



**SUBJECT: LaSalle Park Marina Agreement and Operating Model**

**TO: Committee of the Whole**

**FROM: City Manager's Office**

Report Number: CM-5-19

Wards Affected: 1

File Numbers: 945-10

Date to Committee: July 8, 2019

Date to Council: July 15, 2019

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**Recommendation:**

Table report CM-5-19 on alternative operating models for the Marina at LaSalle Park to the Committee of the Whole meeting on September 9, 2019 at which time staff will provide a recommendation on a preferred operating model for the Marina.

**Purpose:**

The purpose of this report is to respond to two of the staff directions from report CM-01-19 that was discussed at the March 4, 2019 Committee of the Whole:

Direct the Director of Parks and Recreation to continue negotiations with the LaSalle Park Marina Association for a long-term license agreement for the operation of the Marina at LaSalle Park and report back on the results (Option A); and

Direct the Interim City Manager to report back on alternative governance and operating models and the process for continuance of a community-based public Marina at LaSalle Park and report back to Committee of the Whole on or before July 8, 2019.

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- Healthy Lifestyles

An Engaging City

- Good Governance
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## **Background and Discussion:**

The LaSalle Park Marina Association (LPMA) has a Joint Venture Agreement with the City of Burlington (City) that expires at the end of October 2019. The Marina has 219 slips and is protected by a floating wave break. The Burlington Sailing and Boating Club (BS&BC) and the Able Sail program are separate entities and offer sailing programs at the Marina. In addition, the City has a public boat launch at the Marina that is protected by the wave break.

At the Committee of the Whole meeting on March 2, 2019, staff received the following directions:

Direct the Interim City Manager to implement Option A regarding the future operation of the Marina at LaSalle Park as outlined in report CM-01-19; and

Direct the Executive Director of Capital Works to proceed with the Request for Proposal for the acquisition of a new floating wave break and report back on the results of the Request for Proposal (Option A); and

Direct the Director of Parks and Recreation to continue negotiations with the LaSalle Park Marina Association for a long-term licence agreement for the operation of the Marina at LaSalle Park and report back on the results (Option A); and

Direct the Interim City Manager to report back on alternative governance and operating models and the process for continuance of a community-based public Marina at LaSalle Park and report back to Committee of the Whole on or before July 8, 2019; and

Direct the Director of Parks and Recreation to explore alternative funding options for the Marina at LaSalle Park.

The acquisition of a new floating wave break and alternative funding options are presented in companion report CW-31-19.

## **Strategy/process**

### **Licence Agreement**

Following Council's direction, staff and representatives from LPMA met on a regular basis to negotiate a new licence agreement for the use and operation of the Marina. Staff and representatives from LPMA have reached an agreement in principle on a new licence agreement.

Staff anticipate bringing forward recommendations related to a new licence agreement for consideration by Committee and Council in September 2019. Further details regarding this matter are addressed in confidential Appendix A of this report.

### **Alternative Governance and Operating Models**

In April 2019, staff secured the services of a consultant, TOURISTICS, to assess alternative governance and operating models for the Marina. Staff recently received the consultant’s draft report which is included as Appendix B.

Staff will continue to review options in the consultant’s report and will recommend a preferred operating model in September 2019.

### **Options considered**

TOURISTICS undertook an analysis of potential operating models for the LaSalle Park Marina. The consultant’s draft report which is included in Appendix B provides the following:

- Overview of LPMA’s operation and financial information
- Comparing the LaSalle Park Marina with other marinas based on the features and values of amenities
- Outlook for future slip occupancy for LaSalle Park Marina
- Information and financial data related to all aspects of LPMA, LaSalle Park Marina, Burlington Sailing and Boating Club and Able Sail
- Financial viability of LPMA’s current operating model
- Outlines several different operating models along with financial implications to the City included in the table below

A high level overview of the different operating models is outlined below in Table 1.

Table 1 Alternative Marina Operating Models

<b>Operating Model</b>	<b>Description</b>
Public Marina	3 options: City owned and operated – City responsible for all costs (operating and capital renewal). Management contract – City responsible for all costs and contract the operation and management of Marina to third party. Profit Sharing – City is responsible for all costs, contracts out the operation and management with profit sharing.
Public/Private Marina	City leases Marina operation to an operator. City is not responsible for operating costs and a portion of capital renewal. City not responsible if Marina operates at a loss.

Private Marina	Operator owns and operates the Marina. City incurs no costs and is not involved or responsible for the Marina.
Arm's Length Operator	City creates an agency to operate the Marina. Operational costs covered by the agency but City likely responsible for a portion of capital renewal costs.

The consultant's report identified that, based on the limited services and amenities available at LaSalle Park Marina along with the limited number of slips, a private operator would have challenges meeting its financial goals. The report also demonstrated that LPMA is financially sustainable and will be able to meet its financial commitment to the City to fund the new wave break.

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### **Financial Matters:**

#### **Total Financial Impact**

The cost for the consultant's services is \$22,871.20 (including HST).

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### **Connections:**

Ongoing staff review of Joint Venture agreements and policy including the Joint Venture Loan program.

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### **Conclusion:**

This report allows Council the opportunity to review the consultant's draft report outlining alternative governance and operating models for the LaSalle Park Marina. A report recommending a preferred operating model for the Marina will be presented to Council at the September 2019 Committee of the Whole meeting.

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Respectfully submitted,

Tim Commisso

City Manager

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**Appendices:**

- A. Confidential Legal Memo
- B. Draft TOURISTICS report

**Notifications:**

LaSalle Park Marina Association

**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.