



**City of Kingston  
Report to Council  
Report Number 19-183**

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**To:** Mayor and Members of Council  
**From:** Peter Huigenbos, Acting Commissioner, Community Services  
**Resource Staff:** Luke Follwell, Director, Recreation & Leisure Services  
**Date of Meeting:** June 18, 2019  
**Subject:** Confederation Basin Lease with the Department of Fisheries and Oceans Canada

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**Executive Summary:**

The City of Kingston has had a series of ongoing lease agreements with Fisheries and Oceans Canada, Small Craft Harbours Branch (the "DFO"), for both the Flora MacDonald Confederation Basin and the Portsmouth Olympic Harbour since 1977. Staff have received new lease agreements for Flora MacDonald Confederation Basin from June 1, 2019 to May 31, 2024. The DFO requires the City to execute new lease agreements to operate the marina in their water lot. The execution of this lease agreement would not prevent the City from potentially acquiring ownership of the water lot within the term of the agreement.

**Recommendation:**

**That** Council authorize the Mayor and Clerk to execute a lease agreement with Her Majesty the Queen in right of Canada, as represented by the Minister of Fisheries and Oceans and the Canadian Coast Guard, for the Flora MacDonald Confederation Basin for a term of five (5) years with an effective date of June 1, 2019 and ending May 31, 2024, in a form satisfactory to the Director of Legal Services.

June 18, 2019

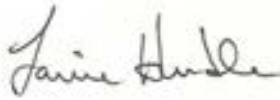
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**Authorizing Signatures:**



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**Peter Huigenbos, Acting  
Commissioner, Community  
Services**



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**Lanie Hurdle, Acting Chief  
Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Gary Dyke, Commissioner, Corporate Enterprise Services	Not required
Jim Keech, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required
Sheila Kidd, Commissioner, Transportation & Public Works	Not required

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**Options/Discussion:**

Since 1977, the City of Kingston has maintained a lease with the DFO to operate Flora MacDonald Confederation Basin ("Confed") 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 basin. The DFO has requested that the City execute a new agreement for a term of five (5) years retroactive to June 1, 2019 and ending May 31, 2024. The terms and conditions contained in the renewal remain the same as the previous agreement.

The lease payment is based on 20% of the City's gross marina revenues which includes seasonal and transient moorings at Confed. In 2018, the annual lease payment related to Confed was \$148,976.04. This amount is budgeted annually as part of the Recreation & Leisure Service operational budget. City staff have been working on reducing costs and generating more revenues from this operation, either from City or private operations. The potential future acquisition of the federally owned water lot is critical to increase potential revenue generation.

**Existing Policy/By-Law:**

Delegated Authority By-Law Number 2014-141 allows for the delegated approval of leasing and licensing agreements where the total consideration does not exceed \$150,000 for the term. The lease agreement with the DFO exceeds the \$150,000 limit for the five year term and therefore requires Council's approval to execute.

**Notice Provisions:**

Not applicable

**Accessibility Considerations:**

Not applicable

**Financial Considerations:**

The lease payments are budgeted annually as part of the Recreation & Leisure Services operational budget and represent 20% of gross revenues. In 2018, the payment to DFO for Confed was \$148,976.04.

**Contacts:**

Luke Follwell, Director, Recreation & Leisure Services 613-546-4291 extension 1815

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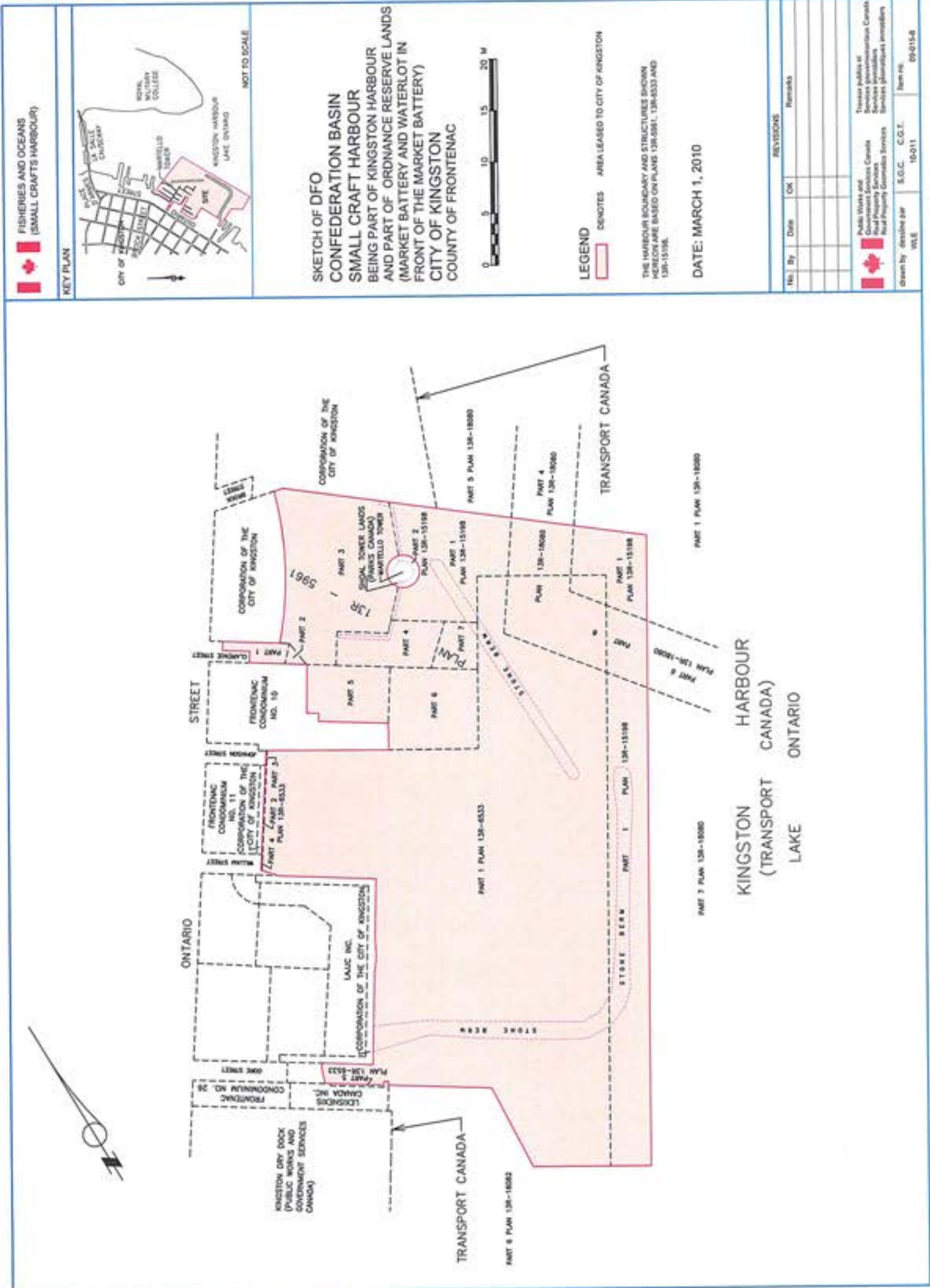
**Other City of Kingston Staff Consulted:**

Bill Rogerson, Manager, Recreation Facilities, Recreation & Leisure Services

Andrew Reeson, Associate Legal Counsel, Legal Services

**Exhibits Attached:**

Exhibit A Sketch of Area at Flora MacDonald Confederation Basin to be Leased



FISHERIES AND OCEANS  
(SMALL CRAFTS HARBOUR)

KEY PLAN



NOT TO SCALE

SKETCH OF DFO  
CONFEDERATION BASIN  
SMALL CRAFT HARBOUR  
BEING PART OF KINGSTON HARBOUR  
AND PART OF ORDNANCE RESERVE LANDS  
(MARKET BATTERY AND WATERLOT IN  
FRONT OF THE MARKET BATTERY)  
CITY OF KINGSTON  
COUNTY OF FRONTENAC



LEGEND  
[Pink Box] DENOTES AREA LEASED TO CITY OF KINGSTON

THE HARBOUR BOUNDARY AND STRUCTURES SHOWN  
HEREON ARE BASED ON PLANS 138-5961, 138-5533 AND  
138-15198.

DATE: MARCH 1, 2010

REVISIONS				
No.	By	Date	OK	Remarks

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