



Memorandum

To: James Cox, Director of Real Estate

Company: Canada Lands Company

From: Mark Conway

Phone: (416) 364-4414 **Date:** November 2012

Re: One Port Street – Operations / Market and Economic Notes

This memorandum has been prepared for the purposes of the Inspiration Port Credit team.

Port Credit Harbour Marina (PCHM) at 1 Port Street is one of the largest private marinas on the GTA's Lake Ontario shoreline. The Marina's current operation includes approximately 800 boat slips which primarily service seasonal lessees, with a smaller portion reserved for transient boaters. The number of transient's slips varies from year to year based on availability and demand. Slip rentals at the PCHM have been at or near capacity throughout several recent boating seasons. The marina's configuration allows for flexibility in its capacity to accommodate transient boats, dockwall mooring and vacant slips are used to accommodate transient traffic.

PCHM also allows for a small number of year-round live-aboards at the marina.

Factors shaping PCHM's operating environment:

- PCHM consists of a broad range of marine and marina related business. Apart from the seasonal leasing of boat slips and winter boat storage, the marina offers a full range of boater services to its tenants, including Bristol Marine, which offers mechanical, paint and fiberglass repair services and management of the gas dock and pump-out concession – core marina services. The paint booth at Bristol is one of the few facilities in the GTA for hull painting.



- The marina provides space for several brokers engaged in the marketing and sales of boats. These businesses require office space, as well as slips and paved areas, to display their inventory of vessels for sale. This is rare feature at marinas in the GTA usually due to the lack of appropriate space.
- Marinas, by their nature, require secure settings that protect the significant investments of boaters, but also the public from the inherent risks associated to the facility's proximity to water and the movement of large vessels, in and out of the water.
- Currently operating as a private Marina, PCHM benefits from the ability to offer a high level of security through its controlled access and fenced compound. This separation allows for operations to be conducted on site, without raising compatibility issues with neighbouring land uses, or safety concerns with pedestrian traffic. From a market perspective, offering this level of security to marina patrons is very attractive.
- The current layout of the marina does not allow public access to the waterfront.
- The outlook for demand for marina space is positive. GTA wide occupancy rates have remained stable with annual rate increases over the past few years. While growth in boating in terms of boat sales has remained flat or in some years declined, population growth, especially in waterfront condominium style developments has fueled continued interest in GTA based marinas.
- Winter boat storage is an important operational component of the current PCHM operations. The ability to provide winter boat storage on site is highly attractive to tenants and is significant revenue source. However, it is important to note that not all marina or yacht clubs have the secure land base necessary to store boats. For tenants at these marinas, boats are typically stored at other marinas nearby. Smaller boats can also be hauled out and stored inland.



- Vehicle parking is a key concern to most marinas as it is important for boaters to be able to park near their boats to load/unload supplies. Peak parking demand is generally limited to the four long holiday weekends (discussed below) of the boating season. Not all marinas have parking, or parking that is as secure and convenient as PCHM. Several marinas in Toronto have no parking facilities.
- Winter boat storage and parking are key issues in discussing the future of marina operations on the CLC lands. The amount of storage and parking currently available at PCHM is unusual in the GTA given the very high value of waterfront property. While it is highly desirable to keep the “in water” components of a marina in Port Credit, other marinas within the GTA have illustrated that it is possible to operate without or limited winter boat storage and parking. These facilities are listed at the end of this memorandum.
- We do not have information of the marina fleet mix (power to sail) or size ranges. In general however, the GTA fleet is currently skewed toward power over sail (60%–40%) with boat sizes trending towards larger vessels. (likely averaging around the 26–28 foot LOA range).

Notes on the Role and Economic Impact of Marinas:

- A public marina, as contemplated by CLC, will act as a gateway to the City and is an important opportunity to introduce the features of the community and direct visitors to its attractions and services.
- Not every municipality has a waterfront or one that suitable for boating. For those that do, facilities that offer access to boating and other water-based activities provide a unique and competitive edge that can help attract growth and investment.
- In general, public marinas can provide several important functions:
 - Provide community recreation needs;
 - Encourage spending and economic development in downtown areas;
 - Support local tourism initiatives;
 - Help animate waterfronts especially during non-peak periods.



- Marinas in the GTA operate on a very short season with the core season beginning on the May 24th weekend and extending to the first week of September.
- This short season and 180 degree market area puts limits on the ability to sustain retail commercial uses.
- Employment is also highly seasonal. PCHM's broader range of service offerings probably generates more jobs than most public facilities along the GTA waterfront. The City's "Focus of Mississauga 2012" document reports between 50 and 115 jobs are located on site. These jobs include both full time and seasonal positions. We are of the opinion that the City's estimates may be a little high. Based on a preliminary review, we had previously estimated that collectively these businesses contribute approximately 25 to 35 full time equivalent (FTE) jobs to the local economy.
- There are four core weekends that generate the most pressure for parking and the greatest economic impacts:
 - Victoria Day – Third weekend in May
 - Canada Day – First weekend in July
 - August Long Weekend – First weekend in August
 - Labour Day – First weekend in September
- These weekends also attract the greatest number of transients.
- In our experience, most public marinas generate small operating surpluses that are typically rolled back into facility improvements, repairs or capital reserves.
- Marinas can improve the waterfront experience by functioning as a point of interest and a visual amenity, supporting water-based recreational activities, public safety and education. They can also facilitate significant tourism and economic impacts:
- Transient boaters, visiting from other destinations, are an important source of revenue as these visitors tend to spend more, especially at local



businesses including restaurants, retail outlets and commercial services. It is important to note that the magnitude of benefit from a marina to the community's tourism industry is largely dependent on the number transient slips and their relationship to retail/tourist attractions.

- Visitor spending is typically concentrated at businesses within walking distance of the Marina. This will impact local employment and labour income in the local tourism sector; particularly those businesses providing marine services, and downtown restaurants, shops and entertainment venues.
- As transient boaters are typically not local residents, their spending represents a net-new economic benefit to the City. In good market areas like Port Credit, any improvement to a Marina's capacity to accommodate an increase in transients will likely have an impact on local businesses. In some cases, transient boater spending can equate to approximately \$2,700 to \$4,000 of direct spending, per slip, per season (as per research conducted for the City of Barrie Marina on Lake Simcoe).

Marinas with Boat Storage Facilities

PCHM

Lakefront Promenade Marina (2km NE)

Bronte Outer Harbour Marina

Outer Harbour Marina

Toronto Island Marina

Bluffer's Park Marina

Oakville Harbour Marina

Bronte Harbour Marina

GTA marinas without winter boat storage:

Marina Quay West (Spadina)

Marina Four / John Quay

Lasalle Park Marina (Burlington)

GTA marinas without vehicle parking:

Toronto Island Marina

Marina Quay West (Spadina)

Marina Four / John Quay