

Boat Club Leases - Rental Rate and Future Renewal (Various Wards)

(City Council on July 4, 5 and 6, 2000, adopted this Clause, without amendment.)

The Economic Development and Parks Committee recommends the adoption of the report (May 29, 2000) from the Commissioner of Economic Development, Culture and Tourism, subject to adding the following:

- (a) that the Commissioner of Economic Development, Culture and Tourism be requested to determine and implement any opportunity for an increase in public access at the boat clubs across the Toronto waterfront when the leases are renewed;**
- (b) that the Commissioner of Economic Development, Culture and Tourism be requested to report back to the Economic Development and Parks Committee on any matters that can be embraced by the current lease arrangements that are acceptable to both parties and can be negotiated; and**
- (c) that the Economic Development and Parks Committee establish a Sub-Committee in January 2001 to review the leases of the boat clubs across the Toronto waterfront and recommend a course of action with respect to future leases.**

The Economic Development and Parks Committee reports, for the information of Council, having requested the Commissioner of Economic Development, Culture and Tourism to provide to the aforementioned Sub-Committee when established:

- (1) a report on initiation or joining fees, membership dues, dock and winter storage charges and any other charges for each of the boat clubs across the Toronto waterfront;
- (2) information as to the degree of public access available at the said boat clubs; and
- (3) a summary of the provisions of the Ontario Watercourses Act as it relates to the 66 feet public access road allowance around any Watercourse in Ontario.

The Economic Development and Parks Committee submits the following report (May 29, 2000) from the Commissioner of Economic Development, Culture and Tourism:

Purpose:

To report on the current status of the various boat club leases across the Toronto waterfront, make recommendations for a rental rate adjustment for the balance of the term, and provide a policy framework for the renewal of leases in the longer term.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendations:

It is recommended that:

- (1) the annual rental rates for boating facilities covered by the former Metro Toronto common lease, during the period August 1, 2000 to July 31, 2005, be increased by the rate of inflation as calculated by Statistics Canada for the Toronto area for the previous calendar year;
- (2) the City of Toronto reconfirm its commitment to the use of Parks and Recreation lands, for boating facilities on a lease basis;
- (3) the Commissioner of Economic Development, Culture and Tourism be authorized to negotiate a renewal of the existing boat club leases for a twenty year period to commence August 1, 2005, with the terms of the lease subject to the approval of Council;
- (4) the Commissioner of Economic Development, Culture and Tourism consult with the Waterfront Revitalisation Task Force, T-O Bid and other relevant groups with regard to the boat club lease renewal;
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

Metropolitan Toronto Council, by adoption of Clause No. 11 of Report No. 19 of The Metropolitan Executive Committee on September 8, 1980, approved the leasing of certain waterfront areas to boating clubs until the year 2005. At that time, the per acre rental rate was established at \$1,033.00 annually, for the first five year cycle. This amount was based on the actual revenue (based on a percentage of gross revenues) then received by Metropolitan Toronto from its lease of the Toronto Island Marina site.

The existing lease with the boating clubs includes provisions for rent review to take place every five years. Historically, rent has been adjusted upwards by five percent per year, or by the rate of inflation, whichever is greater. In 1995, Metropolitan Toronto Council, by adoption of Clause No. 2 of Report No. 27 of The Corporate Administration Committee, raised the rental rate by 25 percent for the five year period ending July 31, 2000.

Over the past year, staff of the Parks and Recreation Division have had discussions with the Council of Commodores, which represents the majority of the boating clubs under the former Metro common lease. These discussions have centred around administration of the existing leases, the rent review for the 2000 to 2005 period, and the prospects for lease renewal upon expiry in 2005. The current Staff Report is being brought forward at this time, in order to clarify the City's position with regard to these matters.

Comments:

The immediate issue to be resolved is that of the rental rate for the common lease over the next five year period. While there has been significant debate over the years with regard to the appropriate valuation for the various boating facilities on City land across the Waterfront, the "Metro formula" has served for some twenty years, and it is suggested that this be left in place for the remaining five years of the lease term. At issue then, is the amount by which the rate should be increased. At this stage, in view of the opportunity to revisit the establishment of rental rates as part of the negotiation process for the new lease, it is proposed that the rate of inflation be applied across the board over the next five years. This will allow time and energy to be focussed on the question of lease renewal beyond 2005.

The expiry of the common lease for the boat clubs in 2005, provides the opportunity for the City to reassess whether it wished to continue to devote waterfront lands to boating facility leases.

While the expiry of the existing leases is still five years away, some clubs are interested in significant capital development and are consequently desirous of a commitment with regard to the longer term well before the expiry dates. It should be noted that all improvements on the property revert to the City of Toronto upon expiry of the common lease.

It is the belief of the Parks and Recreation Division staff that the various leases for boating facilities across the waterfront help to provide an expanded range of affordable recreation opportunities on the water at no cost to the City, and that these leases, with some adjustment to terms, should be continued. Currently, the boating facilities under lease with the Parks and Recreation Division range from small community sailing clubs to long established yacht clubs with significant permanent facilities. These facilities have helped to meet demand for sailing in a social context and are consistent with the desire of the Parks and Recreation Division to provide diverse, locally responsive recreation opportunities, and the waterfront objectives of the Toronto and Region Conservation Authority.

The clubs under the common lease serve approximately 14,000 to 15,000 members, spouses and children. These clubs employ 260 individuals, including 120 students each summer. The boating clubs on the Waterfront maintain their own facilities and support local tourism through reciprocal privileges with other clubs around Lake Ontario, attracting some 4,000 visiting boats each year. Most clubs also provide sailing instruction to both adults and children with in excess of 800 individuals participating each year. Capital investment in terms of facility improvements is estimated to be \$11 million over the past ten years.

Clearly, such factors as the 2008 Olympic Bid for Toronto, and the ongoing work of the Toronto Waterfront Revitalisation Task Force will significantly impact the shape of the waterfront over the coming years. While the ultimate impact of these initiatives on the boating clubs is, at present unclear, it is anticipated that the types of facilities and uses embodied by the boating clubs under lease can and should remain a part of the recreation offering on the Toronto waterfront. Further discussion with those involved with major waterfront development initiatives is required and it is anticipated that appropriate clauses would be included in the renewed lease to accommodate the needs of long-term planning and development efforts.

Conclusions:

The common lease which covers boat club facilities at sixteen locations across the waterfront calls for a review of rental rates to be implemented in August of 2000. The recommendation calls for rent to be raised over the next five years based on the rate of inflation. Given the fact that a 25 percent increase was assessed in 1995 this is a reasonable and prudent approach.

The City needs to address the question of renewal of the common lease which expires in 2005. Staff are recommending that the City reaffirm its commitment to this type of use on the Waterfront and enter into negotiations with the boat clubs affected to renew the lease for a twenty-five year period, with changes to terms as appropriate. Given the long-term planning initiatives currently underway on the Waterfront it is also recommended that staff consult with the Waterfront Revitalisation Task Force, T-O Bid and other relevant groups as the lease renewal is developed.

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Attachment
No. 1

Properties Under Common Lease

Name	Land Area (Acres)	Water Area (Acres)	Total Area (Acres)	Current Rent \$
Lakeshore Yacht Club	10.511	0	10.511	24,841.17
Toronto Humber Yacht Club	2.17	0.92	3.09	6,658.00
Ashbridge's Bay Yacht Club	7.14	5.96	13.10	28,129.00
Queen City Yacht Club	3.35	0.80	4.15	16,324.00
Royal Canadian Yacht Club	18.14	8.14	26.28	53,768.00
Island Yacht Club	14.37	1.60	15.97	30,864.00
Navy League of Canada	0.445	0.22	0.665	1,593.00
Toronto Beaches Lions Club	0.325	0	0.325	883.00
Toronto Hydroplane Sailing Club	2.146	2.174	4.320	9,448.00
Mimico Cruising Club	10.02	11.25	21.27	45,693.00
Highland Yacht Club	2.75	5.09	7.84	16,834.00
Bluffer's Park Yacht Club	2.66	3.02	5.68	12,198.00
Cathedral Bluffs Sailing Club	5.46	8.99	14.45	31,029.00

Scarborough Bluffs Sailing Club	3.56	1.50	5.06	10,866.00
Etobicoke Yacht Club	10.03	11.11	21.14	45,403.00
Humber College Sailing School	1.543	0	1.543	3,314.00

The following persons appeared before the Economic Development and Parks Committee in connection with the foregoing matter:

- Mr. Brian Knoll, Council of Commodores;
- Councillor Irene Jones, Lakeshore-Queensway;
- Councillor Blake F. Kinahan, Lakeshore-Queensway; and
- Councillor Howard Moscoe, North York Spadina.

(Councillor Bussin, at the meeting of Council held on July 4, 5 and 6, 2000, declared an interest in the foregoing Clause, in that she is a member of a sailing club.)