

REPORT TO COUNCIL



Date: October 26, 2011
File: 1140-01
To: City Manager
From: Property Manager
Subject: Fintry Queen

Recommendation:

That Council instructs staff to proceed with the steps necessary to relocate the Fintry Queen to Sutherland Bay, as outlined in the Report from the Manager, Property Management, October 26, 2011;

AND THAT funds from the major facilities reserve be used to cover the expense;

AND THAT staff seek priority for the recovery of expenses of moving the vessel and ongoing moorage costs;

AND FURTHER THAT any funds received from the eventual disposition of the Fintry Queen be used to replace the funds borrowed from the major facilities reserve.

Purpose:

To obtain Council approval for legal counsel to proceed to court for approval to relocate the Fintry Queen.

Background:

The Fintry Queen has not operated since the fall of 2009. In the spring of 2010, the Fintry Queen was issued a Court Ordered Seizure and Sale. Metro Developments of Calgary, holder of the mortgage, was given the conduct of sale for the vessel. Since that time there has been very little interest from investors to purchase and operate the vessel.

In September 2011, the City's legal council issued a letter to all impacted parties (i.e. Charge holders to the Fintry Queen) indicating the City's need for the vessel to be moved in order to facilitate the orderly redevelopment of a new marine facility. The letter advised the other parties that the vessel will be moved to an alternate City location.

The next step staff will be taking with legal council is to go to court for permission to move the vessel. At that time we will have to identify the location. Staff have evaluated the relocation options and provide the following evaluation:

A handwritten signature in blue ink, appearing to be the initials "R" followed by a flourish.

Sutherland Bay - RECOMMENDED

The City has tenure for Sutherland Bay and approval from the Province to moor the Fintry Queen in this location. Staff are investigating the water depth issues as well as various mooring options. The preferred location is at the southeast corner of the bay adjacent to the industrial operation.

Tugboat Bay - NOT RECOMMENDED

This was the location of Tugboat #6 before it was presented to Penticton. Staff would need to obtain a licence of occupation for the use of this site. The water is deeper, however this the location of a Dragon Boat Festival as well as the Triathlon. Any location in this area would have to be selected in consultation with the outdoor events committee as well as various stakeholders.

Gyro Beach Park - NOT RECOMMENDED

This location is fully exposed to the winds from the south and would present difficulty in mooring a vessel of the size of the Fintry Queen for any length of time. The Licence of Occupation currently held by the City does not extend into deep enough water, so staff would have to obtain an expanded Licence of Occupation from the Province for this use

Cedar Creek Park - NOT RECOMMENDED

This location is fully exposed to the winds from the south and would present difficulty in mooring a vessel of the size of the Fintry Queen for any length of time. The Licence of Occupation currently held by the City does not extend into deep enough water, so staff would have to obtain an expanded Licence of Occupation from the Province for this use

Staff feel that the only viable site for the temporary relocation of the Fintry Queen is Sutherland Bay. In consultation with local experts and staff from Tolko Industries Ltd. ("Tolko"), the location indicated in Appendix A was felt to provide the Fintry Queen with the most protection against inclement weather while not having an impact on Tolko log boom operations.

It is important to acknowledge that the Fintry Queen has been out of operation for three years and the City continues to accumulate lost rent for the space encumbered by the vessel. Staff have made numerous attempts to work with inquiring parties on viable alternative uses for the vessel within the downtown basin. None of the options explored have materialized over the three year period. It is time to relocate the vessel and redevelop a marine facility that will have numerous positive public benefits.

Efforts to sell the vessel will continue and if an alternate viable use for the Fintry Queen in an appropriate location materializes in within a timeline that does not alter the Kelowna Marina redevelopment staff will work with the proponent.

Financial/Budgetary Considerations:

Funds from the Major Facilities Reserve be used to pay the relocation expense of moving and mooring the Fintry Queen to Sutherland Bay.

Internal Circulation:

Director, Financial Services

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Personnel Implications:

External Agency/Public Comments:

Alternate Recommendation:

In light of the above, the Real Estate & Building Services department request Council's support of this matter.

Submitted by:



R. Forbes, Manager
Property Management

Approved for inclusion:



Martin Johansen, Manager, Building Services for
Doug Gilchrist, Director Real Estate & Building Services

Appendix A

