

Amendment to the Lease Agreement with the Queen City Yacht Club

Date:	April 2, 2008
To:	Government Management Committee
From:	General Manager, Parks, Forestry and Recreation
Wards:	Ward 28 – Toronto Central – Rosedale
Reference Number:	

SUMMARY

This report requests Council's authority to amend the Lease Agreement with the Queen City Yacht Club (QCYC) to allow for the installation of six (6) additional docks at the northern end of the current line of existing docks on Ward's Island (eastern) side of the Queen City Yacht Club lagoon.

Council's approval for the installation of six (6) additional docks shall ensure the financial viability of the Queen City Yacht Club. The Queen City Yacht Club will be able to market to new members and maintain existing members. The installation of the six (6) additional docks will be at no cost to the City and provide additional revenue to Parks, Forestry and Recreation.

RECOMMENDATIONS

The General Manager, Parks, Forestry and Recreation recommends that Authority be granted to amend the Lease Agreement with the Queen City Yacht Club ("QCYC") generally in accordance with the proposed terms and conditions set out in Appendix "A" of this report and on such other terms and conditions as may be satisfactory to the General Manager of Parks, Forestry and Recreation and in a form and content acceptable to the City Solicitor.

FINANCIAL IMPACT

Queen City Yacht Club Lease Fee

Boating Season	August 1, 2007 - July 31, 2008	August 1, 2008 - July 31, 2009, Without 6 Additional Docks	August 1, 2008 - July 31, 2009, With 6 Additional Docks
Land Area	3.55 acres	3.55 acres	3.55 acres
Water Area	1.61 acres	1.61 acres	1.78 acres
Total Leased Area	5.16 acres	5.16 acres	5.33 acres
Rental Rate Per Acre	\$3,102.86	\$3,161.81	\$3,161.81
Lease Fee	\$16,010.76	\$16,314.94	\$16,852.45

The approval of the proposed additional docks will result in a revenue increase for the August 1, 2008 - July 31, 2009, boating season of \$537.51.

At no cost to the City, Queen City Yacht Club shall install 6 additional docks at the northern end of the current line of existing docks on Ward's Island (eastern) side of the Queen City Yacht Club lagoon.

The revenue budget for rental for this site will be reviewed during preparation of the 2009 Operating Budget.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The former Metropolitan Toronto Council, by adoption of Clause No. 11 of Report No. 19 of the Metropolitan Executive Committee on September 9, 1980, approved the leasing of certain waterfront areas to a number of boating clubs until the year 2005. At the time the, per acre rental rate was established at \$1,033.00 per acre, for the first 5 year cycle. The rental formula consisted of a common rent for combined land and water area for each boat club, the formula has become to be known as the "Metro Formula".

On June 25, 1985, Metropolitan Council directed that the Metro Formula be increased by 5% annually, during the period from August 1, 1985 to July 31, 1990. Metropolitan Council also directed that the rate of inflation be taken into account and, if it exceeded 5%, the rental rate be adjusted upwards during the last 2 years of that period.

Former Metropolitan Council, by adoption of Clause No. 6 of Report No. 12 of the Management Committee on April 25, 26, 27 and May 1, 1990, approved that the Metro Formula for the period from August 1, 1990 to July 31, 1991, be increased by the rate of 5% or by the rate of inflation, whichever is higher.

Former Metropolitan Council, by adoption of Clause No. 11 of Report No. 18 of the Management Committee on May 22, 1991, approved that the Metro Formula for the period from August 1, 1991 to July 31, 1992, be increased by the rate 5% or by the rate of inflation, whichever is higher.

Former Metropolitan Council, by adoption of Clause No. 5 of Report No. 17 of the Management Committee on May 6, 1992, approved that the Metro Formula for the period from August 1, 1992 to July 31, 1995, be increased by 5%, compounded annually or by the rate of inflation as calculated by Statistics Canada for the Toronto area for the previous year, whichever is higher.

Clause No. 2, embodied in Report No. 27 of the Corporate Administration Committee, as adopted by the Council of the former Municipality of Metropolitan Toronto, at its meeting held on October 25, 1995, approved that the Metro Formula for the period from August 1, 1995 to July 31, 1996, be increased by 25%. For the remainder of the 5 year period ending July 31, 2000, the Metro Formula would remain the same.

Clause No. 2 of Report No. 7 of the Economic Development and Parks Committee, as adopted by the Council of the City Toronto without amendment at its meeting held on July 4, 5 and 6, 2000, approved that the Metro Formula for the period from 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 pervious year and authorized the City of Toronto to enter into 20-year agreements with the various boat clubs across the Toronto Waterfront, commencing on August 1, 2005.

<http://www.toronto.ca/legdocs/2000/agendas/council/cc/cc000704/edp7rpt/cl002.pdf>

Clause No. 1 of Report No. 7 of the Economic Development and parks Committee, as adopted by the Council of the City Toronto without amendment at its meeting held on September 22, 23, 24 and 25, 2003, established the Metro Formula for the period from August 1, 2005 to July 31, 2006, at \$3,000.00 per acre and then for the following 19 years be increased by the rate of inflation as calculated by Statistics Canada using the CPI All Items Annual Indexes for the City of Toronto for the pervious calendar year.

<http://www.toronto.ca/legdocs/2003/agendas/council/cc030922/edp7rpt/cl001.pdf>

**“Metro Formula”
Annual Rental Rate Per Acre**

Date From August 1 to July 31	Percentage Increase	Amount of increase	\$/acre
1980-1981			\$1,033.00
1981-1982	0.00%	\$0.00	\$1,033.00
1982-1983	0.00%	\$0.00	\$1,033.00
1983-1984	0.00%	\$0.00	\$1,033.00
1984-1985	0.00%	\$0.00	\$1,033.00
1985-1986	5.00%	\$51.65	\$1,084.65
1986-1987	5.00%	\$54.23	\$1,138.88
1987-1988	5.00%	\$56.94	\$1,195.83
1988-1989	5.00%	\$59.79	\$1,255.62
1989-1990	6.40%	\$80.36	\$1,335.98
1990-1991	5.80%	\$77.49	\$1,413.46
1991-1992	5.00%	\$70.67	\$1,484.14
1992-1993	5.00%	\$74.21	\$1,558.34
1993-1994	5.00%	\$77.92	\$1,636.26
1994-1995	5.00%	\$81.81	\$1,718.07
1995-1996	25.00%	\$429.52	\$2,147.59
1996-1997	0.00%	\$0.00	\$2,147.59
1997-1998	0.00%	\$0.00	\$2,147.59
1998-1999	0.00%	\$0.00	\$2,147.59
1999-2000	0.00%	\$0.00	\$2,147.59
2000-2001	2.00%	\$42.95	\$2,190.54
2001-2002	3.00%	\$65.72	\$2,256.26
2002-2003	3.10%	\$69.94	\$2,326.20
2003-2004	2.10%	\$48.85	\$2,375.05
2004-2005	3.00%	\$71.25	\$2,446.30
2005 -2006	22.65%	\$553.70	\$3,000.00
2006-2007	1.80%	\$54.00	\$3,054.00
2007-2008	1.60%	\$48.86	\$3,102.86
2008-2009	1.90%	\$58.95	\$3,161.81

ISSUE BACKGROUND

The QCYC approached the City in the fall of 2007 with a request to install additional docks at the northern end of the current line of existing docks on Ward’s Island (eastern) side of the QCYC lagoon. At that time, the City requested that the Club obtain all of the necessary regulatory body approvals prior to obtaining Council Authority to install the additional docks.

On January 14, 2008, the QCYC received approval for the installation of the additional docks from the Toronto Port Authority.

On February 8, 2008, the QCYC received approval for the installation of the additional docks from the Toronto and Region Conservation Authority.

Parks, Forestry & Recreation would now like to seek Council Authority to amend the lease agreement with the QCYC to allow for the installation of 6 additional docks at the northern end of the current line of existing docks on Ward's Island (eastern) side of the QCYC lagoon.

COMMENTS

The water lot associated with the installation of the 6 additional docks is 0.17 acres, as outlined as Part 6 of Appendix "B", this shall increase the water lot leased by the Queen City Yacht Club from 1.61 acres to 1.78 acres and this shall increase the total area leased by the Queen City Yacht Club from 5.16 acres to 5.33 acres.

Reasons to Expand:

Meet the Market Demands of New Members.

Currently the QCYC uses a Mediterranean mooring system, where boats are held at the stern with old floating tires and members must climb over the bow which is tied to the seawall. The vast majority of all other Boat Clubs and Marinas in the City of Toronto and in all outlying areas are able to offer the option of a dock, while up to this point the QCYC could not do so. The QCYC has a very limited number of docks currently vs. their old Mediterranean mooring system, which has been in place since the QCYC moved onto the island in the early 1920's from their original 1889 City side location.

Mediterranean moorings are a very antiquated system and potential new members are simply not interested in climbing over the bow of their boats, especially when docks are available at other Clubs and Marinas. In order to remain competitive with other Clubs that have docks and in order that the QCYC remains financially viable, the QCYC must cater to the market demands of potential new members. The vast majority of new members joining any sailing club today want to be on a dock. If The QCYC cannot supply docks, many will simply go elsewhere.

Maintain Existing Members.

While the QCYC's current existing members have "put up" with these antiquated Mediterranean moorings and the inconvenience of climbing over the bow, the QCYC continues to lose members each year because of the availability of docks elsewhere. Authority to install 6 additional docks is needed in order to market docks to both new members and to existing members, to control attrition.

CONTACT

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SIGNATURE

Brenda Librecz
General Manager, Parks, Forestry and Recreation

ATTACHMENTS

Appendix A - Amendments to the Lease Agreement
Appendix B – Property Information Sheet for Areas Leased to Queen City Yacht Club

Appendix "A"

Amendments to the Lease Agreement:

Amendments to the Lease Agreement shall include, but not be limited to:

- 1.) The QCYC shall lease from the City approximately 3.55 acres of land and 1.78 acres of water lot on Ward's Island, for a total of 5.33 acres.
- 2.) For the period of August 1, 2008 to July 31, 2009, a basic annual Rental rate of \$3,161.81 per acre per annum, being \$16,852.45 per annum for the Leased Property based upon a total acreage of 5.33 acres, payable in advance on August 1, 2008.
- 3.) The QCYC shall be solely responsible for the entire cost of the installation of the 6 docks.