

Staff Report

Report To: City Council

Report From: Rebecca Ellerdien, Community & Business Development Advisor

Meeting Date: May 26, 2025

Report Code: CM-25-013

Subject: Amended Agreement with Experience Grey Bruce regarding Operation of East and West Municipal Boat Launches

Recommendations:

THAT in consideration of Staff Report CM-25-013 respecting an Amended Agreement with Experience Grey Bruce regarding Operation of East and West Municipal Boat Launches, City Council directs staff to bring forward by-laws to:

1. Amend the existing agreement with Experience Grey Bruce to include conditions of site plan approval, annual payments, and an extension of up to ten years; and
2. Amend the Appointed Officers By-law to appoint Tim Dwyer as a limited enforcement officer at the east and west municipal boat launches for the enforcement of the Nuisance and Derby Camping By-laws, subject to receiving the appropriate training.

Highlights:

- Experience Grey Bruce continues to fulfill its proposal for the operations of the municipal boat launches and will expand its food and recreation services at the West Side Boat Launch.
- This partnership has had a positive impact on the City's economic position, animating the waterfront with enhanced public services.

- The amended agreement provides additional clarity on the division of responsibilities between the Operator and City, allows for an extension of up to ten years, and shifts to an annual lease payment model that will ensure cost recovery while reducing administrative overhead and providing greater certainty for all parties.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: Collaborative City.

This public-private partnership supports the operation of the City's two municipal boat launches and animates the waterfront area with food and recreation amenities.

Climate and Environmental Implications:

This supports the objectives of the City's Corporate Climate Change Adaptation Plan by creating conditions to minimize health and safety risks.

The site plan includes direction to mitigate environmental impacts, including waste management, preservation of the tree canopy, and erosion control.

Previous Report/Authority:

[Report DA-24-005](#) Site Plan Approval for 1451 1st Avenue West

[Report CM-24-032](#) Amendment 6 to Lease C0108102 with Transport Canada
– East and West Boat launch

[Report CS-22-058](#) Boat Launch Operating Agreement Amendment

[Report CS-21-070](#) Request for Appointment of Parking Enforcement Officers
and Change to Boat Launch Pass Fees

Background:

In 2021, the City initiated a public RFP for the operation of two municipal boat launches located on either side of the harbour ("East Side" and "West Side" Boat Launches). The successful proponent was Experience Grey Bruce ("The Operator"). The initial agreement was for a term of five years, ending October 31, 2026.

As Owen Sound is a federal harbour, the boat launch areas include land that the City leases from Transport Canada. In 2022, the City signed an amended lease agreement with Transport Canada (TC Lease C0108102), which

included increases to annual leasing costs retroactive to 2020 due to the anticipation of revenue generation through the new agreement with the boat launch operator, which the City planned to recoup from the revenue-sharing agreement for boat launch pass sales.

In 2022, the City amended the agreement with the Operator to permit food service and a licensed patio adjacent to the existing building at the West Side Boat Launch, in accordance with the Operator's RFP proposal to provide additional food and recreation amenities.

In July 2024, the City granted conditional approval, under staff delegated authority, for an amended site plan to permit an extension of the patio and the installation of temporary structures (shipping containers). This approval was conditional on the execution of an amended agreement with the Operator.

The City and Boat Launch Operator entered negotiations to amend the agreement to reflect the positive impacts demonstrated over the term of this partnership, and are seeking approval for an amendment that clarifies the division of responsibilities, adopts an annual lease payment model, and supports the extension of the agreement for up to ten years.

Analysis:

Partnership to Optimize Operation of Municipal Boat Launches

Experience Grey Bruce is fulfilling its commitment to the City as per the initial RFP proposal to streamline boat launch operations, and to establish additional amenities such as food service and recreational rentals.

The Operator is responsible for daily and seasonal boat launch pass sales at both the East Side and West Side Boat Launches. In order to encourage boat launch sales, the Operator has requested the ability to enforce this requirement. Staff are supportive of this request, subject to the Operator receiving training in the enforcement of the Nuisance By-law.

At the West Side Boat Launch, the Operator has expanded the commercial use of the site to include a licensed patio with food service and ice cream.

The Operator is also providing additional value to the City with investments and marketing spend to attract tourism to Owen Sound's waterfront and River District area, including a \$9,000 investment in billboard advertising along high traffic routes surrounding the City for the 2025 season.

Cost Increase of Transport Canada Lease due to Commercial Use

The City held discussions with Transport Canada regarding the plan for commercial use of the amenities which are located partially on lands leased to the City by Transport Canada, and staff were informed that this would incur additional costs pending an amendment to the existing lease.

The City recoups these increased costs through the agreement with the boat launch operator, and the extension of this agreement is subject to renewal of the lease with Transport Canada.

However, under the initial agreement, the amount of revenue remitted to the City fluctuated year-over-year and resulted in increased administrative and staffing overhead on a monthly basis.

Operator Expansion and Site Plan Approval

In July 2024, the City granted conditional approval for changes to the site plan as per the Operator's request. These changes include the addition of temporary structures (shipping containers), an expansion of the licensed patio area, and the installation of fencing along the harbour wall. The conditional site plan approval was granted under Staff delegated authority as mandated by the Province of Ontario.

Staff then entered into negotiations with the Operator to amend the initial agreement.

Proposed Amendments to the Boat Launch Operation Agreement

The amended agreement includes the following changes:

- Conditions for site plan approval for expansion of the licensed patio and additions supporting food and recreation services in accordance with the Operator's RFP proposal.
- Amendments to shift from a revenue-sharing model to a fixed annual lease payment with the Operator assuming 75 per cent of hydro utility costs associated with the West Side Boat Launch.
- An amendment to authorize the Operator to sell Derby Camping passes for the West Side Boat Launch site as per the new Derby Camping By-law and to receive training in by-law enforcement.
- Clarification of the division of responsibilities between the City and Operator for the maintenance, inspection, and operation of the boat launches, including the public washrooms.

The amended agreement includes fixed payments of \$8400 for the 2025 operating season, \$10,000 for the 2026 operating season, and 3 per cent increases annually thereafter. In addition to ensuring cost recovery of the Transport Canada lease, staff also considered administrative and staffing costs to maintain the site and projected capital expenses over a ten-year period in determining the amount of the annual lease payment.

Staff will continue to work with the Operator to ensure that public use of the City's waterfront amenities is retained and continue to pursue innovative partnerships to optimize the City's assets.

Financial Implications:

The amended agreement will ensure that this partnership continues to have a positive impact on the City's financial position, reducing administrative overhead and ensuring the recovery of costs associated with maintaining the boat launch operations.

The costs for the expanded patio and accessory structures are the responsibility of the Operator.

Communication Strategy:

Staff will communicate with all necessary stakeholders.

Consultation:

Transport Canada

Experience Grey Bruce

Manager of Parks & Open Space, Manager of Planning & Heritage, Manager of Revenue, Manager of Corporate Services, City Clerk.

Attachments:

1. Approved Site Plan
2. 2021-2024 Update Report by Operator

Recommended by:

Rebecca Ellerdiem, Community & Business Development Advisor

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Rebecca Ellerdiem,
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