



**SUBJECT: LaSalle Park Marina next steps**

**TO: Committee of the Whole**

**FROM: City Manager's Office**

Report Number: CM-07-18

Wards Affected: 1

File Numbers: 945-10

Date to Committee: June 4, 2018

Date to Council: June 18, 2018

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**Recommendation:**

Approve OPTION A as presented in report CM-07-18 and the corresponding Council resolutions pertaining to OPTION A, in page 8 the report,

**OR**

Approve OPTION B as presented in report CM-07-18, and the corresponding Council resolutions pertaining to OPTION B, in page 14 of the report.

**Purpose:**

The purpose of this report is to respond to an outstanding staff direction with regards to the City Manager's report (CM-13-16), LaSalle Park Marina Wave Break Project Update and to provide Council with options to consider as next steps.

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**Background and Discussion:**

LaSalle Park Marina Association (LPMA) is a non-profit organization that was created in 1981 and currently operates as a membership based, self-help entity, without public funding or subsidy. LPMA currently operates the LaSalle Park Marina on behalf of the City of Burlington under the terms of a joint venture agreement and provides recreational boating activities to their members and the public. The agreement provides LPMA with the authority to utilize the marina and outlines their responsibilities related to maintenance, operation and capital renewal of all assets. The current marina operation has 219 slips and is protected by a single steel tube floating wave break acquired in

1998. Included among the marina users are a mix of LPMA Charter and Senior members and renters consisting of both Burlington and non-Burlington residents. As per the City's Strategic Plan, the city encourages *A Healthy and Greener City* by offering a wide variety of recreational programs to all residents through both the City and partners in the community. Our success is measured in part by providing recreation programs that reflect the needs of city residents.

At a meeting held on October 10, 2016, Council passed a number of resolutions pertaining to staff report CM-13-16 in response to the LPMA's request for the City to support construction of a permanent wave break. The result was the following five (5) staff directions which are summarized below along with a status of those directions;

1. *Direct the City Manager, in consultation with the Director of Finance, to take carriage of project planning, and financial analysis including an assessment of the project's alignment with the Strategic Plan and the relative priority for capital funding.*

The City Manager has assumed carriage of the marina project and is working with the Director of Finance and a staff team to bring the matter to resolution.

2. *Direct the City Manager to retain outside consultant services to complete the following:*
  - a. *A complete financial assessment of the viability of the marina operations, with and without capital upgrades.*
  - b. *Detailed costing and funding options and a recommended strategy if the assessment indicates that the marina is not viable without a permanent wave break and marina expansion. (CM-13-16)*

At the Committee of the Whole Workshop held on October 3, 2017, staff brought forward report F-35-17 which provided an independent financial assessment of the marina operations by Grant Thornton Limited. The consultant's report presented their findings regarding the financial viability of three scenarios, which are summarized below.

- (a) Replacing the current floating wave break with a fixed wave break;

"...the Financial Advisor [Grant Thornton] is of the opinion that the Marina will be able to service a loan of approximately \$4.67 million, representing 1/3 of the estimated project cost, whereby the balance of project costs would have to be sourced from non-refundable government related grants (similar to other projects of a similar nature). The challenges in completing the Project include, but are not limited to, the ability to source the funding and financing required as well as the City's policies on debt financing...The Project may not be possible based on current policies but may be financially viable based on government funding and LPMA's debt service capacity."

(b) The current status quo (continued use of the existing floating wave break);

“...the Financial Advisor [Grant Thornton] is of the opinion that the Marina will not be able to remain in operation as the declining rate of occupancy is expected to continue. As a result, the Marina will no longer remain solvent thereby requiring financial support to manage the projected negative cash flow from operations within six to seven years.”

(c) A new replacement floating wave break;

“...the Financial Advisor [Grant Thornton] is of the opinion that the Marina could seek a replacement floating wave break and could service such debt/cost pursuant to the City’s current debt restrictions, as long as the total project cost does not exceed \$750,000.”

A representative from Grant Thornton was present at the October 3, 2017 Committee of the Whole to answers questions in regards to their financial assessment.

*3. Direct the City Solicitor and the Director of Parks & Recreation to undertake a review of Joint Venture Policy particularly with respect to undertaking and funding of capital project and report back on any recommended changes.*

Also at the COW workshop on October 3, 2017, staff provided a history on joint ventures (JV) as well as discussion surrounding the issues experienced to date with the JV approach. The issue of managing joint ventures and in particular their capital needs is a large and complex issue and will require additional time before recommendations will be forth coming.

*4. Direct the City Manager to consult with the LPMA and make recommendations to Council of compensating LPMA for costs they have incurred to date in leading this project.*

A recommendation on this issue will be part of the larger discussion that will be held in regards to this report CM-07.18. Pending Council decision regarding the option they proceed with, each option may deem financial costs if any, differently.

Lastly, the purpose of this report is to respond to the below outstanding staff direction, and discuss next steps with regards to the LaSalle Park Marina.

***5. Direct the City Manager to report back on the results of the analysis in recommendation 2 [Grant Thornton report] including next steps. (CM-13-16)***

## **Strategy/process**

Over the last several years, the LaSalle Park Marina Association has experienced a trend of declining revenue due to decreased occupancy. The decline in occupancy has been attributed to the poor condition of the existing floating wave break which has now reached the end of its useful life and has not been able to sufficiently suppress severe waves leading to damaged boats, infrastructure and equipment. Staff agrees with the LPMA and Grant Thornton that the existing marina will not be viable without improvements to the current wave break infrastructure.

Due to the deterioration and subsequent damage to the floating wave break at the marina, numerous repairs were undertaken by LPMA to ready the wave break for the 2018 season. Given the condition of the current floating wave break and that it has reached the end of its useful life, this report is coming forward to determine how the City will proceed.

At the COW workshop on October 3, 2017, it was clear the relationship that the City has with the LPMA in operating the marina does not share characteristics similar to other joint venture partners. The marina itself exists on lands and water lots that are not owned by the City, but leased from the City of Hamilton and the Hamilton Port Authority respectively. In all other cases, the city owns the land on which joint ventures operate. This is a significant difference, particularly in regards to city funding, for capital improvements or expansions to facilities located on lands (or water lots) not owned by the city. Even if approval is granted by the owner, the city needs to question, "To what extent would the city fund (in whole or in part) the installation of works on property it does not own?" The city relationship with the Burlington Sailing and Boating Club (BS&BC) shares similar attributes to LPMA in this respect.

The second distinguishing feature between the city's arrangement with the LPMA and other joint ventures is the extent to which the city continues to be involved in the administration of the business involving the marina. Whereas in other joint venture relationships where the city is largely removed from operations, the city has and continues to be involved with the LPMA as there is financial and legal responsibility to the Charter and Senior members with regards to refunds of member capital outlays. The city maintains the reserve fund and refunds the LPMA members' original capital outlay, without interest, when a new boater (senior member) is found. This relationship is complex and has existed since the marina opened. It is not a business model that has been followed since and would not be recommended in any future business relationship with community partners.

Due to the aforementioned reasons, LPMA cannot be grouped with or treated similar to other joint venture partners and as such, the discussion within this report is separate from the joint venture conversation which will come at a later date.

Within this report are two options resulting from council's decision on whether the city should continue to offer a member based marina service in Burlington. This question represents a starting point for council to evaluate as they review and consider the options provided within this report.

### **Options considered**

Irrespective of which option council proceeds with, there is a significant amount of work that will follow and areas that require further investigation. In order to proceed with next steps, staff has brought forward this report, highlighting two options that attempt to provide as much information as possible for council to make an informed decision.

The options provided below are premised around council's decision over the following question; **should the City continue to offer a marina service at LaSalle Park?**

### **Option A**

*The city does NOT continue to offer a marina service at LaSalle Park*

The City of Hamilton is developing a much larger, full serviced marina as part of their West Harbour Development. They have recently added 435 new slips as part of the West Harbour Marina Phase 1 and a planned Phase 2 will add an additional 200 slips. This is being done in conjunction with re-development of the entire West Harbour lands where the marina is fully serviced, complete with surrounding amenities that boaters expect. Staff had preliminary discussions with the Hamilton Port Authority on the possibility of future moorage space to move LaSalle Park Marina members to West Harbour Marina. The Port Authority is receptive to this and has indicated that they may be able to advance Phase 2 of their development to accommodate this demand. This is a viable solution that would support LaSalle Park Marina boaters to continue their recreational boating in the Burlington-Hamilton area. This option can be further explored pending Council direction. Other opportunities for moorage in the area could also be explored at Bronte Harbour and Fifty Point Marina.

As part of this option, staff will initiate discussions to dissolve the existing agreement with the LPMA following the 2018 boating season. The city's current agreement with the LPMA does not expire until October 2019. The following considerations will have to be explored further;

- **Legal Agreements**

The city currently has binding agreements with each of the following organizations; LPMA, BS&BC, Hamilton Port Authority and the City of Hamilton. It will be necessary to

ascertain to what extent the City will continue to have a need for the resources as identified in the agreements and what contractual obligations the City may be bound to. To the extent that need no longer exists, efforts will have to be made to determine how and when these agreements would end (i.e. expire with no renewal, negotiate an exit).

- City-Held Marina Reserve Fund

The balance of the reserve fund at December 31, 2017 is \$446,456. Of this amount, \$100,000 is held for marina dismantling costs and the remainder is member trust funds for Charter and Senior members. In the case of winding up operations, all Charter and Senior members are potentially entitled to a refund of their balance. Considering the marina dismantling holdback of \$100,000, the required balance of the fund is currently estimated to be \$789,687, resulting in an estimated shortfall of \$343,231.

- Liquidate Assets

The inventory of assets at LaSalle Park Marina includes the current floating wave break, the dock infrastructure (walkways and finger docks), the office trailer and ancillary equipment. Upon dissolution of an agreement with the LPMA, all assets will come under city ownership. Most of the value of the inventory comes from the dock infrastructure as it was recently replaced. The current floating wave break has reached the end of its useful life and therefore, any salvage value would be minimal if non-existent.

- Canada 150 Loan

In 2016, LPMA was the recipient of Canada 150 funds in the amount of \$109,000 for some finger dock replacements. As part of the funding agreement, recipients must retain title to and ownership of any assets funded through the program for a minimum of six years after the expiry of the contribution agreement. In this case, since the recipient, LPMA is not the owner of the asset they still must maintain leasehold interest of the asset. If the asset is sold or leasehold interest is transferred, repayment of the Canada 150 funds in whole or in part may be required. This issue needs to be further explored depending on the direction Council approves.

Furthermore, the finger dock replacement was financed through a joint venture loan. Total principal and interest owed to the city by the LPMA is approximately \$284,000 over ten years. At the end of 2018, there will be \$253,000 still owing to the city, representing a debt liability the city will be responsible for if the marina no longer operates.

- Hamilton Port Authority (HPA)

The city currently leases the water lots from the HPA which are used by the LPMA; the contract will remain in effect until 2020 with three further 10 year terms. Our 2018 annual payment including HST is \$67,183, of which 24% (\$16,124) is recovered from the LPMA through the current relationship agreement and 56% (\$37,623) is recovered

from BS&BC. With dissolution of the agreement between the City and LPMA, and the potential to liquidate assets, Council will need to consider the future need and/ or use of the water lots at LaSalle Park. There is an option to continue offering the public boat launch, at least until the contract with HPA expires and/or indefinitely as a varied form of a boating service. This is mentioned further in the next point and can be explored in greater detail pending the recommendations approved within this report.

- Burlington Sailing and Boating Club (BS&BC)

The city has a separate joint venture agreement with the Burlington Boating and Sailing Club which operates its programs from LaSalle Park Marina, and is the owner of five slips for programming use. BS&BC provides programs including youth sail training day camps and adult and senior sail training to the public. Burlington Able Sail is a separate organization that is supported by BS&BC and LPMA. The program offering by these two organizations could be impacted if the wave break is not replaced. As such, staff suggests the city maintain the public boat launch for public users (BS&BC continue to use their smaller boat launch by their building). This would require a limited number of day-use docks as well as a floating wave break much smaller in size and capacity in order for them to continue their programs. This can be explored in greater detail pending the recommendations approved within this report. The relationship agreement with the BS&BC would have to be revisited.

## **Financial Matters**

As mentioned above, there are a number of costs that the city would be committed to upon dissolution of a relationship with the LPMA, such as the debt repayment of the finger docks, possibility for repayment of Canada150 funds, increased share of water lot fees and the repayment to Charter members and Senior members. As well as any costs deemed appropriate as related to previous staff direction (4) discussed earlier. Furthermore, if the city wishes to continue the public boat launch service and maintain the programming offered through the BS&BC, there will be a financial impact to provide the necessary infrastructure. Staff would investigate the use of a smaller floating wave break and some docking space for this day use and perhaps offset some of the above costs through the sale of or use of current marina assets.

## Recommendations

Should Council pursue option A, the following resolutions are provided for consideration;

**DIRECT** the Director of Parks & Recreation to initiate discussions with the Hamilton Port Authority, the LaSalle Park Marina Association and the City of Hamilton regarding opportunities to secure moorage space at the Hamilton West Harbour for the LaSalle Park Marina Association members; and,

**DIRECT** the City Solicitor and Director of Finance to explore the early termination of the Joint Venture Agreement with the LaSalle Park Marina Association and report back to Council on the legal ramifications of an early exit and funding source(s) to fulfill the city's obligations; and,

**DIRECT** the Director of Parks & Recreation, Executive Director of Capital Works and the Director of Finance to report back to Council on options and corresponding financial impact to maintain programming offered by Burlington Sailing and Boating Club through the addition of a small floating wave break and limited day use docks; and,

**DIRECT** the Director of Parks & Recreation to review the city's current agreements with other marina stakeholders with a view to identifying any changes that may be required as a result of this proposed course of action, and report back to Council.

## Option B

*The city continues to provide a marina service at LaSalle Park through LPMA.*

If Council decides that the marina is a service offering that the city continues to be involved in, staff recommends the city provide full financial support for a replacement floating wave break, move forward to determine preliminary cost estimates and design specifications and dissolve the current JV agreement with the LPMA in favor of a new relationship agreement. Staff had preliminary conversations with LPMA's Board of Directors and has come to agreement that a fixed break water may be an optimal solution, but an improved floating wave break would be sufficient. Staff propose that the design and purchase of a floating wave break is conditional on establishing a revised long-term relationship agreement with the LPMA.

Staff cannot recommend a fixed wave break due to its preliminary cost estimate of \$14 million when a more cost effective alternative will address the problem. At \$14 million, a fixed wave break would represent a municipal expenditure of approximately \$64,000 per user (219 slips). There is no precedent for an expenditure of this magnitude on a per-user basis in any other recreational activity offered in the city. Furthermore, there are



also numerous other city services that would benefit from funding of this magnitude that would translate to a far greater reach of Burlington residents, and do so year around as opposed to seasonally.

It is important to note the discussion of this option is in regards to the viability of the marina and based on the experience to date, this is a direct result of the current wave break infrastructure. As such, staff's opinion is that the discussions should center on the current state of the marina and that discussions pertaining to expansion of LaSalle Park Marina should not be part of the conversation because at this juncture, there is no immediate relevance for the expansion of the marina nor does it impact the current viability of the marina.

The city continues to have a considerable amount of capital initiatives and several strategic capital investments on the horizon that will require significant funding. In addition, funds may need to be set aside for the city's cost sharing portion of the recent federal and provincial infrastructure funding announcement. A report regarding the city's future capital initiatives (F-24-18) will be on the same agenda to provide more information on city priorities.

Further areas for consideration should Council decide to provide marina service through the LaSalle Park Marina Association;

- Grant Thornton Report

As mentioned above, Grant Thornton provided a financial assessment of marina operations and as part of that assessment, they reviewed a replacement floating wave break alternative which highlighted the following benefits.

- Significantly less expensive than a fixed wave break.
- Floating wave breaks can be designed such that they remain in place during winter months, thereby avoiding current costs of moving the wave break from the water each season.
- Floating wave breaks can be designed to withstand various weather conditions

- Environmental Assessment (EA)

In partnership with the LPMA, an EA study was undertaken by Dillon Consulting in 2013 and was approved by the Ministry of Environment and Climate Change (MOECC) in 2015. The EA completed at that time reviewed all options for a wave break with the preferred option being a fixed wave break.

MOECC received three Part II Order requests asking that the Proponents (City and LPMA) be required to prepare an individual environmental assessment for the proposed wave break. It was decided that an individual environmental assessment was not

required but additional measures needed to be taken to ensure environmental protection. Specifically, these measures included establishing a Stakeholder Advisory Committee made up of project stakeholders to discuss any concerns raised by stakeholders related to the project. Secondly, detailed design and lastly, for the Proponents to prepare a Monitoring and Mitigating plan to monitor effects on the local environment and propose mitigation where necessary.

If the current floating wave break is replaced with a similar floating wave break and removed each winter, an EA would not be required and the conditions mentioned above would not need to be addressed. If the new floating wave break will be kept in place year round, staff will need to contact MOECC to determine if an EA or an amendment to the existing EA is required.

- Project Timing

Should Council recommend proceeding with the new floating wave break, staff anticipates that a new structure could be designed and constructed in time for the 2020 boating season, provided a new relationship agreement with the LPMA is in place. Understanding that the current floating wave break will not be feasible for much longer, staff will work with urgency to advance this timeline. However, there are considerable steps in the process that need to be undertaken prior to acquisition and installation which are briefly highlighted as follows;

- Ensure no amendments to EA study are required and/or adherence to conditions
- Review with the Province to ensure conditions are met
- Prepare design specifications
- Issue a Request for Proposal (RFP) for design/build of a new floating wave break
- Public/ stakeholder consultation
- Dissolve existing JV agreement and develop a new relationship agreement
- Construct and install the new floating wave break

- Service Delivery Approach

LPMA has operated under a joint venture relationship with the City of Burlington since 1981. At Committee of the Whole workshop on October 3, 2017, Council received a presentation on the evolution of Joint Ventures and the varied forms of Joint Venture arrangements the city currently has. As discussed earlier, LPMA is one of those relationships that did not fit well in the current joint venture model for a number of reasons. Moving forward, if Council chooses to continue to provide a marina service in the City, then the current JV agreement with the LPMA will end (natural expiration October 2019, or negotiate early exit) and the City will work towards establishing a new

relationship agreement with the LPMA that would be more suitable for the service offering.

A review of different service delivery models leans toward a license agreement. As part of the recommendations for consideration under this option, staff propose that a floating wave break only be acquired once a multi-year agreement with LPMA is signed. As part of the arrangement, staff propose that an agreement be structured such that the city will be responsible for the wave break and LPMA be responsible for managing/ administering all boating activity at the marina as well as the maintenance and replacement of all structures behind the wave break. This would include the dock and any other ancillary equipment. The City proposes to continue to charge a water lot fee plus an annual cost to the LPMA in exchange for the use of the floating wave break. The additional charge will be used by the city to assist in funding the future replacement of the floating wave break.

Staff will use the model that was developed by Grant Thornton; a 30 year financial forecast of marina operations with a floating wave break in order to determine the extent to which the LPMA can afford lease payments for a new floating wave break structure. The Grant Thornton analysis included the following assumptions;

- Slip capacity remains at 219 slips, with no expansion
- Occupancy is expected to decrease to 70% prior to installation, and once complete, occupancy is expected to increase to 90% over a ten year period.
- Rates will be increased to be in line with local competition and will further increase at an inflation rate of 1% per year
- Floating wave break designed to stay in the water year around
- Dock maintenance estimated at \$5,000 annually
- Expenses will increase at an inflation rate of 1% per year

Based on the above assumptions in the Grant Thornton report, the LPMA is in a position of earning a positive net income of approximately \$100,000 in the first year and growing thereafter over a thirty year period. The proposed fee charged to LPMA will be their contribution to the future replacement of the floating wave break, estimating a design life of 30 years. LPMA would be required to set aside their own funds for capital renewal and maintenance of the floating docks and all other capital items the LPMA is responsible for.

The underlying assumption in the above forecast is that the floating wave break is designed to stay in the water year around. If this is not a plausible solution, there may be additional costs for hauling in and out the wave break and docks for each season.

Staff will also recommend to the LPMA as part of this arrangement to review potential revenue options such as a Public Boat Launch fee. This fee is not uncommon for this service but is sporadic across marinas in the Halton area.

## **Financial Matters:**

- Cost Estimate

Staff's preliminary estimates for the floating wave break project is approximately \$4 million, which includes the cost to hire a costal engineering firm for design specifications and costing, acquisition, installation and contingency for the project. It is important to note that while the cost of a floating wave break is less than fixed wave break, it is still a large cost when translated on a per-user basis (\$18,200).

- Sources of Funding

The acquisition and installation of a floating wave break was not planned for and therefore, not included in the city's capital budget. Staff recommend that the project be funded from the Hydro Reserve Fund. The current balance in the reserve fund net of commitments is approximately \$14.4 million. Over the last year, the city has made several unplanned commitments impacting various reserve fund balances. The Hydro reserve fund is integral to the city's capital program. It provides an on-going allocation of \$2.1 million annually to the capital budget for infrastructure renewal and also allows for the issuance of Special Circumstances debt (SCD). At this point in time, staff will not be including further waves of SCD in the capital budget and will need to review the annual funding allocation to the capital program in order to stabilize the reserve fund from recent large draws as well as build the balance for future projects of importance to the city that are competing for resources.

- Senior Government Funding

The Federal government has recently announced it's \$180 billion *Investing in Canada* infrastructure plan towards significant and transformational infrastructure projects that intend to transform the way Canadians live, move and work within the following areas; Public transit, Green infrastructure, Social Infrastructure and Rural and Northern Communities Infrastructure. At the time of writing this report, the City has received a transit allocation and is uncertain regarding the requirements of any areas that would be applicable to in-water infrastructure. If specific senior government funding were to become available, staff would explore the opportunity. However due to timing, staff's concern is that the marina is likely to become unviable well before grant funding can be secured.

- Asset Management

The 2016 Asset Management Plan (AMP) was brought forward to Committee in 2017 and as part of the report, staff noted pertinent variables that have a direct impact on the financing strategy and long term sustainability of the plan. One of those variables was new assets that increase our annual replacement requirements.

If Council chooses to provide a marina service and acquire a replacement floating wave break, this will add to the city's inventory of assets. The average annual capital life cycle costs are estimated to be approximately \$133,000 per year, based on the estimated capital cost of \$4 million. The average capital need is derived using straight line depreciation assuming a design life of approximately 30 years. Similar to other city assets, staff propose to include in the new relationship agreement an annual capital recovery to assist with the future capital renewal of the new floating wave break. Based on the financial forecast developed by Grant Thornton (Appendix G, consultant's report), LPMA is not in a financial position in the short term to fully support the annual replacement cost of \$133,000 while setting aside funds for their own renewal needs. This represents a financial gap to the city in renewing this asset.

The additional annual funding requirement of \$133,000 was not included in the Asset Management Funding strategy and will be included in future updates.

- Other Costs

This option also requires the dissolution of the joint venture agreement in favour of a new relationship agreement. As such, the city would still be required to wind-up the city-held reserve fund and potentially refund Charter Members and Senior members who have a depreciating balance. In this case, the \$100,000 for dismantling would not be required. The required balance of the fund in this case would be \$689,687, resulting in an estimated shortfall of \$243,231. Furthermore, other costs may be necessary in relation to the previous staff directions (4) discussed earlier.

Costs associated with any amendments required to the existing EA or a new EA are not included in the current cost estimate of \$4 million.

## **Recommendations:**

Should Council pursue this option, the following resolutions are provided for consideration;

**DIRECT** the City Solicitor and Director of Finance to explore early termination of the Joint Venture agreement with the LaSalle Park Marina Association and report back to Council on the legal and financial implications of an early exit and a funding source(s) to fulfill the city's obligations; and,

**DIRECT** the Director of Parks & Recreation to negotiate a revised relationship agreement with the La Salle Park Marina Association for managing/administering all boating activity at the marina as well as the maintenance and replacement of all structures behind the wave break including the docks, and any other ancillary equipment; and,

**DIRECT** The Director of Parks & Recreation to initiate discussions with the Hamilton Port Authority, the LaSalle Park Marina Association and the City of Hamilton regarding opportunities to secure moorage space at Hamilton Harbour for the members of LaSalle Park Marina Association if moorage space is required during the purchase and construction of the new wave break; and,

**DIRECT** the Executive Director of Capital Works to initiate a Request for Proposal for the Design/ Build of a Floating wave break; and

**APPROVE** funding for Design/Build of a new floating wave break at La Salle Park Marina to an upset limit of \$4,000,000 to be funded from the Hydro Reserve Fund, contingent upon the signing of a long term agreement with the LaSalle Park Marina Association; and,

**DIRECT** the Director of Parks & Recreation to review the city's current agreements with other marina stakeholders with a view to identifying any changes that may be required as a result of this proposed course of action, and report back to Council.

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## **Public Engagement Matters:**

There are many stakeholders interested in the outcome of this report and the future of the marina. On February 12, 2018, the City Manager and Councilor Craven met with the LPMA and its Board of Directors. There was discussion surrounding staff inability to recommend a permanent wave break and that staff would be supportive of an option recommending a new floating wave break structure.

As well, prior to this report being finalized, the city circulated a letter (Appendix A) to stakeholders to provide them with a general outline regarding the position of this report

and the date and time of the committee meeting so they have the opportunity to delegate if they wish.

As mentioned above, there are conditions to be met as part of the EA as required by the Province. Should Council recommend Option B, then all the necessary stakeholder consultation and engagement will take place as necessary.

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## **Conclusion:**

This report outlines two possible scenarios for Council, each entailing a significant amount of work that will need to follow. Due to the condition of the current floating wave break, next steps need to be addressed to determine the future of a marina service in the City. This report provides as much information as possible in order for Council to make an informed decision, understanding that in places, assumptions have been made which are subject to continued discussion with a variety of stakeholders such as the LPMA, BS&BC, the Province, the City of Hamilton and the Hamilton Port Authority.

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Respectfully submitted,

James Ridge

City Manager

905-335-7600 x7608

## **Appendices:**

A. Letter to Stakeholders

## **Report Approval:**

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.