

City of Kingston Report to Council Report Number 25-081

To: Mayor and Members of Council

From: Paige Agnew, Commissioner, Growth & Development

Services

Resource Staff: Brandon Forrest, Director, Business Real Estate &

Environment

Date of Meeting: March 18, 2025

Subject: Portsmouth Olympic Harbour Lease with the Department of

Fisheries and Oceans Canada

Council Strategic Plan Alignment:

Theme: Corporate business

Goal: See above

Executive Summary:

The City of Kingston has had a series of continuous lease agreements with The Department of Fisheries and Oceans Canada, Small Craft Harbours Branch (the "DFO"), for the water lot at the Portsmouth Olympic Harbour Marina since 1977. The leases do not renew automatically and must be replaced with new leases at the end of each term. Staff have received a new lease agreement for Portsmouth Olympic Harbour ("POH") for the period of January 1, 2025 to December 31, 2029.

Recommendation:

That Council authorize the Mayor and Clerk to execute a lease agreement with His Majesty the King in right of Canada, as represented by the Minister of Fisheries and Oceans, for the Portsmouth Olympic Harbour for a term of five (5) years with an effective date of January 1, 2025 and ending December 31, 2029, in a form satisfactory to the Director of Legal Services.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

Paige Agnew, Commissioner, Growth & Development Services

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

Lanie Hurdle, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Jennifer Campbell, Commissioner, Community Services

Neil Carbone, Commissioner, Corporate & Emergency Services Not required

David Fell, President & CEO, Utilities Kingston Not required

Desirée Kennedy, Chief Financial Officer & City Treasurer

Ian Semple, Acting Commissioner, Transportation & Infrastructure Services Not required

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Options/Discussion:

Since 1977, the City of Kingston has maintained a lease with the DFO to operate Portsmouth Olympic Harbour as a public marina. The DFO requires the City to execute a new lease agreement to maintain this long-standing arrangement. DFO will not execute agreements for any more than 5 years at any one time and do not include renewal provisions in their agreements. Each agreement is a new agreement even though terms may be the same as the previous agreement.

Exhibit A shows the approximate limits of the leased area in the harbour. A portion of the marina on the east side, adjacent to the former prison lands, is subject to a separate lease with Corrections Canada. The DFO has requested that the City execute a new agreement for a term of five (5) years retroactive to January 1, 2025, and ending December 31, 2029. The terms and conditions contained in the renewal remain the same as the previous agreement.

The execution of this lease will secure the ongoing operation of the public marina. It does not preclude consideration of acquisition of the water lot at a future date or during the term of the lease should the opportunity arise. Notwithstanding staff efforts to reduce and control costs and seek additional revenue sources, the potential future acquisition of the federally owned water lot is critical to increasing potential revenue generation.

Existing Policy/By-Law

Consolidated Delegated Authority By-Law Number 2016-189 allows for the delegated approval of leasing and licensing agreements where the total consideration does not exceed \$150,000 for the term. This lease agreement with the DFO exceeds the \$150,000 limit for the five-year term and therefore requires Council's approval to execute.

Financial Considerations

The lease payment is based on 20% of the City's gross marina revenues which includes seasonal and transient moorings at the marina. In 2024, the annual lease payment related to POH was \$92,727.53 plus HST, for a total payment of \$104,782.11. This amount is budgeted annually as part of the Recreation & Leisure Services operational budget.

Contacts:

Steve Biro, Property Specialist, Business Real Estate and Environment, 613-546-4291 extension 3169

Other City of Kingston Staff Consulted:

Lana Foulds, Director, Financial Services

Ryan Evoy, Supervisor, Recreation Facilities, Recreation & Leisure Services

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Exhibits Attached:

Exhibit A Sketch of Leased Area at Portsmouth Olympic Harbour

