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Captain John's Harbour Boat Restaurant and Banquet Facility

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One Queen's Quay West, Toronto, Ontario, Canada M5J 2H1
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October 4, 2013

To All Members of Toronto City Council

My name is John Letnik. I am the sole owner of a company (1518756 Ontario Inc.) which owns a ship, the M/S Jadran, a former cruise ship that plied the waters of the Adriatic and Mediterranean Seas. Since 1975, the M/S Jadran has been a floating restaurant located at 1 Queen's Quay West.

Since 1969 my presence on the Toronto waterfront, starting with the M/V Normac and later with the M/S Jadran, helped to open up the waterfront area - as a place to see, be seen and enjoy - when virtually very few viable small business entrepreneurs were there. I must also remind you the City of Toronto recognized the efforts I did to bring tourists to the waterfront area and positively contributing to its economy by officially designating the M/S Jadran's current location as "Captain John's Pier".

I know every square-inch of the M/S Jadran - having sailed it in 1975 from the former Yugoslavia, through the Adriatic & Mediterranean Seas and across the Atlantic Ocean to its current berth at the foot of Yonge Street.

Since 1975, the M/S Jadran has been a fixture on the Toronto Waterfront. There are not many cities in this country who have such an iconic component as a floating fine dining restaurant aboard a ship as part of their waterfront ambiance.

Since 1991 the City of Toronto has only allowed leasing to me on a month by month basis. I do not know of any other business that is operating on a month by month leasing arrangement year after year after year. The greatest disadvantage is that I cannot do any long-term future planning because of the inherently restrictive nature of such an arrangement.

I was told by the Toronto Harbour Commission that I would be allowed to move to another berthing space on the waterfront in an effort to continue "Captain John's Harbour Boat Restaurant". Then all of a sudden, an entity called Waterfront Toronto was given some level of jurisdiction in this matter and they notified me I would not be allowed to have another space. I have no problem relocating in order to help the redevelopment of the City of Toronto waterfront as long as there is an appropriate space I could move to. In fact I would welcome, with open arms, a long-term leasing and operating arrangement so that I could alleviate the debts currently outstanding.



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I owe the Toronto Harbour Commission approximately 200 thousand dollars which under Maritime Law has what is known as a "1st Lien Right". I then owe Duca Financial Services Credit Union approximately 650 thousand dollars under a "Registered Ships Mortgage" and that ranks after the debt to the Toronto Harbour Commission.

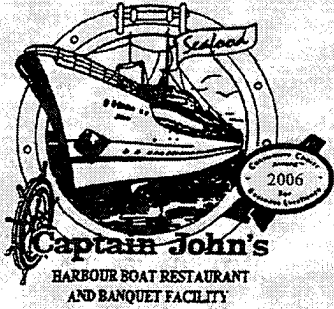
I also owe the City of Toronto approximately 600 thousand dollars in alleged property taxes even though I dispute the City of Toronto's right to levy property taxes to a floating vessel in waters that are under the purview of the Federal Government not lands that are under the domain of the City of Toronto. These "so-called" Property Taxes rank after the debt to the Toronto Harbour Commission and to the Duca Financial Services Credit Union. Then, through the company I own, 1518756 Ontario Inc., about 200 thousand dollars is owed to Waterfront Toronto and that debt falls behind the previously mentioned creditors.

If all creditors were paid today, "in full", then there would be no equity value left in the M/S Jadran. Realistically however, the creditors will have to take a sizeable reduction on the dollar in order to remedy the problem.

I personally own an apartment building consisting of 11 rental units which has mortgages on it for more than its current market value.

The only claim I have is I am a "tenant" on the M/S Jadran on which I have a right, as a tenant, under the Residential Tenancies Act, to stay in my rented quarters aboard the M/S Jadran. The fact that the City of Toronto has charged me with "Realty Taxes" confirms this right that I am legally entitled to maintain my tenancy aboard the M/S Jadran. In order to try to save my ship and business, I have prepaid my rent for many years. As a matter of unquestioned fact, the City of Toronto, in shutting off the water supply to the M/S Jadran, and therefore my rented quarters, have denied me the basic rights of tenancy which the City of Toronto must preserve when it has and does take over properties from their owners for tax arrears.

The City of Toronto has not shown it is seriously willing to entertain any potential purchasers who are interested in buying the M/S Jadran by not offering any accommodations as incentives anywhere within the boundaries of the City of Toronto. These actions have prevented the ship being sold to any potential purchaser. I accept the fact the City of Toronto wants a new purchaser who will renovate the M/S Jadran and I firmly feel if the City of Toronto sincerely cooperates a purchaser can be found more readily and successfully.



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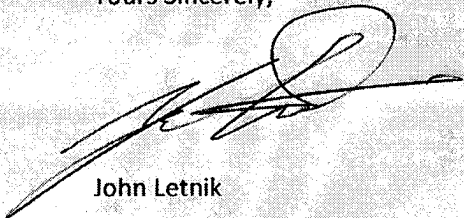
As it sits right now, the M/S Jadran contains no scrap value whatsoever due to the asbestos on its piping. However it has been certified as "Safe to Move". If the M/S Jadran was moved to another location within the boundaries of the City Of Toronto and allowed to flourish as a floating restaurant, all of the creditors could get something. All I wish for - is some minor compensation for my tearing up the residential lease; along with my 42 years on the Toronto waterfront which has included providing seasonal meals for the citizens of the City of Toronto who have been and are homeless and disadvantaged.

I could be a very valuable asset in assisting a sale only if the City of Toronto is genuinely prepared, willing and able to take a different approach in resolving this matter.

Should this matter end up in the court system, I must point out this would be a process that would become protracted for years potentially costing, the City of Toronto and its taxpayers, millions of dollars. In light of the current economic climate of a slow and sputtering recovery, I feel Torontonians would not appreciate having their hard-earned tax dollars wasted.

I look forward to resolving this issue in a truly amicable fashion.

Yours Sincerely,



John Letnik