



SUBJECT: Future of LaSalle Park

TO: Corporate Services, Strategy, Risk & Accountability Cttee.

FROM: Legal Services Department

Report Number: L-32-20

Wards Affected: All

File Numbers: 575-15-54

Date to Committee: November 12, 2020

Date to Council: November 23, 2020

Recommendation:

Receive and file legal department report L-32-20 providing information on the future of LaSalle Park.

PURPOSE:

Vision to Focus Alignment:

- Support sustainable infrastructure and a resilient environment
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Executive Summary:

This information report is intended to inform Council and the public on the current status of LaSalle Park, some of the history and value of the park to park users and visitors, the status of the lease with the City of Hamilton, the general financial details of the park and related operations. This report establishes and reinforces the importance and need for the park to continue to thrive and serve the residents of Burlington, Hamilton, Halton and beyond.

Background and Discussion:

LaSalle Park

LaSalle Park is one of the oldest and most popular parks in the City of Burlington. It serves the immediate needs of local area residents and attracts visitors from across the City and surrounding Region. The park offers amenities and activities for all ages, abilities and backgrounds and is well known to citizens on both sides of Hamilton Harbour. In fact, it is a location that connects Hamilton and Burlington through history and our shared interest in the environment and healthy and active lifestyles for all citizens. The value of the park transcends municipal boundaries. LaSalle Park is truly unique in that it offers a wide array of recreational, cultural, and environmental experiences for all residents.

On the cultural platform, LaSalle Park has a deep history. The park was built in 1915 by the Hamilton Parks Board and the pavilion was built shortly after in 1917 at a time when Aldershot was part of Hamilton. The park name commemorates prominent French explorer Rene-Robert Cavalier, Sir de LaSalle who is believed to have landed on this site in 1669. The location served as an amusement park and entertainment venue in its heyday and there was swimming on the shore. Hamilton residents would take a ferry boat to enjoy a day in the park. The LaSalle Pavilion had a restaurant on the main floor and ballroom on the second floor that would accommodate many elegant dinners, dances and musical performances. The Pavilion was structurally restored in 1995 only to be destroyed by a fire in the same year. The entire building was reconstructed in 1997 to its original heritage design. The pavilion is a designated heritage building (see Appendix A for designation By-law 95-1989) and is currently used for social events and meetings by people across the region.

Every year on the Civic Statutory holiday, people from around the region gather at LaSalle Park to celebrate Burlington's rich heritage and learn and appreciate indigenous culture through art, music and dance. On a daily basis, and particularly on weekends, the park is heavily used by families of different cultures and ethnic backgrounds who come to enjoy the park's natural beauty and amenities. Over the years cultural interest have shaped the development of the park including the bocce court which was built in association with the Italian Canadian Club of Burlington in 2008 which allows community members to gather and participate in a fun activity in the spirit of friendship, tradition, comradery and active and healthy living.

From an environmental standpoint, LaSalle Park is one of Burlington's richest natural assets which includes a mature Carolinian forest, natural shoreline, and a wide range of bird and wildlife species. In 1996 the LaSalle Park shoreline was naturalized with vegetated coves, a restored beach and wetland, off shore shoals, and an island to create a more protected and conducive environment for fish and wildlife habitat and re-

population. This work was accompanied by a trail spanning the length of the park and extending into the harbor on an island. LaSalle Park is a haven for fishing, and nature watching and education.

Furthermore, LaSalle Park offers a wide variety of outstanding recreational features for the public to enjoy including kilometers of trail both inland and along the shore, picnic areas, bocce courts, an accessible playground, a wading pool, 2 baseball diamonds, a boat launch, a marina, toboggan hill and public washrooms (refer to Appendix B for an aerial view of the park). LaSalle Park is also a point of interest along the Trans Canada Trail (The Great Trail) and includes a trail node and pavilion.

The City of Burlington has been the proud steward of historic LaSalle Park for decades continuing the legacy of providing rich recreational, cultural and environmental opportunities for Burlington and surrounding area residents. The park is well known and appreciated by citizens on both sides of Hamilton Harbour and is part of the fabric of the community. In the process, the City has invested millions in the maintenance and upgrade of facilities for the public's enjoyment and safety. If there is any doubt of the value of the park, one needs to look no further than Google Reviews where 1,027 individuals from all walks of life and from different places comment on their pleasant experiences with an overall rating of 4.6 out of 5. The continuation of LaSalle Park in its current form is of vital importance to the City of Burlington and its residents and visitors who come from all over.

The Lease

Burlington leases the park for \$1 a year. Burlington pays for all maintenance and any improvements. The term is 40 years from January 1, 1983 and the first term expires December 31, 2022. There is an option to renew for 25 additional years if both parties agree.

This lease has been amended several times to address improvements made and approved by Hamilton.

Strategy/process

See confidential Appendix C.

Options Considered

See confidential Appendix C.

Financial Matters:

During the 40-year lease agreement with the City of Hamilton for LaSalle Park, the City of Burlington has been responsible for the overall maintenance and operations of the property and related assets. Furthermore, Burlington has also made significant investments into LaSalle Park that have provided value to the waterfront green space, benefitting Burlington and neighboring communities. The following will provide a financial snapshot of LaSalle Park.

Replacement Value: The 2019 replacement value of park assets is \$19.59 million, this is broken down as follows:

Park Pavilion	\$8,990
Main Parking Lot	\$500
LaSalle Pier	\$4,768
Wading Pool	\$1,308
Park Infrastructure	\$4,025
Total Park Assets	\$19,591
<i>(thousands)</i>	

The park infrastructure includes various site furnishings, signs, benches, as well as feature spaces such as the playground, baseball field and various pathways.

Burlington has a joint venture agreement and licensing agreement with the Burlington Boating and Sailing Club and LaSalle Park Marina Association (LPMA), respectively. The following shows the 2019 replacement value of assets associated with these two organizations, totaling \$8.48 million.

Boating & Sailing Storage Building	\$207
Boating & Sailing Main Building	\$1,100
LPMA Site Office	\$75
LPMA Fingers, Docks, Walkways	\$3,100
LPMA Wavebreak	\$4,000
Total Marina Related Assets	\$8,482
<i>(thousands)</i>	

In total, the replacement value associated with assets servicing LaSalle Park are \$28.07 million. The replacement value represents the cost in 2019 dollars to replace the assets noted above for an asset of similar function or utility, maintaining the level of service. The value does not include the betterment or enhancement of these assets which would result in an enhanced service level.

Operating Costs: These assets provide a variety of services to the public and there is an annual operating cost to deliver the service. The following chart shows a 5-year history on the net operating cost/(revenue) to provide the following services within LaSalle Park. On average, most services are operating at a net cost to the City of Burlington.

Net Cost/(Revenue)	2015	2016	2017	2018	2019	5 Yr. Avg
Park Maintenance	\$147,180	\$151,747	\$139,569	\$230,152	\$135,254	\$160,780
Pool	\$55,046	\$64,064	\$79,139	\$71,023	\$97,421	\$73,339
Picnic	\$(3,441)	\$(4,583)	\$(6,294)	\$(7,850)	\$(13,808)	\$(7,195)
Playfields	\$(4,827)	\$(3,975)	\$(5,856)	\$(8,901)	\$(11,302)	\$(6,972)
Water Lots	\$11,451	\$12,698	\$12,937	\$12,580	\$12,548	\$12,443

Capital Costs: There are annual costs to maintain the assets that service LaSalle Park. Burlington is responsible for the maintenance of the assets as per the asset management plan. The following chart highlights the 5-year history of capital expenditures.

2015	2016	2017	2018	2019	5-year Avg.
\$124,948	\$100,146	\$102,641	\$40,768	\$362,828	\$146,266

The capital expenditures over the last five years are primarily related to the repair and renewal of the LaSalle Park Pavilion and minor park infrastructure. The increase in 2019 is related to the early costs associated with the replacement of the wave break at LaSalle Park Marina, the remainder of the overall \$4 million cost will be a capital cost incurred this year. Over the last 40 years Burlington has put considerable investment into maintaining the assets at LaSalle Park that has resulted in providing service to LaSalle playfields, pools, marina, pavilion, park infrastructure and pathways.

Reserve Fund Continuity: LaSalle Park Pavilion is a net zero budget, where the operations and capital costs associated with delivering the associated services and maintaining the assets are funded through a program-specific reserve fund; LaSalle

Park Pavilion reserve fund supports the Pavilion operating and capital costs only. The following shows the continuity schedule of the reserve fund over the last five years.

	2015	2016	2017	2018	2019
Opening Balance	\$792,786	\$682,579	\$559,597	\$428,983	\$414,847
Provision from / (to) Operations*	\$26,054	\$(73,093)	\$(198,823)	\$(15,176)	\$(18,529)
Transfer to Capital	\$(155,000)	\$(65,000)	\$57,265	\$(10,000)	\$(10,000)
Interest	\$18,739	\$15,112	\$10,943	\$11,039	\$10,688
Closing Balance	\$682,579	\$559,597	\$428,983	\$414,847	\$397,006

**Any excess tenant revenue over cost is provided to reserve fund*

As of June 30, 2020, the LaSalle Park Pavilion has a reserve fund balance of \$377,006, this includes the transfer to capital, however, does not include the provision to operations for 2020. The provision to operations is estimated to be approximately \$31,870, resulting in a year end project reserve fund balance of \$345,136.

The City of Burlington has an agreement with Edge Hospitality who provide catering and banquet services in the pavilion. This agreement expires December 31, 2022. In order for this facility to operate, they need and have requested the ability to book events more than 2 years in advance and beyond the expiry of the current lease term.

Recent events

City of Hamilton Resolution passed June 3, 2020:

Future of LaSalle Park

WHEREAS, LaSalle Park, comprising approximately 51.5 acres of open space (35 ac.) and park/table land (16.5 ac.), was acquired by the City of Hamilton between 1912-1916;

WHEREAS, in 1958, Aldershot was annexed to the City of Burlington, yet the City of Hamilton continued ownership of LaSalle Park and the park was managed by the Hamilton Parks Board;

WHEREAS, between 1975 and 1983, the City of Burlington managed LaSalle Park under a joint management agreement;

WHEREAS, in 1983, the City of Burlington leased the Park from the City of Hamilton under the following terms:

- Term: forty (40) years, commencing Jan.1, 1983 and expiring Dec.31, 2022
- Annual Rent: \$1.00 (payable Aug.1 each year)
- Use: Exclusive right to maintain, operate, programme and manage LaSalle Park for the sole purpose of a public park and related parks uses -outdoor recreational activities and open to the public at all reasonable times at no charge to the public (with exception of Sailing Club)
- Improvements: Improvements or alterations to existing improvements require prior written consent of Hamilton, in its sole discretion
- Obligation: Burlington to maintain, operate, programme and manage LaSalle Park as its sole cost and expense
- Name: must continue as LaSalle Park
- Renewal: The Lease may be renewed for twenty-five (25) years and only by mutual agreement. There is no notice or exercise period; and between 1993 and 1997, several amendments/consent agreements were entered into to address the rebuilding and restoration of the historic pavilion;

WHEREAS, the City of Burlington has from time to time expressed a desire to acquire LaSalle Park (barring that to renew the lease), but not at a price acceptable to the City of Hamilton; and,

WHEREAS, the current lease will expire on December 31, 2022 and the current event space operator of the pavilion within the park is seeking to book events beyond the expiry date of the lease;

THEREFORE, BE IT RESOLVED:

That the Corporate Real Estate Office, in collaboration with other relevant divisions, be directed to undertake a review of the value and implications of alternative disposition (sell, lease, develop, operate) options for LaSalle Park, and report back to General Issues Committee **in September 2020**.

This report was scheduled to go to the September 23 General Issues Committee but was deferred to October 21.

Next steps

The in-camera Appendix C to this report deals with possible next steps in compliance with Municipal Act - s. 239(2)(k) "A position, plan, procedure, criteria or instruction to be applied to a negotiation carried on or to be carried on by or on behalf of the municipality or local board".

Total Financial Impact

See confidential Appendix C.

Source of Funding

See confidential Appendix C.

Other Resource Impacts

See confidential Appendix C.

Climate Implications

LaSalle Park is one of Burlington's richest natural assets which includes a mature Carolinian forest, natural shoreline, and a wide range of bird and wildlife species. In 1996 the LaSalle Park shoreline was naturalized with vegetated coves, a restored beach and wetland, off shore shoals, and an island to create a more protected and conducive environment for fish and wildlife habitat and re-population.

Engagement Matters:

Burlington residents have not been formally engaged on the lease agreement with the City of Hamilton, however, over the years, residents of Burlington have been made aware of discussions between the two municipalities on the lease agreement.

The Greater Bay Area Sub-Committee, a committee made up of Burlington and Hamilton councillors, has also discussed the lease agreement at past meetings and offers residents a chance to stay informed.

Conclusion:

City of Hamilton Council are discussing options on the lease of LaSalle Park to the City of Burlington. LaSalle Park is one of Burlington's oldest and most important parks and therefore Burlington has a vital interest in continuing to operate the park and ensure that the public park continues to thrive and offer a wide array of recreational, cultural, and environmental opportunities for all citizens.

Respectfully submitted,

Ron Steiginga

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Appendices:

- A. By-law 95-1989 Ontario Heritage Act designation
- B. Aerial diagram of LaSalle Park
- C. Confidential

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.