



**IN CAMERA**

**ADMINISTRATIVE REPORT**

Report Date: May 8, 2019  
Contact: Heidi Granger  
Contact No.: 604-829-2001  
RTS No.: 13192  
VanRIMS No.: 08-2000-21  
Meeting Date: May 14, 2019

TO: Vancouver City Council

FROM: Director of Legal Services and the General Manager of Parks and Recreation

SUBJECT: Approval of Provincial Water Lot Lease for Burrard Civic Marina

**IN CAMERA RATIONALE**

This report is recommended for consideration by Council on the In Camera agenda as it relates to Section 165.2(1) of the *Vancouver Charter*: (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the city.

**RECOMMENDATION**

- A. That Council authorize the General Manager of Parks and Recreation, in consultation with the Director of Legal Services, to enter into a water lot lease agreement (the "Lease") with Her Majesty the Queen in Right of the Province of British Columbia (the "Landlord"), over that water lot legally described as:

Lot 7070, Block A of Lot 6487, Block A of Lot 6712, Blocks C and D of Lot 6311 and Lot 5977, Group 1, New Westminster District (the "Water lot")

for the purpose of continuing the operation of a commercial marina known as the Burrard Civic Marina, on the following basic terms and conditions:

Term: 30 years commencing April 1, 2016

Rental Rate: Year 1 (April 1, 2016 to March 31, 2017): s.17(1)

Years 2-30: the following combined rents or s.17(1) whichever amount is greater:

- Rent for moorage and ancillary marine uses: an amount equivalent to the product of the Potential Gross Income for Moorage for the previous year multiplied by the Rate, less the Moorage Rent Discount, if any; and
- Rent for non-moorage uses: an amount equivalent to the product of the Land Value multiplied by the Ratio, less the Non-Moorage Rate Discount, if any.

Rent will vary each year depending on revenues but the Park Board estimates that it will be approximately **s.17(1)** per year (at a minimum) based on payments made prior to 2016.

Water Lot Area: 4.6685 hectares (11.536 acres)

**s.14**



### **REPORT SUMMARY**

This report seeks authorization by Council for the General Manager of Parks and Recreation, in consultation with the Director of Legal Services, to enter into a new Lease for commercial marina purposes to continue the operation of the Burrard Civic Marina in the Water Lot adjacent to Vanier Park.

### **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

The Water Lot is located to the north of Vanier Park and is not in an area that has been formally designated as permanent or temporary public park over which the Park Board has exclusive jurisdiction and control. To ensure that the Park Board is properly authorized to enter into the Lease, Council approval is being sought.

Water lot leases and licences from the Province are typically nominal in nature and so can be executed by the Director of Legal Services under an existing delegated authority.

Here, the proposed Lease is for a commercial marina use and so the rent is based on a commercial rate. Further the proposed Lease includes an indemnity from the City to the Province. For these reasons, the Lease cannot be entered into by the Director of Legal Services and requires Council approval.

### **CITY MANAGER'S/GENERAL MANAGER'S COMMENTS**

The City Manager and the Director of Legal Services recommend approval of the foregoing.

## **REPORT**

### ***Background/Context***

The Park Board operates the Burrard Civic Marina at 1655 Whyte Avenue, at the entrance to False Creek, immediately to the North of Vanier Park. The marina has 423 water berths, providing annual moorage for boats of up to 45 feet, 162 land storage spaces, and 69 canoe, kayak, and paddleboat storage spaces. The marina also contains concrete floats with access to power and water, a dry-land work area, a launch ramp as well as a crane for loading and unloading, and secured parking.

The City has leased the Water Lot from the Landlord for the purpose of operating a commercial marina since 1978.

The Park Board wishes to continue operating the marina and the Landlord has determined the rental rate for the water lot based upon several factors, including the use, the land value, and the City's potential gross income from moorage.

### ***Strategic Analysis***

The recommendation provided herein, if approved by Council, will allow for the continued use of the Water Lot for the purpose of operating a commercial marina known as the Burrard Civic Marina. The marina provides a valuable service to the community given the limited amount of moorage in the City of Vancouver. The moorage rates at the marina are reasonable and allow public access to water sports and recreation to a broad group of users.

The berths at the Burrard Civic Marina are fully rented out with a waitlist for future berths. Boat owners have contracts with the Park Board that are renewed annually. Further improvements to the marina are planned to be made by the Park Board and a new long term lease from the Landlord is required to provide security of tenure to the Park Board to allow for operational and financial planning.

### ***Implications/Related Issues/Risk (if applicable)***

#### ***Financial***

The funding for the Lease is from moorage and other fees collected from boat owners. The revenues and expenditures related to the marina are managed by the Park Board through its budget approval process.

The rental rate for the first year of the term was an interim rate offered by the Landlord pending finalization of the lease. For years 2-30, the Park Board has advised that the rent will vary each year depending on revenues but is anticipated to be approximately **s.17(1)** per year (at a minimum) based on payments made prior to 2016.

s.14



### **CONCLUSION**

The City has leased and occupied the Water Lot for over 40 years for the ongoing operation of a commercial marina known as the Burrard Civic Marina. The recommendation herein requires City Council approval as it is a lease for commercial marina use and the rent is based on a commercial rate. The Lease also includes an indemnity from the City to the Province. The Park Board believes the rental rates proposed by the Landlord reflect market rates for this class of property, in this location, for the intended use by the City and the Park Board.

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