



**City of Kingston  
Report to Council  
Report Number 18-119**

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**To:** Mayor and Members of Council  
**From:** Lanie Hurdle, Commissioner, Community Services  
**Resource Staff:** Luke Follwell, Director, Recreation & Leisure Services  
**Date of Meeting:** April 17 2018  
**Subject:** Confederation Basin and Portsmouth Olympic Harbour Leases  
with the Department of Fisheries and Oceans Canada

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**Executive Summary:**

The City of Kingston has had a series of ongoing lease agreements with Fisheries and Oceans Canada, Small Craft Harbours Branch (the DFO), for both the Flora MacDonald Confederation Basin and the Portsmouth Olympic Harbour since 1977. The most recent agreement for Flora MacDonald Confederation Basin has been in overhold since May 31, 2014. Portsmouth Olympic Harbour has been in overhold since December 31, 2014. The DFO requires the City to execute new lease agreements for both marinas. The execution of these lease agreements would not prevent the City from potentially acquiring the lands within the term of the agreements.

**Recommendation:**

**That** Council authorize the Mayor and Clerk to execute a lease agreement with Her Majesty the Queen, in right of Canada, represented by the Minister of Fisheries and Oceans for the Flora MacDonald Confederation Basin for a term of five (5) years retroactive to June 1, 2014 and ending May 31, 2019, the terms and conditions contained in the renewal remain the same as the previous agreement, in a form satisfactory to the Director of Legal Services; and

**That** Council authorize the Mayor and Clerk to execute a lease agreement with Her Majesty the Queen, in right of Canada, represented by the Minister of Fisheries and Oceans for the Portsmouth Olympic Harbour for a term of five (5) years retroactive to January 1, 2015 and ending December 31, 2019, the terms and conditions contained in the renewal remain the same as the previous agreement, in a form satisfactory to the Director of Legal Services.

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**Authorizing Signatures:**

ORIGINAL SIGNED BY COMMISSIONER

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**Lanie Hurdle, Commissioner, Community Services**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

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**Gerard Hunt, Chief Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Jim Keech, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required
Denis Leger, Commissioner, Corporate & Emergency Services	√

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**Options/Discussion:**

Since 1977, the City of Kingston has maintained leases with the DFO to operate Flora MacDonald Confederation Basin (Confed) and Portsmouth Olympic Harbour (POH) as public marinas. The DFO requires the City to execute new lease agreements to maintain this long-standing arrangement. DFO will not execute agreements for any more than 5 years at any one time and do not include renewal provisions in their agreements. Each agreement is a new agreement even though terms may be the same as the previous agreement.

The Confed lease agreement has been in overhold since it expired on May 31, 2014. Exhibit A shows the approximate limits of the leased area in the basin. The DFO has requested that the City execute a new agreement for a term of five (5) years retroactive to June 1, 2014 and ending May 31, 2019. The terms and conditions contained in the renewal remain the same as the previous agreement.

The POH lease agreement has also been in overhold since it expired on December 31, 2014. This agreement will also be on the same terms and conditions as the previous agreement. Exhibit B shows the approximate limits of the leased area in the harbour. The term of the new lease will be for five (5) years retroactive to January 1, 2015 and ending December 31, 2019.

The current fee for each lease is based on 20% of the City's gross marina revenues which includes seasonal and transient moorings and winter storage. The 20% fee is included in the new leases. In 2017, the annual fee payable to DFO was \$186,056 in total for both marinas.

**Canadian Coast Guard Small Vessel Station Update – Portsmouth Olympic Harbour**

Staff have been in contact with the DFO regarding the plans to relocate the existing Canadian Coast Guard Small Vessel Station from its current location on the west side of the site to the east side, adjacent to the Kingston Penitentiary. They will be hosting a public open house on Thursday April 26, 2018 at 6:30 p.m. at the POH building to present their current design and projected construction schedule. Access to Ann Milne Park will be restricted during the construction period, but staff has been advised that once the station is operational, public access will continue to the park.

**Existing Policy/By Law:**

Delegated Authority By-Law Number 2014-141 allows for the delegated approval of leasing and licensing agreements where the total consideration does not exceed \$150,000 for the term. Each lease agreement with the DFO exceeds the \$150,000 limit for the five year term and therefore requires Council's approval to execute.

**Notice Provisions:**

Not applicable

**Accessibility Considerations:**

Not applicable

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**Financial Considerations:**

The lease payments are budgeted annually as part of the Recreation & Leisure Services operational budget and represent 20% of gross revenues associated with each harbour. In 2017, the combined fee was \$186,056.

**Contacts:**

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Luke Follwell, Director, Recreation & Leisure Services 613-546-4291 extension 1815

**Other City of Kingston Staff Consulted:**

Peter Huigenbos, Director, Real Estate & Environmental Initiatives

Adam McCluskey, Manager, Recreation Facilities, Recreation & Leisure Services

Mary C. Rae, Senior Legal Counsel, Legal Services

**Exhibits Attached:**

Exhibit A Sketch of Area at Flora MacDonald Confederation Basin to be Leased

Exhibit B Sketch of Area at Portsmouth Olympic Harbour to be Leased





DFO lands licensed to City



Correctional Service Canada lands