



April 12, 2018

LaSalle Park Marina Stakeholders

To Whom It May Concern;

City of Burlington staff are preparing a report to Council on the future of the Marina at LaSalle Park, and are providing you with preliminary information regarding the proposed recommendations in the report. The report will be brought to the Committee of the Whole on Thursday, May 10, 2018 at 1:00 pm in Council Chambers.

The report to Council will be structured around the following decision tree:

1. We will be asking Council to provide direction on whether the City should continue to provide marina services. A major capital investment is needed to remain in the service, and it is therefore an appropriate juncture for Council to consider whether to continue to provide the service.
2. If Council chooses not to continue the service, the City would assist in relocating LPMA members' moorage to Hamilton or other marinas, wind down the joint venture and distribute assets appropriately, and take necessary steps to retain Burlington Sailing and Boating Club, including Able Sail and the boat launch ramp at LaSalle Park Marina.
3. If Council wishes to continue providing marina services, a breakwater replacement must be purchased and installed by the City. Staff's recommendation will be an improved floating breakwater paid for by the City with an estimated cost of \$4 million. Staff will also recommend that the City negotiate a revised relationship with LPMA, to include an operating agreement that will ensure continuity of marina operations.

Background

Staff agrees with the LaSalle Park Marina Association (LPMA) and Grant Thornton conclusion that the marina is not viable without improvements to the existing breakwater.

In the absence of an improved breakwater, the marina, which is already losing members and recreational boaters, will face increasing challenges with insurance, and will at some point become unviable. That could occur within a few years. The current wave break is at its end of life and is being assessed on a year by year basis.

Staff does not agree that there is an immediate case for marina expansion. Based on experience to date the viability of the marina is a result of the current breakwater, and as such the report will focus on the current state of the marina. The business case for expanding the marina is dependent on an increase in revenue with additional slips and based on the moorage growth projections in the Touristics study of recreational boating activity published in June of 2014. Staff believe the projections in the report are not being realized. Phone surveys undertaken by City staff of other local public marinas, show that while most are near capacity, none are entirely full, and unmet demand tends to be for larger boats.

Supply in the immediate vicinity has also increased dramatically. Hamilton has recently added roughly 435 new fully serviced slips in the West Harbour and has plans to add an estimated additional 200 slips in a later phase.

Staff does not believe that a rock breakwater is the only acceptable solution. Staff agrees that although a rock breakwater is the optimal option, an improved floating breakwater is a sufficient solution.

Staff has met with the City of Hamilton, and the Hamilton Port Authority and staff responsible for the recent installation of Hamilton's floating breakwater, which is significantly larger and more effective than the floating breakwater in use at LPMA. Hamilton's floating breakwater is robust and can remain in the water year-round. A new larger floating breakwater, like Hamilton's, can be sufficient, and at \$4 million (preliminary estimate), is significantly more cost effective than a rock breakwater estimated at \$14 million and has the potential to stay in water year-round.

Staff's inability to recommend a rock breakwater is based on the cost, and the fact that there is a far less expensive alternative that will address the problem. At \$14 million, a rock breakwater would represent a municipal expenditure of approximately \$127,000 per LPMA member (110 members, not all LPMA members are Burlington residents) or \$64,000 per slip (219 slips). There is no precedent for an expenditure of this magnitude on a per-member/user or participant basis in any other recreational activity in the city.

Staff does not believe that federal and provincial grant funding for any type of breakwater is likely to be available in the near future. There is currently no grant program for this type of marina infrastructure. If specific grant funding were to become available, it could take many years to secure. Staff's concern is that the marina is likely to become unviable well before grant funding can be secured.

Therefore, should Council wish to remain in the marina business, the City can support a replacement floating breakwater, and continue to engage with all stakeholders during the design, purchase and installation process.

If Council decides not to continue in the marina business, the City can work with the LPMA to ideally negotiate with the Hamilton Port Authority for sufficient moorage at the West Harbour marina, and legally wind down the relationship. In this scenario a smaller more limited floating breakwater can be investigated to allow for Burlington Sailing and Boating Club and the Able Sail to continue their programs and provide public boat launch operations at LaSalle Park.

If Council chooses to continue to provide marina services, given the size of the necessary capital investment, there should be some certainty that the LPMA will continue to operate the marina. As such, City staff will continue to work with the LPMA to develop a new agreement with clearly defined roles and responsibilities ensuring ongoing operations.

Again, thank you for taking the time to consider this issue.

Sincerely,



James Ridge
City Manager