentiary in Canada, and it currently has federal heritage protection as designated a National Historic Site of Canada. It has not yet been designated by the municipality under the Ontario Heritage Act which will provide the property with heritage protection should the federal government dispose of the property to another entity.

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The details in this report clearly outline the multiple attempts, and the associated funds that the City and partners invested in the last ten years, to protect and secure access to the Kingston Penitentiary property; a site which is now at risk of potential private redevelopment.

City staff recognize the importance of creating new housing in the community and are recommending that the federal government consider one of its multiple other properties that are not sites with significant heritage resources for housing redevelopment.

**Recommendation:**

This report is for information only.

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**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, Growth & Development Services

Jennifer Campbell, Commissioner, Community Services

Neil Carbone, Commissioner, Corporate & Emergency Services                      Not required

David Fell, President & CEO, Utilities Kingston    Not required

Ian Semple, Acting Commissioner, Transportation & Infrastructure Services      Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer                              Not required

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

Kingston Penitentiary was constructed from 1833 to 1834 and opened on June 1, 1835, as the "Provincial Penitentiary of the Province of Upper Canada". It was one of the oldest prisons in continuous use in the world at the time of its closure in 2013. Kingston Penitentiary was one of nine prisons in the Kingston area, which ranged from low-security facilities to maximum-security facilities.

**2015 – 2017 Visioning Exercise**

In the spring of 2015, Correctional Service Canada (CSC) approached the City of Kingston to discuss the future disposal of the Kingston Penitentiary property. CSC informed the City of its intent to proceed with a strategic disposal process which would involve Canada Lands Company (CLC), an arms-length, self-financing federal Crown Corporation responsible for the development and disposal of strategic surplus federal properties. This opportunity was presented to the City as a mechanism, most likely the only mechanism, for the City and the community to have input on the potential future use and development of the Kingston Penitentiary property.

That same year, City Council approved a partnership with CSC, CLC and the Department of Fisheries and Oceans Canada (DFO) to complete a visioning exercise for the Portsmouth Olympic Harbour (POH) property, the former Kingston Penitentiary (KP) property and harbour property owned by DFO. The intent was to give the City and residents an opportunity to be involved in the future redevelopment of the property prior to the federal disposal process. CLC, responsible for the development and disposal of strategic surplus federal properties, played a leadership role on behalf of CSC and DFO throughout the visioning process. The City invested \$100,000, funded through municipal property taxes, into this process.

In 2017, City Council endorsed a high-level vision for the properties that included the development of a complete neighbourhood composed of residential, commercial, office space, open space and a destination site with tourism and commemorative components. There was a significant amount of residential development proposed in the form of low-density townhouses along the DFO property as well as on the southern portion and on the eastern edge of the KP property. Townhouses were proposed along the Alwington neighbourhood to provide an appropriate development transition. There were three (3) high density buildings proposed on the central/southern portion of the KP property. The public noted concerns with the height and density of those buildings, especially the one located near the tourism/commemorative components of the site. The form of development and its density was entirely based on financial viability for the overall development of the site. The central/southern portion of the KP property was also intended to accommodate commercial and office space within the existing heritage structures to be preserved, or within new construction on site.

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CLC, as the lead federal agency on this visioning process, had the mandate to make the redevelopment proposal financially viable. The overall site has multiple constraints to achieve financial viability including the preservation and rehabilitation of heritage structures, environmental conditions, servicing and road infrastructure. Any changes to the vision, including changes to residential densities, could have impacted the future development of the site.

City staff had meetings with CLC following the endorsement of the vision and identified significant concerns with the ability to support the required planning framework, particularly the density of the proposed residential development. No additional steps were undertaken to advance the land use amendments required to support the redevelopment and CLC put this initiative on hold while focusing on other developments across the country.

### **Kingston Penitentiary Tours and Filming 2016 – 2025**

In 2016, following the approval of the partnership for the KP/POH visioning exercise, the City was approached by various members of the community with the idea and interest to facilitate temporary public tours of the Kingston Penitentiary property, during the visioning process. The City and partners have been able to facilitate public tours and filming activities at the Kingston Penitentiary property since 2016 with unwavering support from the CSC Regional Director's office. The operation of these tours has not required property tax contributions and have contributed to local charities.

#### **2016 Kingston Penitentiary Public Tours**

In May 2016, Council approved partnerships with CSC and the St. Lawrence Parks Commission (SLPC) to operate public tours at the KP property. The SLPC operated public tours out of KP from June to October 2016. The tour season was shorter during this first year of operations.

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

The net profit generated in the first year was approximately \$644,000. Half of this amount was allocated to destination marketing for Kingston and the other half to the United Way of KFL&A for re-investment in youth programming.

#### **2017 Kingston Penitentiary Public Tours**

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

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In 2017, the public tours attracted 105,000 visitors and generated close to \$4.3M in total revenues and \$2.4M in net profit which was split 50/50 between the United Way of KFL&A and destination marketing which is managed by Tourism Kingston (TK) and the SLPC. The economic impact as calculated by TREIM was \$8.4 million.

### **2018 Kingston Penitentiary Public Tours**

Tours ran from May until the end of October 2018, attracting 68,000 visitors and generating a net profit of \$1.47M which continued to be split 50/50 between destination market (TK) and the United Way of KFL&A. The decrease from 2017 to 2018 was related to reduction in pent up demand to access the site as well as increased tourism in Canada during the sesquicentennial celebrations in 2017. KP remained one of the most significant tourism assets in Kingston and was identified as a priority in the Integrated Destination Strategy endorsed by Council in 2019.

The City of Kingston continued to play an important role in facilitating this initiative. As per the previous agreements, the City continued to license portions of KP from CSC for the provision of public tours and, in turn, the City extended its agreement with the SLPC for the delivery of public tours.

### **2019 Kingston Penitentiary Public Tours**

As part of the review of the 2019 partnership for KP, access during civic holidays and for filming was added to the agreement. There were filming production activities at KP in 2019, including a Netflix series. The number of visitors in 2019 was 72,500, a slight increase from 2018's numbers. The total net profit was about \$1.625M with an estimated tourism regional economic impact of about \$6.31M.

The 2019 proposal introduced ticket pricing to make tours more affordable for families as well as to be more attractive to group tour operators and continued to provide accommodations for individuals with specific needs on all tours. The net profits from operations continued to be allocated 50/50 between the United Way of KFL&A and destination marketing. As per the previous agreements, the City continued to license portions of KP from CSC for the provision of public tours and, in turn, the City extended its agreement with the SLPC for the delivery of public tours.

### **2020 and 2021 Kingston Penitentiary Public Tours**

In 2020 and in light of COVID-19 restrictions, SLPC decided to contract directly with CSC for the use of the KP property through a licensed agreement with limited access and focus on public tours. A shorter public tour season with smaller groups was offered in 2020 with a total number of 19,201 visitors and an estimated economic impact of \$1.5M. That same year, film production companies also rented the KP property directly from CSC.

In 2021, SLPC decided to continue its 2020 rental arrangements with CSC since there was still a lot of instability and uncertainty related to pandemic restrictions. During 2021, SLPC had 35,000 visitors through public tours with an estimated economic impact of \$3.05M. Although

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there was a significant increase from 2020, these numbers were still much lower than 2019 which saw 72,487 visitors and with an estimated economic impact of \$6M. Film production companies were also renting KP directly from CSC. The total estimated direct spend from filming in 2021 was about at \$5M.

### **2022 Kingston Penitentiary Public Tours**

Following the hold placed on the City's lease of KP in 2020 and 2021, discussions resumed in early 2022 between the City and CSC to see if the implementation of the lease could still be considered. CSC indicated that per its policy, it is required to lease the property at cost and cannot reduce the lease amount as it would be considered bonusing.

Considering that SLPC and TK have distinct roles in terms of services on the site, it made sense to have the City act as the leaseholder and work directly with its partners to deliver tourism and community activities at KP in 2022. The City and its partners recognized that even though COVID-19 restrictions were gradually being lifted, it would take time for the tourism industry to recover and therefore, a full-year lease was not financially feasible as revenue generation opportunities between November and April are usually limited. The City worked with CSC and its partners to establish a lease from May 1 until the end of October 2022 for a total of seven (7) months. This lease could be renewed annually for four (4) additional 7-month periods.

The cost of the lease was based on the federal government's Payments in Lieu of Taxes (PILT) to the municipality, estimated at \$286,400 per year (and therefore \$23,866 per month, or \$143,200 for the lease period). The total City cost of operations in 2022 was \$237,477 which included the lease, utilities and day-to-day maintenance. As per previous years, the City continued to partner with SLPC and TK to deliver public tours, filming and various tourism and community activities. This short-term lease did not limit the number of for-profit and tourism activities operating on the KP site. The City broke even in 2022, as it recovered its costs from the operational revenues at the site, while the KP tours generated a net profit of about \$1M for SLPC.

### **2023 Kingston Penitentiary Public Tours**

In 2023, the City extended the lease from April until the end of November. Total operating costs were approximately \$440,000 due to the extended time frame and significant heating costs during the month of November. City staff worked with SLPC to ensure that all costs were covered by KP operational revenues and did not have any impact on the property taxes. The operations of KP tours continued until the end of November and had over 100,000 visits on the property between tours and Pumpkinferno.

### **2024 Kingston Penitentiary Public Tours**

In 2024, the lease agreement was established from April until the end of October. The public tours took place in 2024 and activities on the property wrapped up in late Fall with Pumpkinferno. SLPC has reported a total of 86,033 visitors in 2024.

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From a City lease perspective, the actual operating costs were approximately \$420,000 which resulted in a small surplus of about \$8,000 for the City in 2024. This does not include the net profit from tours generated by SLPC. These numbers have not yet been provided to City staff.

### **2025 Kingston Penitentiary Public Tours**

The City has secured a lease with CSC to operate tours from April until the end of October 2025. The City operating budget has been established at about \$440,000 due to the rising cost of utilities and increased fee in PILT. It is anticipated that the costs will be covered by revenues from SLPC and filming.

### **Lease Options and Political Advocacy**

As previously indicated, CLC chose not to advance work on the next steps of land use amendments following the approval of the visioning exercise in 2017. At that time, City staff and the Mayor's Office approached representatives from Parks Canada to understand if the Kingston Penitentiary property, a National Historic Site, had been discussed as a potential future site operated by Parks Canada. There were two meetings with Parks Canada representatives who indicated that they had not been engaged in the disposal conversations and recognized the historical significance of Kingston Penitentiary.

In 2018, the MP's Office helped the City to set up two meetings with Prime Minister's Office staff and with Minister Joly, who was overseeing the Canadian Heritage portfolio at the time. The discussions were focused on options to transfer the property to Parks Canada and a potential lease agreement between the City and the federal government to support ongoing public access to the Kingston Penitentiary. At the time, the City was verbally informed that Parks Canada was not interested in taking on the property.

Discussions about a potential lease continued during 2019 as the City identified an interest in more lease consistency that would enable partners to do more long-term planning. In early March 2020, prior to the pandemic, City Council approved a multi-year lease with CSC to access the KP property for a total cost of up to \$1,124,000 per year. This lease was intended to allow the City and its partners, SLPC and TK, to deliver public tours, film production and other limited community activities.

It was proposed that the City would pay the Federal Department of Public Safety and Emergency Preparedness (PSEP) a lease payment of \$100,000 per year with a 2% annual increase. While leasing the property, the City would no longer have received the PILT in the amount of \$474,000 (2019). Although this was not a direct payment to PSEP, it would have been a loss in property tax revenues for the City and therefore, staff were proposing that net surpluses from the operations be utilized in part to reimburse this loss in PILT revenue to ensure that there were no impacts to property taxpayers.

The City would have also been responsible for paying up to \$550,000 per year in utilities and maintenance costs. Based on past expenditures, the combined expenditure was as high as \$850,000 per year. In order to minimize the risk and control costs, the City's contribution would



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have been up to \$550,000 annually. City staff put the multi-year lease on hold in late March 2020 due to the COVID-19 pandemic.

After the pandemic, the City identified its interest in re-initiating discussions about a multi-year lease. In the spring of 2024, City staff and the district Councillor met with the Minister of Public Safety, the local MP and CSC staff at the KP property to discuss potential long-term lease options. At that meeting, the Minister indicated his interest in securing a 10-year lease with the City for the use of KP and directed their staff to work with City staff to develop a draft 10-year lease agreement by the fall 2024.

The Minister indicated that the lease would require Treasury Board approval since the terms of the lease would fall outside of federal leasing policies. City staff provided financial information which demonstrated that the City could contribute a value of \$1M per year through a lease agreement. This included the waiving of PILT and was based on net revenues from tours and filming from previous years. This assumed that there would be no property tax contribution to the operations of the property. The document provided to CSC staff is attached as Exhibit A. City staff indicated that, while interested in a long-term lease, they were doubtful that the City could afford the acquisition and maintenance of the property.

Over 6 months, City staff followed up with CSC staff and the MP's office to offer support to develop a draft lease. In January 2025, CSC notified City staff that they would not be moving forward with a long-term lease and would provide a 2025 lease agreement under the same terms and conditions as previously approved by Council for filming and tourism activities.

### **Potential Disposition of Kingston Penitentiary**

In early 2023, City staff were notified of the federal government's intent to re-initiate the KP disposal process. Based on information received, the federal government was hoping to proceed with disposal of the property in 2024 and would not renew the one-year lease with the City in 2024 unless they received a formal property acquisition proposal from the City.

City staff worked with N. Barry Lyon Consultants as well as Tourism Kingston (TK) and Twenty 31 to develop a business case for the property and report back to Council. Twenty 31, retained by TK, produced a tourism and entertainment concept which reviewed similar best practices across Canada and the United States. The Twenty 31 concept proposed a model which included past and existing uses such as tours and filming as well as some potential commercial uses like restaurant and potential artists live/work spaces. It is important to note that any additional uses on the property would be incorporated over time and would require additional capital investment from the City or the private sector.

The Twenty 31 concept was reviewed and utilized by N. Barry Lyon Consultants who produced a preliminary business case for the KP acquisition (business case). The consultants and staff had limited information to develop a business case and indicated that more research and analysis, including a full building/structure condition assessment, would be required as part of due diligence work.

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On November 21, 2023, in Closed Report Number 23-279, Council provided staff with direction to continue negotiations with CSC and submit a formal \$1 offer with a due diligence period of 12 months and an initial federal capital contribution; while staff secured the 2024 lease agreement, under the same terms and conditions as previously approved by Council. City and partners spent approximately \$82,000 for this business plan. City staff shared the business plan information with CSC.

The overall site is complex, and additional due diligence period was required to complete a building and structure condition assessment, any environmental assessments, review of additional operational strategic opportunities and additional financial analysis as well as a heritage assessment of buildings and structures that would require municipal designation/heritage protections under different ownership. High level estimates from staff and the consultant indicated that there would be a minimum initial capital investment of \$6.5M.

In December 2023, the City submitted a conditional offer of purchase, the Kingston Penitentiary lands, part of Portsmouth Olympic Harbour and part of the water lot fronting Kingston Penitentiary from CSC and the DFO respectively. After multiple follow ups, the City finally received a response to its December 2023 offer on February 17, 2025. This response is attached as Exhibit B to this report and indicates that CSC is following its prescribed disposal process which is to transfer the land to CLC. The CSC response also indicates discussions with Parks Canada can be facilitated if the City's intent is to continue to operate the site for tourism purpose.

### **Heritage Designation**

In 1990, Kingston Penitentiary was designated a National Historic Site of Canada by the federal government, but this alone does not provide specific heritage protection should the property be disposed of or transferred. It does not currently have a municipal heritage designation or Heritage Easement Agreement.

Currently, 560 King Street West (the former Kingston Penitentiary) is a "Listed" heritage property for the municipality. Section 27 of the *Ontario Heritage Act* allows municipalities to list properties with cultural heritage value, even if they are not officially designated under the Act. These listed properties have less protection than a designated property. With the changes enacted to the Ontario Heritage Act introduced through Bill 23, municipalities have until December 31, 2026, to designate properties currently listed, or else see those properties lose their listed status and will be restricted from being relisted or advanced for designation for a period of 5 years.

With CSC's notice of their intention to move forward with the leasing process on the public market, City staff are initiating the municipal heritage designation process to protect the cultural value of the property prior to KP's potential disposition. The intent is to submit a municipal heritage designation by-law to the Kingston Heritage Properties Committee for consideration at its March meeting and then to City Council on April 1, 2025. As with all designations, the property has been made aware of this intent.

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**Other Federally Owned Properties**

To date three federally owned properties in Kingston have been identified for disposal with the purpose of enabling housing development. In addition to KP, located at 560 King Street West, there is also the St Helen's Complex, designated under Part IV of the Ontario Heritage Act and located at 460 King Street West, as well as 525 King Street West, currently listed under the Ontario Heritage Act. These properties can be viewed using the [Public Lands mapping tool](#). City staff appreciates the federal government's efforts to make properties available for housing development, but all of the properties that have been made available in Kingston are identified heritage resources, which require creative approaches to adaptive reuse and given the condition of some of these properties introduce significant barriers to their restoration to accommodate even at market housing development, let alone much needed affordable housing

City staff did a review of federally owned properties in Kingston and identified over 340 hectares of vacant and fairly unencumbered land that could be considered in whole or in part for housing development. Staff would recommend that putting even a portion of those lands up for disposal would be more conducive and beneficial to rapid and impactful housing development rather than putting the Kingston Penitentiary, a National Historic Site, at risk.

**Financial Considerations**

The City and partners have spent approximately \$182,000 on various plans and studies to secure a multi-year lease.

**Contacts:**

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

**Other City of Kingston Staff Consulted:**

Brandon Forrest, Director, Business, Real Estate and Environment

**Exhibits Attached:**

Exhibit A – City of Kingston proposal to CSC, May 2024

Exhibit B – CSC response letter (received by email February 17, 2024)

## City of Kingston - Kingston Penitentiary Proposal

**Intent – To continue to provide tourism opportunities on the property at a City of Kingston breakeven point while generating substantive revenues for CSC to maintain its property (Kingston Penitentiary).**

**The City retained N. Barry Lyon Consultants to complete a preliminary business case. Draft financial projections are attached. The City of Kingston believes that Option 1 is the only financially feasible option.**

### Option 1 – Long-Term Lease

Establishing a long-term lease between the City and the Federal government. The lease would be based on value for a period of 10 years with full access and no operational restrictions.

The lease would not include utilities and day to day maintenance which would be the City's responsibility. This model essentially removes all financial day to day responsibilities from CSC and provides a revenue of \$700,000 per year, plus escalation, which can be reinvested in the property infrastructure. The City could also consider waiving of the PILT (\$300,000) which could bring the **net value to about \$1M to CSC per year for federal reinvestments into the property**. This would more than triple the value that CSC receives under the current lease structure.

The short-term financial projections for this operation are assuming that the City could generate approximately \$1.2M in net operating profit. Estimates for this are included in the N. Barry Lyon Consultants report attached. Essentially, the net revenues are estimated at \$2,637,000 and programming operating expenses at \$1,431,000 not including utilities and site maintenance, leaving a net profit of about \$1.2M. These numbers are estimated based on past revenue generation and programming as well as known site expenditures.

In addition, the City is open to an escalation clause and a shared net profit, if applicable. Below is the proposed budget for this option.

<b>Expenses</b>	
CSC lease	700,000
Utilities	350,000
Grass Cutting & Snow clearing/ recycling	70,000
Day to day maintenance & custodial	85,000
<b>Total</b>	<b>1,205,000</b>

## **Option 2 – Property Acquisition**

City submits a conditional offer to acquire the property for \$1 with 12-month due diligence to complete a full building and structural condition assessment. This conditional offer also includes a one-time initial federal contribution for the maintenance backlog which is currently estimated at \$6M but would need to be finalized through the building condition assessment.

Based on current incomplete financial information, it is anticipated that the yearly operating financials for the City could vary between a potential small surplus of \$180,000 to a deficit of \$2.8M starting the second year (after an initial federal capital investment). This does not account for all the potential capital investment that may be required.

Although due diligence would provide clearer information, it is unlikely that the City would be able to own and operate this site at a break even point due to ongoing capital investments.

## **Kingston Penitentiary Tours - Background**

### **2016 Kingston Penitentiary Public Tours**

In 2016, City established a license agreement with CSC to access KP for \$1 per year to provide public tours. Net profits were to be split between United Way and destination marketing. The City did not collect any revenues. Close to 60,000 visitors came to see what was behind the historic walls of KP. The estimated economic impact to the region was \$4.7 million as calculated through the Tourism Regional Economic Impact Model (TREIM).

### **2017 Kingston Penitentiary Public Tours**

In 2017, the public tours attracted 105,000 visitors and generated close to \$4.3M in total revenues and \$2.4M in net profit which was split 50/50 between the United Way of KFL&A and destination marketing which is managed by Tourism Kingston (TK) and the SLPC. The economic impact as calculated by TREIM was \$8.4 million.

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### **2019 Kingston Penitentiary Public Tours**

As part of the review of the 2019 partnership for KP, access during civic holidays and for filming was added to the agreement. There were filming production activities at KP in 2019, including a Netflix series. The number of visitors in 2019 was 72,500, a slight increase from 2018's numbers. The total net profit was about \$1.625M with an estimated tourism regional economic impact of about \$6.31M.

The net profits from operations continued to be allocated 50/50 between the United Way of KFL&A and destination marketing.

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In 2021, SLPC decided to continue its 2020 rental arrangements with CSC since there was still a lot of instability and uncertainty related to pandemic restrictions. During 2021, SLPC had 35,000 visitors through public tours with an estimated economic impact of \$3,055,063. Film production companies were also renting KP directly from CSC. The total estimated direct spend from filming in 2021 was about at \$5M.

### **2022 Kingston Penitentiary Public Tours**

Discussions resumed in early 2022 between the City and CSC to see if the implementation of the lease could still be considered. CSC indicated that per its policy, it is required to lease the property at cost and cannot reduce the lease amount as it would be considered bonusing.

The City and its partners recognized that even though COVID-19 restrictions were gradually being lifted, it would take time for the tourism industry to recover and therefore, a full-year lease was not financially feasible as revenue generation opportunities between November and April are usually limited. The City worked with CSC and its partners to establish a lease from May 1, 2022, until the end of October 2022 for a total of seven (7) months. This lease could be renewed annually for four (4) additional 7-month periods.

The cost of the lease was based on the PILT, estimated at \$286,400 per year (and therefore \$23,866 per month, or \$143,200 for the lease period). The total City cost of operations in 2022 was \$237,477 which included the lease, utilities and day to day maintenance. As per previous years, the City continued to partner with SLPC and TK to deliver public tours, filming and various tourism and community activities. This short-term lease did not limit the number of for-profit and tourism activities operating on the

KP site. The City broke even in 2022 but the actual KP tours generated a net profit of about \$1M for SLPC.

### **2023 Kingston Penitentiary Public Tours**

In 2023, the City extended the lease from April until the end of November 2023. The financials were also adjusted to expect an operating cost of about \$354,000 and operating revenues of \$361,000. The operations of KP tours are continuing until the end of November and so far over 100,000 visits have taken place on the property between tours and Pumpkinferno. It is anticipated that the tours will generate significant profits again this year and that SLPC will cover any City operating deficits, if applicable.

**The average net profit generated from tours and filming since 2016 is slightly higher than \$1M per year. This includes minimal payments to CSC (primarily the value of PILT and Utilities).**

### **Tourism in Kingston**

In 2019, there were 7,000 tourism-related businesses in South Eastern Ontario. There are approximately 15,000 tourism jobs in Kingston (2020: 14,997). Hospitality and accommodation jobs represent nearly 9% of Kingston's workforce.

Pre-pandemic, Kingston welcomed 2.7 M visitors a year and tourism generated an economic impact of \$480 M. The sector continues to recover, welcoming 1.7 M visitors in 2022 and generating an impact of \$493 M. 52% of visitors to Kingston stay overnight.

No other census metropolitan area in Canada attracts more domestic visitors than Kingston, relative to population size.

### **Kingston Pen**

Kingston Penitentiary is an anchor attraction for leisure and travel trade tourism. Since launching in 2016, Kingston Pen Tours have attracted nearly half a million visitors and generated an economic impact of nearly \$30 million for the local economy.

#### *Example 1 : The Mayor of Kingstown in 2022*

A Paramount+ production starring Jeremy Renner, filmed in Kingston Penitentiary three times in 2022 with more than \$2,000,000 directly spent in the community. 500 members of the cast and crew stayed in Kingston for nearly two months and 30 residents were employed on the production.

#### *Example 2: Chucky in 2023*

- 80+ local hires to fill LSP, PA and background actor positions
- 225+ hotel rooms booked. Length of stay for each room ranged from 3 – 7 nights
- Local restaurants provided catering for 300+ cast and crew each day of production

## Exhibit A to Closed Report Number 25-061

- Local vendors hired for services on set including electricians, garbage removal, port-o-potty and sanitation equipment and services, generator and air conditioner equipment rentals, 24-hour security, rental car service, seamstress services,
- Economic impact \$350k+, less than one full week





Brandon Forrest  
Director, Business, Real Estate & Environment  
City of Kingston  
British Whig Building,  
310 King St. East  
Kingston, ON K7L 3B4

Dear Mr. Forrest:

Thank you for your correspondence of December 21, 2023, regarding your proposed purchase of the Kingston Penitentiary, part of Portsmouth Olympic Harbour, and part of the water lot fronting Kingston Penitentiary and 1 Yonge Street.

We understand that your proposal is for discussion purposes only and our response is on the same basis.

First, only the lots for which Correctional Service Canada (CSC) is the custodian will be the subject of our response. You can refer to the enclosed plan. To acquire or to indicate your interest in acquiring a part of Portsmouth Olympic Harbour and 1 Yonge Street, please contact the site custodian, Fisheries and Oceans Canada (DFO).

CSC is proceeding with the disposal of the site in accordance with the Treasury Board [Directive on the Management of Real Property](#), and is currently conducting due diligence activities to complete this process. In this spirit of continued discussions and cooperation, we have listed below our responses and explanations to your proposal:

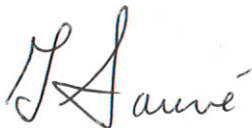
- In accordance with the Minister's approval, we are working to transfer the property to Canada Lands Company (CLC). If CLC elects not to acquire the site, the City can exercise its priority (following federal departments, Crown corporations and the province of Ontario), with the provisos that the property can only be used for public purposes and the constraints linked to heritage preservation must be maintained. Should the City of Kingston wish to redevelop the site for non-public purposes, two options are available: work with CLC to revitalize the site or acquire the property on the open market.
- To support your due diligence activities, we have shared various documents such as environmental assessments, 2019 building conditions report, financial data, etc. If more documents are required, we will be pleased to share them with you (title, heritage value, etc.).

.../2

- The Canadian Coast Guard (CCG) facility that resides on CSC property will remain; consequently, an agreement to regulate CCG access will be needed should the city become the owner of the surrounding lands.
- To dispose of the site at nominal value, CSC must obtain Treasury Board's approval. It is therefore impossible for us, at this time to accept your offer. A complete business case would need to be presented with all the supporting facts and information, confirming public purpose use of the site.
- In your additional terms and conditions, you mentioned a monetary contribution from CSC to meet deferred capital requirements of the facilities, subject to the outcome of a building/structural condition assessment. The site was decommissioned and closed in 2014 because it no longer met our operational requirements and since that time, CSC has undertaken only essential maintenance. CSC has no plans to invest in deferred maintenance as part of the disposal process; the sale price would reflect the current condition of the site.
- If the City's vision for the site is to remain a heritage site with limited commercial uses, CSC could start discussions with Parks Canada to assess their interest in acquiring the site, as it aligns with their mandate to protect and preserve nationally significant examples of Canada's cultural heritage.
- A long-term lease of the site to the City of Kingston for non-public purpose use would face similar restrictions, constraints, and approval levels as for an outright sale.

Lastly, the addition of Kingston Penitentiary to the federal government's [Public Lands for Homes Program \(PLHP\)](#) in January 2025 may restrict the disposal options for CSC for the site. The PLHP aims to transfer surplus or underutilized federal properties to CLC and for them to work with municipalities, community partners and developers to propose redevelopment projects for each site.

We look forward to the continued collaboration between CSC, the City of Kingston and CLC.

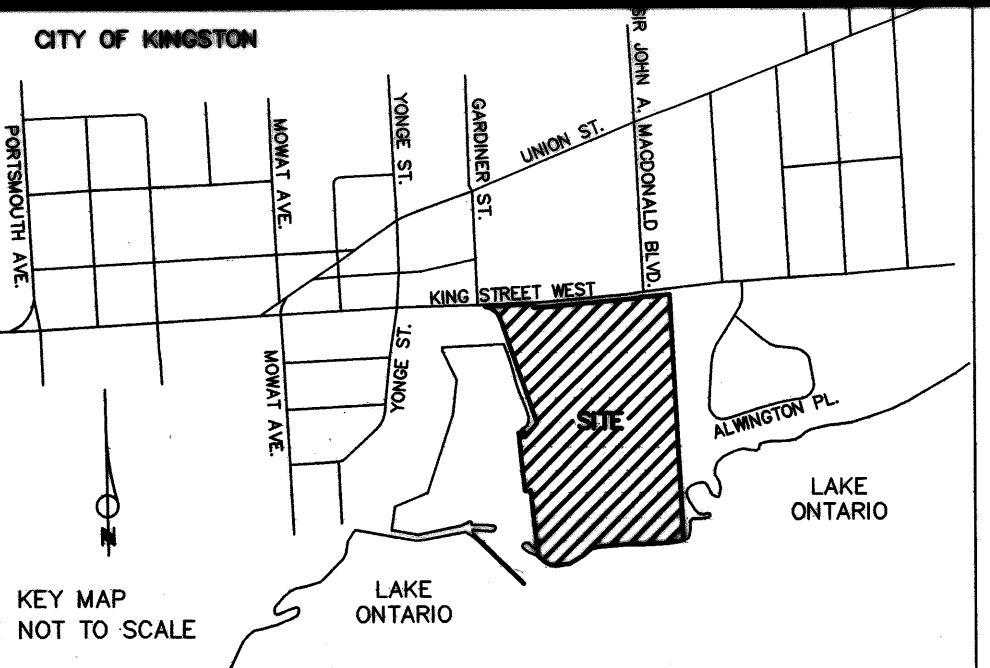


Ghislain Sauvé  
Director General, Technical Services and Facilities

Enclosure (1) Surveyor plan

c.c.

Chris Vandyk, Canada Lands Company  
Lanie Hurdle, City of Kingston  
Kevin Snedden, CSC Ontario Regional Deputy Commissioner  
Guylaine Poirier, CSC Senior Manager, Real Property and Accommodation



SCHEDULE				
PART	LOT/BLOCK	CON/PLAN	PIN	AREA(ha)
1	183,184,192		BEING ALL OF PIN 36264-0231(L1)	8.5231
2	183,184			0.0420
3		RP 54	BEING PART OF PIN 36264-0374(L1)	1.4881
4			BEING PART OF PIN 36264-0374(L1)	0.0699
5	PART OF THE BED OF KINGSTON HARBOUR		BEING PART OF PIN 36264-0069(L1)	0.2138
6			BEING PART OF PIN 36264-0069(L1)	0.0008
7			BEING PART OF PIN 36264-0069(L1)	0.1364

I REQUIRE THIS PLAN TO BE DEPOSITED UNDER THE LAND TITLES ACT.

PLAN 13R 21056

RECEIVED AND DEPOSITED

MARCH 26, 2015

DATE: *March 26, 2015*

*Leslie M. Higginson*

LESLIE M. HIGGINSON O.L.S.

REPRESENTATIVE FOR LAND-REGISTRAR FOR THE LAND TITLES DIVISION OF FRONTENAC NO. 13

PLAN SHOWING SURVEY OF PART OF BLOCKS 184 & 192 AND ALL OF BLOCK 183, REGISTERED PLAN No. 54 AND PART OF THE BED OF KINGSTON HARBOUR REGISTERED PLAN No. 54 VILLAGE OF PORTSMOUTH CITY OF KINGSTON COUNTY OF FRONTENAC

SCALE: 1 : 750

20m 0 25 50 metres

METRIC DISTANCES & COORDINATES SHOWN ON THIS PLAN ARE IN METRES AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048

LESLIE M. HIGGINSON SURVEYING LTD. 2015

SURVEYOR'S CERTIFICATE:

1. I CERTIFY THAT:

1. THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEY ACT, THE SURVEYORS ACT, THE LAND TITLES ACT AND THE REGULATIONS MADE UNDER THEM.

2. THE SURVEY WAS COMPLETED ON THE 4TH DAY OF MARCH, 2015.

LESLIE M. HIGGINSON SURVEYING LTD. ONTARIO LAND SURVEYOR KINGSTON, ONTARIO

MARCH 26, 2015

DATE: *Leslie M. Higginson*

LESLIE M. HIGGINSON ONTARIO LAND SURVEYOR

NOTE:

BEARINGS SHOWN HEREON ARE GRID BEARINGS REFERRED TO THE CENTRAL MERIDIAN, 75° WEST, ZONE 18, OF NAD 83 (1989 ADJUSTMENT), 6' UTM COORDINATE SYSTEM (GRS80 ELLIPSOID) AND ARE DERIVED FROM HORIZONTAL CONTROL MONUMENTS 0101990201, 0081980616 & 01019840003

COMPARISONS SHOWN IN BRACKETS ARE TO ASTRONOMIC BEARINGS

NAD 83 UTM COORDINATES (ZONE 18)

POINT No.	NORTHING (M)	EASTING (M)
0101990201	4897364.995	375546.430
0081980616	4908851.683	393861.806
0101984003	4904874.771	394057.750

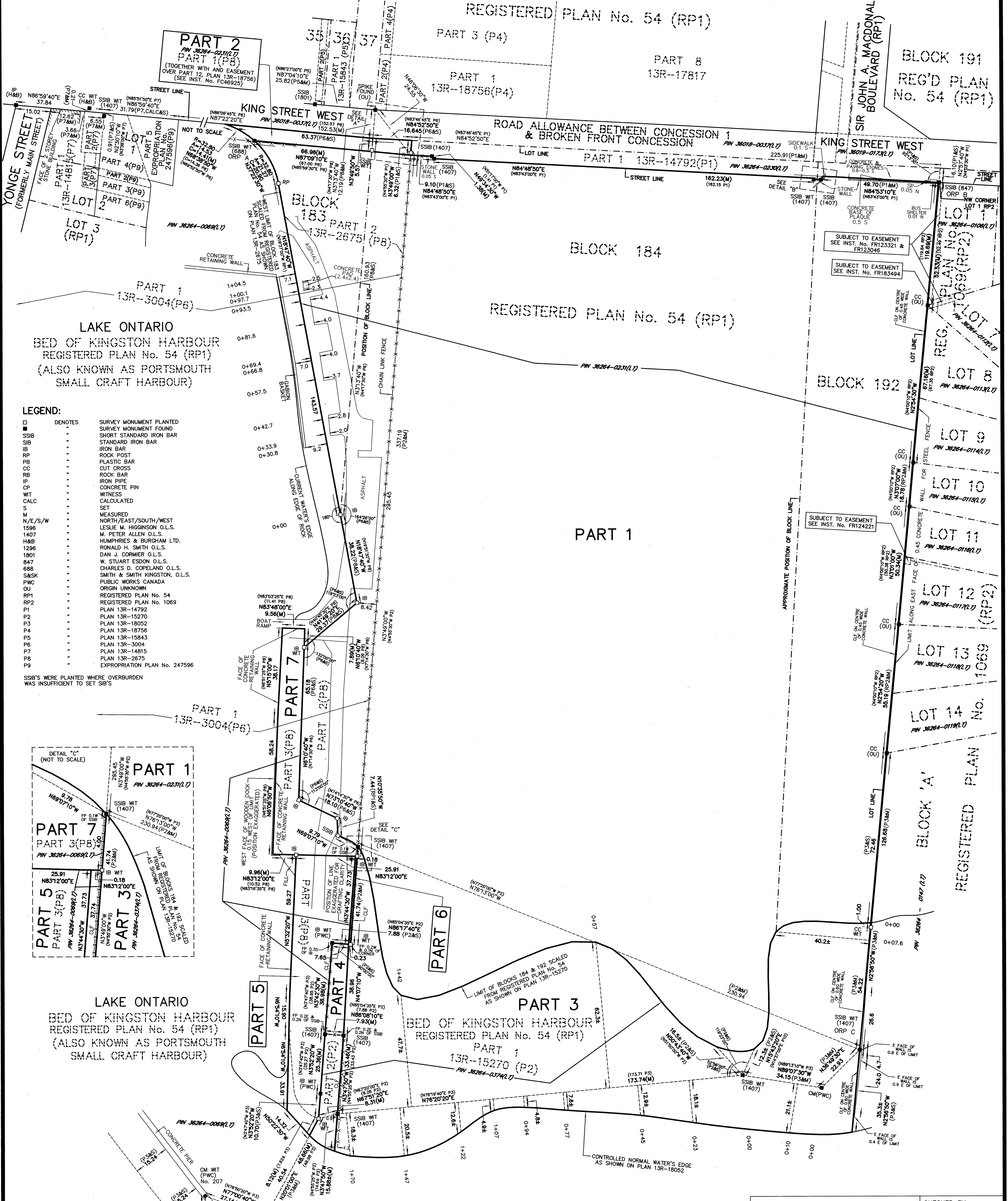
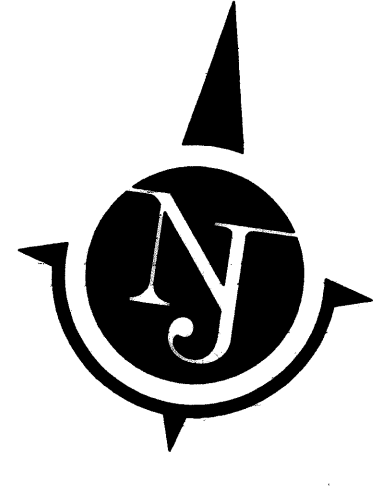
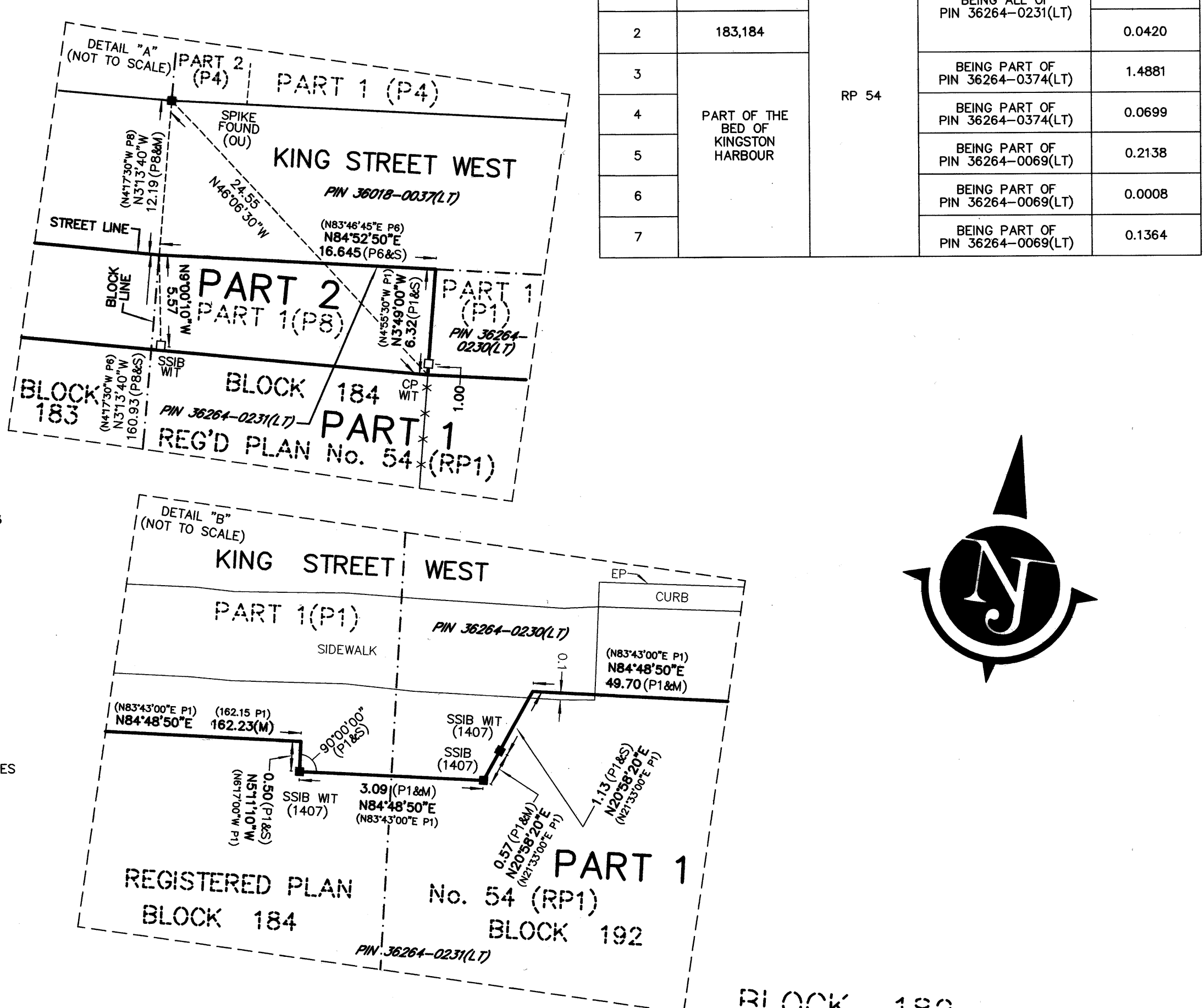
COMBINED SCALE FACTOR : 0.999782961

ALL DISTANCES SHOWN HEREON ARE HORIZONTAL GROUND DISTANCES. GRID DISTANCES CAN BE CALCULATED BY MULTIPLYING THE GROUND DISTANCES SHOWN ON THE PLAN BY THE COMBINED SCALE FACTOR OF 0.999782961.

INTEGRATION COORDINATE TABLE OBSERVED REFERENCE POINTS(ORPs) DERIVED FROM GPS OBSERVATIONS USING REAL TIME KINEMATIC(RTK) BASE AND ROVER BASELINES COORDINATES TO URBAN ACCURACY PER SEC. 14 (2) OF O.REG. 216/10

POINT ID	NORTHING (M)	EASTING (M)
ORP A	4897519.02	378936.83
ORP B	4897542.73	379228.56
ORP C	4897172.63	379247.60

COORDINATES CANNOT, IN THEMSELVES, BE USED TO RE-ESTABLISH CORNERS OR BOUNDARIES SHOWN ON THIS PLAN.



LEGEND:

SYMBOL	DENOTES	DESCRIPTION
□	SURVEY MONUMENT PLANTED	SURVEY MONUMENT PLANTED
■	SURVEY MONUMENT FOUND	SURVEY MONUMENT FOUND
▣	SHORT STANDARD IRON BAR	SHORT STANDARD IRON BAR
▤	STANDARD IRON BAR	STANDARD IRON BAR
▥	IRON BAR	IRON BAR
▦	ROCK POST	ROCK POST
▧	PLASTIC BAR	PLASTIC BAR
▨	CUT CROSS	CUT CROSS
▩	ROCK BAR	ROCK BAR
▪	IRON PIPE	IRON PIPE
▫	CONCRETE PIN	CONCRETE PIN
▬	WITNESS	WITNESS
▭	CALCULATED SET	CALCULATED SET
▮	MEASURED	MEASURED
N/E/S/W	NORTH/EAST/SOUTH/WEST	NORTH/EAST/SOUTH/WEST
1596	LESLIE M. HIGGINSON O.L.S.	LESLIE M. HIGGINSON O.L.S.
1407	M. PETER ALLEN O.L.S.	M. PETER ALLEN O.L.S.
H&B	HUMPHRIES & BURGHAM LTD.	HUMPHRIES & BURGHAM LTD.
1296	RONALD H. SMITH O.L.S.	RONALD H. SMITH O.L.S.
1801	DAN J. CORMIER O.L.S.	DAN J. CORMIER O.L.S.
847	W. STUART ESDON O.L.S.	W. STUART ESDON O.L.S.
688	CHARLES D. COPELAND O.L.S.	CHARLES D. COPELAND O.L.S.
S&K	SMITH & SMITH KINGSTON, O.L.S.	SMITH & SMITH KINGSTON, O.L.S.
PWC	PUBLIC WORKS CANADA	PUBLIC WORKS CANADA
OU	ORIGIN UNKNOWN	ORIGIN UNKNOWN
RP1	REGISTERED PLAN No. 54	REGISTERED PLAN No. 54
RP2	REGISTERED PLAN No. 1069	REGISTERED PLAN No. 1069
P1	PLAN 13R-14792	PLAN 13R-14792
P2	PLAN 13R-15270	PLAN 13R-15270
P3	PLAN 13R-18052	PLAN 13R-18052
P4	PLAN 13R-18756	PLAN 13R-18756
P5	PLAN 13R-15843	PLAN 13R-15843
P6	PLAN 13R-3004	PLAN 13R-3004
P7	PLAN 13R-14815	PLAN 13R-14815
P8	PLAN 13R-2675	PLAN 13R-2675
P9	EXPROPRIATION PLAN No. 247596	EXPROPRIATION PLAN No. 247596

SSB'S WERE PLANTED WHERE OVERBURDEN WAS INSUFFICIENT TO SET SIB'S

LESLIE M. HIGGINSON SURVEYING LTD.

1064 GARDINERS ROAD KINGSTON, ONTARIO K7P 1R7 (613) 389-7986 (fax) 389-5578 leslie@lmhigginson.com

CHECKED BY: L.M.HIGGINSON O.L.S.

FILE: CITY RP 54 LMH785GND PWC

drawn by: JN design par PROJECT No. R.071444.001 no. du projet

Public Works and Government Services Canada Real Property Services Real Property Geomatics Services

Trouvaux publics et Services gouvernementaux du Canada Services immobiliers Services géomatiques immobilières

S.C.C. 10-011 C.G.T. Item no. 14-008 Item no.