

# REPORT TO COUNCIL



**Date:** October 26, 2011  
**File:** 1140-01  
**To:** City Manager  
**From:** Ron Forbes, Property Manager  
**Subject:** Downtown Marina

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## **Recommendation:**

THAT Council receives, for information, the report from the Manager, Property Management, dated October 21, 2011, with respect to the outcome of the Request for Expressions of Interest for redevelopment of a marina facility at the foot of Queensway Avenue;

AND THAT Council direct staff to issue an Request for Proposal ("RFP") for the design, construction, operation and maintenance of a new marina facility at the foot of Queensway Avenue;

AND FURTHER THAT pending a successful RFP for the marina facility, Council direct staff to work with the proponent for the installation of the fuel storage tank.

## **Purpose:**

To obtain Council support for the issuance of an RFP for the design, construction, operation and maintenance of a new marina facility located at the foot of Queensway Avenue (location generally described in Schedule 'A').

## **Background:**

There are a number of factors that have influenced staffs decision to recommend issuance of the RFP as a design, construct, operate and maintain form of contract. They are as follows:

### **(1.) Fuel Spill**

In June, 2010, there was a fuel spill in Kerry Park that resulted in the closure of Kelowna Marina to facilitate clean up of the beach. Kelowna Marina re-opened and operated for August and September, however, their Licence of Occupation with the City has expired and will not be renewed.

This provided the opportunity for the City to:

- Require the tenant to remove the fuel tank for Kerry Park which has been completed.
- Relocate the fuel storage tank (if required) to a new location outside of future park development.
- Reconfigure the waterfront amenities in a more appropriate form.

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## (2.) Fintry Queen

Over the last three years there has been very little investor interest in purchasing and operating the Fintry Queen. It is apparent that given the nature of the operation, lack of interest, competition etc. the Fintry Queen may not operate as it once had in the City of Kelowna. The current location of the Fintry Queen moorage restricts expansion plans for the Marina.

As a result, in a separate report, staff are seeking Council's support to obtain court approval;

- To move the Fintry Queen to a suitable location and relocate it to Sutherland Bay.
- For priority on any disbursements (after Federal and Provincial claims are settled) related to the move and rent if and when the Fintry Queen is sold.

AND/OR

- To work with the proponent on alternate suitable locations for the Fintry Queen should a viable use materialize within the timeline required.

## (3.) Commercial Passenger Ship Marina

The relocation of the existing commercial moorage will provide the City with the opportunity to:

- Provide a better pedestrian linkage to the ticket selling booth.
- Provide the operator of the new marina facility the necessary revenue source to recover the cost of the capital infrastructure investment (ticket sales & commercial rent).
- Result in opening up of the Sails Beach for alternate public uses (i.e. beaching by paddle powered boats).
- Create unobstructed panoramic sightlines over the lake from the west end of Bernard Avenue (Sails Plaza), in response to the Downtown Plan Charette.

## (4.) Major Marine Facilities Study

The study was commissioned by the Regional District of the Central Okanagan and received by Council February 16, 2009. The study identified opportunities at various locations within the City of Kelowna boundaries.

The preliminary suggested direction in the report for Kelowna Marina and Kerry Park was for:

*"Expansion and restructuring under City consideration; should include improved marina facility, new gas pump/storage, public moorage slips."*

The Appendices section of the report contains the following short-term (2009 - 2013) action:

*"A7 - City of Kelowna to facilitate the development of a new marina, with moorage slips, both seasonal and transient,(through a partnership) at Kerry Park to replace the old Kelowna Marina."*

*"A9 - Kelowna to ensure gas continues to be available on their waterfront."*



### Request For Expression Of Interest (RFEOI)

In September, staff issued an RFEOI to determine if there was sufficient interest, knowledge and capability in the community to have a company or group of companies bid on the opportunity to design, construct, and / or operate and maintain an on-water facility. One that would provide the citizens of Kelowna the following amenities at little or no cost to the tax payer:

- Day-use and weekly moorage to the boating public
- Boat rentals
- Monthly moorage to commercial tour boat operators
- Ticket sales for commercial tour boats
- Potable fresh water
- Marine fuel and related petroleum products
- A public on-water viewing experience

Staff evaluated the 17 responses. There were a number of very strong bids and staff feel that a design-build-operate scenario is viable. There are operators who will be able to partner with design / builders to deliver a great waterfront amenity. As a result, staff recommends the City move forward with the issuance of a RFP for the design, construction, operation and maintenance of a new marina facility.

### Request for Proposal

Staff recommends that the RFP be issued with the following basic terms:

- Design, construct, operate and maintain a new public marina facility off the end of Queensway Avenue, aligned along the centerline of the road, extending westward into the lake.
- The dock shall include a fuel/sani station in a location accessible by all size of vessel.
- A public pier with viewing platform for use by pedestrians and boaters.
- Boat launch access maintained to the Queensway Boat Launch.
- Minimum of 20m of clearance from KYC booms.
- Minimum 40 moorage slips for pleasure boats (public day / weekly moorage) and boat rentals
- Removal of existing commercial moorage (7 slips) by the Sails sculpture
- Construction of new commercial moorage (minimum 7 slips) north of existing location, for commercial boats to relocate to.
- The term of the lease is being evaluated in order to ensure that the proponent has an opportunity to recapture their capital investment and earn a profit.

### Timeline

Staff were originally proposing an opening date of May 2012 for completion of the new facility, however, given the nature and complexity of the City's request, that goal is overly optimistic. This has been further evidenced by the responses in the RFEOI. Very few of the proponents are able to perform all four functions. As a result, partnerships will have to be developed and agreements formed between the parties. In addition, once the partnerships have been agreed upon, Federal and Provincial approvals will be required. Staff recommend that the deadline for completion be May 1, 2013. However, if the selected proponent can obtain approvals and

undertake construction in a timely manner it may be possible to provide some or all of the new marina services earlier.

#### Proposed Obligations - Proponent

Provide the following services for watercraft:

- day-use moorage for the boating public (minimum 24 slips);
  - boat rental operation
  - monthly moorage to commercial tour boats (minimum 7 slips);
  - ticket sales for commercial tour boats;
  - potable fresh water; and
  - marine fuel and petroleum products;
  - public viewing/walking experience.
- a) Prepare designs for the marina as per the criteria provided in the RFP and review design with the City as it progresses. Obtain approval of design by the City prior to preparation of permit applications and construction documents;
  - b) Conduct a public information meeting to communicate the intent of the project, the design and function of the marina and to obtain community input that will help guide final design;
  - c) Determine the need for a breakwater to protect the marina;
  - d) Consult with and provide new slips for the existing commercial tour boats that meets their needs, relocate commercial tour boats to new slips and demolish and remove existing commercial tour boat slips;
  - e) Make service connections to electrical, water, sewer, fire protection and fuel utilities.
  - f) Respect, avoid or relocate existing utilities, infrastructure, amenities and landscaping as required for project;
  - g) Minimize impact on fish species and ensure minimal land-based fishery mitigation or compensation measures are required;
  - h) Obtain and maintain all permits, licences or certificates necessary for construction and operation of the marina;
  - i) Prepare construction documents;
  - j) Provide all materials, equipment and labour to construct, inspect, commission and warranty this type of facility;
  - k) Employ and maintain measures to ensure public safety and maintain access to public facilities;



- l) Operate the facility for a multi-year *Term*. The length of this *Term* has yet to be determined;
- m) Maintain all structures, equipment, services and fixtures of the facility in a safe, clean, functional and environmentally sound condition; and
- n) Operate the facility in accordance with the bylaws of the City and applicable legislation and regulations of the provincial and federal governments.

#### **Proposed Obligations - City**

- a) The City is making an application for Crown land tenure for the marina.
- b) The City will be making a Section 9 *Water Act* application to support its Crown land tenure application. Depending on the marina design proposed by the successful Proponent the Proponent may need to amend or re-apply for a Section 9 approval.
- c) The City has retained a Qualified Environmental Professional to prepare an environmental impact assessment (EIA) in support of a Section 9 application. This EIA will be made available to Proponents during the RFP stage.
- d) Work with the proponent to determine the most cost effective method of installing the fuel storage tank.

#### **Financial/Budgetary Considerations:**

The intent of the RFP is to develop a new publicly accessible marine facility with the full capital and operating costs borne by a private sector proponent. It is proposed in a 2012 capital budget submission that some funding will be provided by the City and the Rotary Club to contribute to the cost of the public portion of the pier. In addition, Council has previously approved the funding for installation of the underground fuel storage tank in the Queensway parking lot.

#### **Internal Circulation:**

Director - Financial Services  
Manager - Risk Management  
Project Manager - Design and Construction  
Parks Planning Manager - Infrastructure Planning  
Environment & Land Use Manager - Land Use Management  
Manager - Purchasing

#### **Considerations not applicable to this report:**

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Community & Media Relations Considerations:

Alternate Recommendation:

Existing Policy:

Personnel Implications:

External Agency/Public Comments:

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

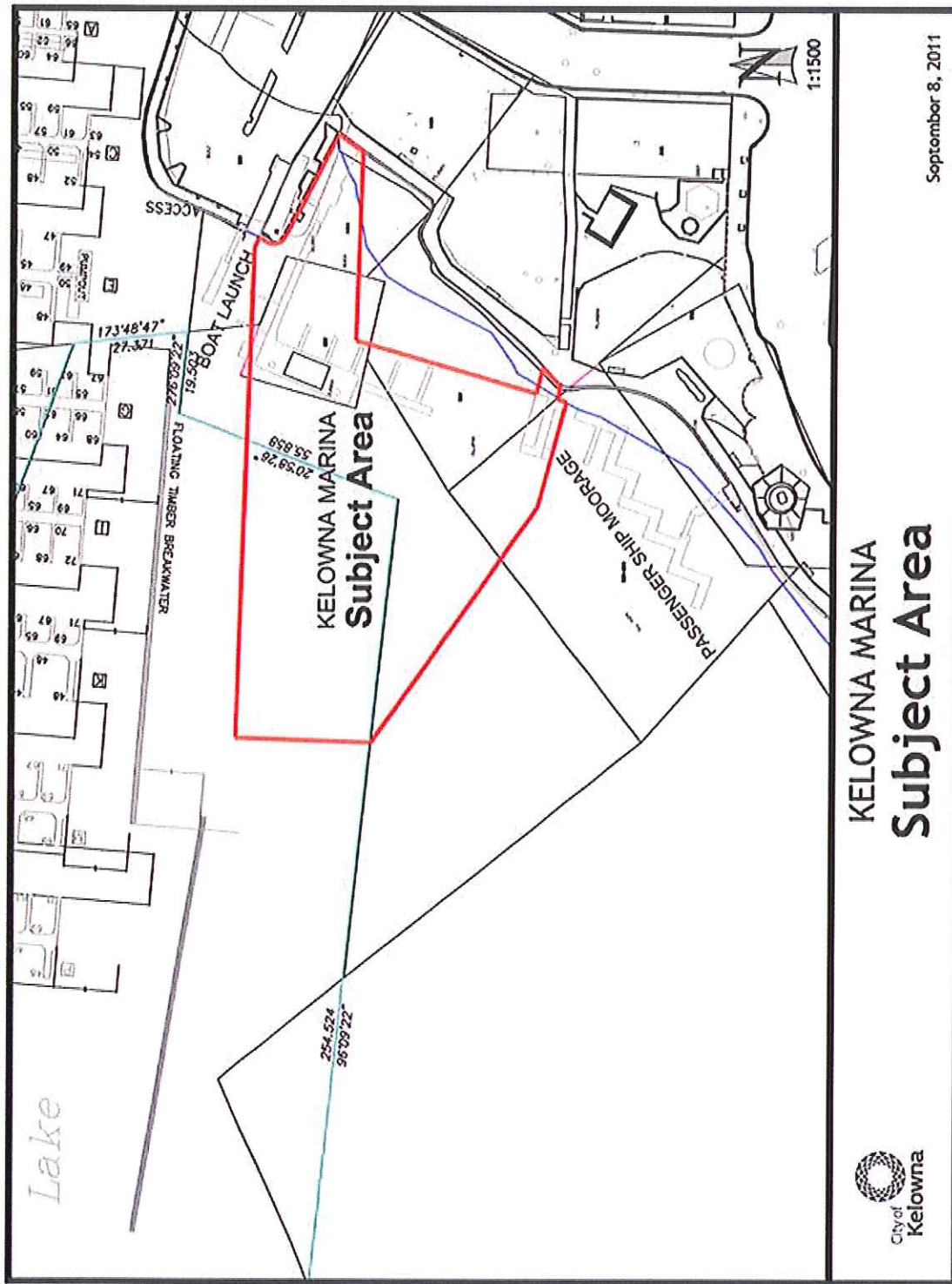
Submitted by:

  
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Ron Forbes, Property Manager

Approved for inclusion:  Martin Johansen, Manager, Building Services for  
(Doug Gilchrist, Director - Real Estate & Building Services)



Schedule 'A'



September 8, 2011

**KELOWNA MARINA  
Subject Area**

