




TO: GENERAL COMMITTEE


SUBJECT: SEA CADETS SITE

WARD: ALL

PREPARED BY AND KEY CONTACT: Z. WALPOLE, SOLICITOR x4511

SUBMITTED BY: K. BRADLEY, B.A., MLA, DIRECTOR OF FACILITIES AND TRANSIT 
I. PETERS, DIRECTOR OF LEGAL SERVICES 

GENERAL MANAGER APPROVAL: R. FORWARD, MBA, M.Sc., P. Eng., GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES
J. WESTON, M.A.Sc., P. Eng., PMP, GENERAL MANAGER OF INFRASTRUCTURE & GROWTH MANAGEMENT (ACTING) 

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER 

RECOMMENDED MOTION

1. That the City of Barrie accept ownership of the building and fixtures located on the lands and premises legally described as:

Parts of the water lot in front of Lots 13, 14 and 15, patented to George Lount, May 14th, 1851 and Part of the Water Lot in front thereof, patented to the Town of Barrie, August 2, 1907 which is more particularly designated as Parts 1 and 3 of Plan 51R-9240 Pt Water Lot in front of Pt Lot 24, Conc. 5 (Vespra); Barrie (the "Sea Cadets Site");
2. That the City of Barrie accept the surrender of lease with respect to the Sea Cadets Site from the Land Trustees (acting on behalf of the Barrie Sea Cadet Corps.);
3. That the City of Barrie ensure continued programming and access to the Barrie waterfront by the Sea Cadets and Navy League Cadets until 2046 (which represents the remainder of the term of the above noted lease to be surrendered) by entering into a Facility Use Agreement with the Navy League of Canada (Ontario Division);
4. That the Mayor and City Clerk be authorized to execute the following agreements (together with all other documents necessary and incidental thereto) subject to the approval of the Director of Facilities and Transit and the Director of Legal:
 - a) Surrender of Lease from the Land Trustees;
 - b) General Conveyance of the boat house and fixtures from the Building Trustees;
 - c) Facility Use Agreement with the Navy League of Canada (Ontario Division) (the "NLC").
5. That the estimated annual cost of \$3,000 for insurance and facility maintenance and the onetime payment of \$1,700 to the Barrie Army, Navy, Air Force Club be approved and funded within the

approved 2014 Facilities and Transit Department budget and staff be directed to include the annual operating cost in the 2015 Business Plan.

PURPOSE & BACKGROUND

REPORT OVERVIEW

6. The purpose of this staff report is to seek Council authority to simplify and streamline its relationship with the parties having an interest in the Sea Cadet Site thereby providing greater flexibility and opportunities with respect to future uses of the site.

HISTORY

7. In 1947 the City of Barrie entered into a ninety-nine year lease agreement with four local residents, which established themselves as a trustee group, for the use of City owned land and an adjoining waterlot known as the Wilkinson Waterlot to be used for the purposes of delivering the Navy League of Canada's sailing programs. This trustee group is referred to as the "Land Trustees". No rent was chargeable under the terms of this lease.
8. In 1979 the lease was amended to reflect the relocation of the sailing programs from the Wilkinson Waterlot to the current site adjacent to the Bayfield Dock (the "Sea Cadet Site").
9. The Land Trustees changed over the years as individuals resigned or died.
10. In order to deliver the sailing program, the Navy League of Canada required a building to store boats and equipment and provide a space for base operations. The Barrie Army, Navy, Air Force Club ("ANAF") raised the funds necessary to build the existing boat house and retained ownership of the building. They established, as part of the ANAF, a committee referred to as the "Building Trustees" to be responsible for the oversight of the building.

THE PARTIES

11. There are five parties involved in the current situation with the Sea Cadet Site, building and sailing program operations:
 - a) **Land Trustees** – Legal body representing the lessee, consisting of four individuals.
 - b) **Building Trustees** – ANAF owns the building and established a trustee group to be responsible for administration, operations, transfer or sale of the building. The Land Trustees and the Building Trustees are currently the same individuals, although this has not historically been the case.
 - c) **Navy League of Canada (Ontario Division)** – The NLC provides the overall structure for program delivery for the Sea Cadets and Navy League Cadets. It is normally the legal entity that holds lease rights for any property used to operate these programs. However, they are not currently the legal entity for the lease rights on the Barrie property.
 - d) **Navy League of Canada (Barrie Branch)** – This is the local organization responsible for the day to day operations of the sailing programs and use of the building. They operate under the auspices of the NLC.

- e) **City of Barrie** – The City owns the Sea Cadet Site currently leased to the Land Trustees for the operation of the sea cadets program.

STREAMLINING THE RELATIONSHIPS

- 12. The City of Barrie's original 2000 Waterfront Master Plan, the 2006 Downtown Commercial Plan, and the draft Barrie Waterfront and Marina Strategic Plan 2012 Update have all proposed redevelopment of the Sea Cadet Site for use by the City for a variety of public uses, facilities, and amenities.
- 13. To that end, and as approved by Council at various times over the past twenty years, there have been ongoing discussions by City staff with the various parties to negotiate a mutually satisfactory agreement that would result in the termination of the ninety-nine year lease with the Land Trustees together with attempts to relocate the Sea Cadet programs to a different site.
- 14. City staff were recently approached by the Chair of the Land Trustees indicating that the Land Trustees and the Building Trustees would be willing to terminate the lease agreement and transfer the building to the City provided that the sea cadet programs continue to operate. These parties are anxious to remove themselves from any liabilities associated with their responsibilities as trustees.

ANALYSIS

- 15. The proposal being presented in this Staff Report is intended to simplify and streamline the relationships with the various parties having an interest in the Sea Cadet Site. This will eventually allow the City to negotiate with one party, the NLC, for the relocation of the sea cadet programs to a mutually acceptable site, if and when, the City desires to redevelop the Sea Cadet Site.
- 16. The Land Trustees and Building Trustees have indicated an intention to surrender the lease and transfer ownership of the building located on the Sea Cadet site effective May 5, 2014. Their agreement to do so is conditional on the following matters:
 - a) The City entering into an agreement with the NLC to ensure continued operation of the sea cadet programs for the remainder of the term of the original lease. The original lease will expire in 2046.
 - b) In accordance with the terms of the original lease, that no rent for the sea cadet program be charged.
 - c) The City agreeing to maintain, and repair the naval memorial located at the Sea Cadet Site and ensure that veterans continue to have access to the memorial.
- 17. The City, in assuming ownership of the building, will be able to manage its use, appearance, and fit within the waterfront.
- 18. The NLC has indicated a willingness to enter into a Facility Use Agreement with the City for the balance of the term of the lease. The Facility Use Agreement will provide that:
 - a) The site will be used for sea cadet programming including a sailing school, fundraising activities and Sea Cadet boat storage;
 - b) The NLC will ensure veterans have access to the navy memorial;

- c) The NLC will be responsible for cleaning and minor maintenance of the site, including utilities;
 - d) The NLC will be responsible for ensuring that all persons on the site comply with applicable laws and Barrie's rules and that Barrie has no liability for any loss, injury or damage to persons or property on the site;
 - e) Rent will not be charged;
 - f) The parties may, by mutual agreement, relocate the sea cadet program to a new location and amend or terminate the Facility Use Agreement.
19. The City and the NLC have also agreed in principle that the City may use a small portion of the Sea Cadet Site as an interim "Welcome Centre" for the Marina and Tourism Barrie at the transient boater basin replacing the small portable kiosk currently used for that purpose.
20. The Navy League of Canada (Barrie Branch) has been a party to the negotiations. It is aware of and supportive of the proposed reorganization. It will continue to provide the day to day operations of the sailing programs under the auspices (and insurance) of the NLC.

ENVIRONMENTAL MATTERS

21. There are no environmental matters related to the recommendation.

ALTERNATIVES

22. The following alternatives are available for consideration by General Committee:

Alternative #1

General Committee could maintain the existing lease with the Land Trustees set to expire in 2046. This alternative is not recommended as it does not provide the City with any measure of site control for prime City waterfront property. The site is used and operated by a third party, which in essence has no legal relationship with the Land Trustees or the City of Barrie. Lastly, it does not provide an opportunity for addressing future site development related to the City's updated Waterfront Master Plan.

FINANCIAL

23. The annual operating cost for the City to assume ownership of the building is estimated at \$3,000. This is for routine expenses related to general facility maintenance and repair. Any City operating costs for 2014 will be absorbed into the approved 2014 Facilities and Transit budget. An operating budget for the future years will be submitted as part of the 2015 Business Plan for Council consideration. The NLC will be responsible for all facility operating costs associated with its use of the facility including utilities.
24. The City has agreed to reimburse the ANAF \$1,700 for the value of high security locks that were recently installed at the boathouse and that will be continued to be used. The payment will be funded from the approved 2014 Facilities and Transit budget.

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

25. The recommendations included in this Staff Report are not specifically related to the goals identified in the 2010-2014 City Council Strategic Plan.