

# REPORT TO COUNCIL



Date: March 7, 2012  
File: 1140-01  
To: City Manager  
From: Andrew Gibbs, Manager, Park & Public Space Projects  
Subject: Queensway Marina - Project Update

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## Recommendation:

THAT City Council receives for information the report from the Manager of Park and Public Space Projects, dated March 7, 2012, with respect to the Proposed Queensway Marina.

## Purpose:

To provide Council with an update regarding the City's initiative to have a private company build and operate a public pier and commercial marina off the shore of Kerry Park for a multi-year term.

## Background:

### History

The City has had the desire to provide a major public pier and marina on the downtown waterfront for many years; something that would provide day-use moorage and marine services for the boating public, and something that would provide pedestrians with the opportunity to get out on the lake to enjoy the view. The following initiatives document this desire:

- Inner-City Shorezone Plan (1998)
- Downtown Plan (1999)
- CD21 Downtown Re-development Proposal (2008)
- Proposal for adaptive re-use of Okanagan Lake Bridge pontoons (2008-09)
- Major Marine Facilities Study (RDCO, 2009)
- Downtown Plan (2012)

Despite these initiatives such a facility has not been developed.

There is an on-going and steadily increasing demand, both from the public and in the market place, for such a facility.

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## Challenges

There are three key issues to be addressed in order to provide a public pier and marina at this time:

- **Cost.** There is a considerable cost to develop a pier-marina facility. There is also a significant on-going cost to operate and maintain it.
- **Funding.** The City's 10-year Financial Plan has no provision for the development or operation of a public pier and marina.
- **Core Service.** The delivery of pier and marina services is not part of the scope of services the City currently provides to the public.

## Approach

In order to address the above key issues with the intent of providing a public pier and marina the City will undertake this project as a design-build-operate-maintain project. To achieve this objective the City is seeking a private sector partner to invest their own resources to design, build, operate and maintain Queensway Marina. In return the private sector partner will collect all revenues from the facility in exchange for the authority to operate and maintain the marina for 15 years, with an option to renew for an additional 5 years.

This approach provides a public pier and marina with a zero net cost to the City, within the existing scope of services the City provides to the public.

## Request for Proposals

To this end a Request for Proposals (RFP) was issued in December 2011. The RFP closed in February 2012. Proposals were received from five (5) Proponents. Staff are currently reviewing the submissions. Staff will interview up to three of the Proponents and will make a recommendation to Council regarding the preferred partner. Subsequent to awarding the RFP Staff will bring forward a lease for Council consideration.

The RFP describes 64 objectives that are to be met by the Successful Proponent regarding the design, construction, operation and maintenance of the marina. For Council's information the more prominent of those objectives include the following:

- Conform to all regulatory requirements and obtain the necessary permits.
- Conduct a public open house to present the conceptual design for the marina.
- Consult with the Downtown Kelowna Association (DKA), the Kelowna Yacht Club (KYC) and existing tenants of the Commercial Passenger Ship Marina.
- Provide a high quality pier for public use that is wide, safe, accessible, furnished and includes a viewpoint over the lake
- Provide fire protection, spill response, safety and environmental equipment to meet regulatory requirements, protect the environment and ensure public safety.
- Minimize impacts on the natural environment and achieve the impact assessment/mitigation measures prescribed in the City's preliminary environmental assessment.
- Provide a minimum of 40 slips for pleasure boat moorage.
- Provide moorage for a minimum of 7 commercial boats.
- Provide products and services to the boating public, including marine fuel, petroleum products, potable water, sewage pump-out and sale of boating supplies and equipment.

- Assume responsibility as landlord for the new marina and takeover the existing lease/rental agreements of the Commercial Passenger Ship Marina and Kerry Park Dock from the City to the end of their terms.
- Maintain all structures, equipment, services, fixtures and utilities of the facility in a safe, clean, functional and environmentally sound condition, free from defects, deficiencies and damage.
- Promptly correct defects, deficiencies, damage and safety concerns.
- Provide employees, agents and tenants with training required to maintain and operate the facility and to assist the boating public in a safe, effective, responsive and courteous manner.
- Conduct an annual meeting with the City to inspect the condition of the facility and review operational practices.
- Meet with the City as needed to deal with emergent issues.
- At the end of the Term leave the Subject Area in a safe, clean, functional and environmentally sound condition.
- At the end of the Term remove all structures, equipment, services and fixtures or, at the City's discretion, transfer ownership of the marina and its structures to the City for \$1, or an amount mutually agreed upon by the City and the Successful Proponent.
- Provide and maintain insurance for general and marina liability for the duration of the Term.

**Internal Circulation:**

Director, Real Estate and Building Services  
 Director, Infrastructure Planning

**Legal/Statutory Procedural Requirements:**

The development of structures on or over Okanagan Lake is governed by the following laws and regulations of the provincial and federal governments:

- Transport Canada (marine fuelling permits)
- Department of Fisheries and Oceans (Notification per Fisheries Act)
- Ministry of Environment (Section 9 re changes in or about a 'stream')

Complying with these requirements will be the responsibility of the Successful Proponent.

The City will be responsible for the following approvals:

- Transport Canada (Navigable Waters Protection Act)
- BC Assets and Lands (Crown Land Tenure)

In addition to the provincial and federal approvals described above the Successful Proponent will be required to obtain an Environmental Development Permit from the City. They will also be required to obtain a Building Permit, Plumbing Permit and Electrical Permit for those aspects of their proposal that require such permits. Additionally, in order to meet the requirements for wide public access on the marina structures, the Successful Proponent will need to seek a variance to the Zoning Bylaw from the City.

**Existing Policy:**

The Queensway Marina initiative is supported by the following policies:

- Official Community Plan
- Downtown Plan (2012)
- Zoning Bylaw

**Financial/Budgetary Considerations:**

The City is contributing \$200,000 toward development of the marina, to help cover the cost of replacing the fuel tank that was removed from Kerry Park in 2011 as a result of the leak in the fuel tank owned by the operator of the old Kelowna Marina. The funding for this work was approved by Council in 2011.

The Successful Proponent is required to provide a basic level of amenities for the public pier (e.g. benches, trash/recycling receptacles, lighting). If an enhanced level of amenities are desired the City may choose to contribute additional funds (i.e. above and beyond the \$200,000 that is already committed). As the design for the marina is developed the scope and cost of any enhanced public amenities will be determined and, if additional funds are required, staff will:

- Look for opportunities to fund some or all of it from surplus or carryover funding of other projects where appropriate.
- Pursue partnership opportunities for additional funds.
- Consider making a 2013 Budget request to fund some or all of the enhanced public amenities from taxation funding.

As part of the agreement for the marina the Successful Proponent will make annual lease payments to the City.

If the City opts to retain ownership of the facility at the end of the term of the agreement (i.e. 15 or 20 years from now), the City may require funding at that time to purchase it.

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**Considerations not applicable to this report:**

**Personnel Implications:**

**External Agency/Public Comments:**

**Community & Media Relations Comments:**

**Considerations not applicable to this report:**

**Alternate Recommendation:**

**Legal/Statutory Authority:**

Submitted by:



A. Gibbs, Manager, Park & Public Space Projects

Approved for inclusion:



W.J. Berry, Director, Design & Construction Services

cc: D. Gilchrist, Director, Real Estate and Building Services  
R. Cleveland, Director, Infrastructure Planning