

Report to Council



Date: March 22, 2021
To: Council
From: City Manager
Subject: Kelowna Paddle Centre, Non-Market Lease Agreement
Department: Real Estate

Recommendation:

THAT Council approves the City entering into a five (5) year Non-Market Lease Agreement with the Kelowna Outrigger Racing Canoe Club Association, in the form attached to the Report of the Real Estate department dated March 22, 2021;

AND THAT the Mayor and City Clerk be authorized to execute the lease agreement and all documents necessary to complete this transaction.

Purpose:

To approve entering into a five (5) year Non-Market Lease Agreement with the Kelowna Outrigger Racing Canoe Club Association, for the City-owned properties at 3020, 3030, 3040 and 3050 Abbott Street.

Background:

The highly anticipated Pandosy Waterfront Park (PWP) is currently under construction. In 2019, new Parks Development Cost Charges (DCC's) were introduced and this new funding stream has allowed the City of Kelowna (the "City") to expedite construction of PWP. As a result, the PWP is about 5-years in advance of when it was previously scheduled in the ten-year Capital Plan.

The Kelowna Outrigger Racing Canoe Club Association, known broadly as the Kelowna Paddle Centre (KPC), a non-profit society has leased a City owned building within the future PWP since 2014. KPC offers programs and services in conjunction with the City to provide safe, accessible paddling sports for families and individuals.

Earlier this year, the City entered into a Memorandum of Understanding (MOU) with KPC outlining the roles and responsibilities of both parties during the initial park construction and operations phases. As part of the MOU, KPC agreed to use the next 5-years to fundraise, design and permit a new purpose-

built Paddle Centre facility. To provide time for KPC to fundraise and design the new facility, staff are recommending entering into an interim five-year lease of the existing structure. The primary goal of the MOU is that KPC will be ready to start construction of the new building within five years. The MOU provides that a longer-term lease will be negotiated for occupation and operation of the new building subject to future approval by Council.

Discussion:

The portion of the lake fronting PWP is neither well suited for swimming, nor for motorboats, making it a perfect location to support recreational activities such as paddling. With its integration in the park, KPC will greatly increase access to Okanagan Lake for park users by equipping and educating them to safely paddle and explore the lake.

KPC has already become a key provider of affordable and accessible paddle opportunities in the community. In a relatively short period of time, KPC has grown to approximately 350 members and offers additional programming to over 1,000 non-members each year. A new building will enable KPC to continue to grow their membership and programs, increasing opportunities for all to access the lake.

Schedule A shows KPC's footprint during the proposed interim five-year lease for the existing structure. The lease footprint is an irregular shape to allow construction of Phase 2 of PWP to weave around the KPC. The perimeter fencing along the property lines will come down, and the foreshore directly in front of the Paddle Centre will become part of the park and open for public use. As KPC is operating from a building that was originally a house, it is unable to accommodate all the storage needs for its paddle craft within the existing buildings. Therefore, the MOU outlines that a new fence will be built to protect their equipment during the interim lease term. The existing temporary gravel parking on the south eastern portion of the property will be used by KPC users, and as a construction staging area by the City. After October 2023, the gravel parking lot will be available for all users of park until the start of construction of the new facility.

Schedule B illustrates the use of land once a new Paddle Centre facility is constructed within the Designated Park Area. While the Designated Park Area is 10,000ft², KPC will only be allowed to construct a building with a footprint of 6,000ft². To accommodate a modern, forward-thinking building design, flexibility was required with regard to building placement. Once the facility is designed, the City will be responsible for park infrastructure around the remaining space within the Designated Park Area not being used for the facility. The image also shows the future Northern Community Parking Lot. This parking lot is for the use of all park users. This location maintains a view corridor along Newsom Ave looking west out onto the lake, provides a pedestrian link at the northern edge of the park, and moves vehicle movements away from the vibrancy of paddlecraft, programming and kids at the heart of the park.

When the park is open to the public, an existing washroom at the KPC will be modified and open to the public for use. The temporary washroom facility will be operated and maintained by the City until the existing structure is removed. Maintenance includes daily opening and closing of the washrooms, and

the provision of security. The design for the new Paddle Centre facility will include new public park washrooms designed to City's standards. As this will be a public asset, the cost for the washroom will be paid for by the City.

Integrating KPC into PWP will create an important full-service hub for Kelowna's 28 km Paddle Trail spanning from McKinley Beach to Bertram Creek Park.

Key terms of the interim lease agreement with KPC are summarized below.

Kelowna Paddle Centre Summary of Proposed Non-Market Lease Terms	
Civic Address of Premises	3020, 3030, 3040 & 3050 Abbott Street
Commencement Date	May 1, 2021
Term	Five (5) years
Option to Renew	None
Rent	Nominal (\$1)
Permitted Use	Operation of a Paddle Centre

Existing Policy:

Council's 2019-2022 priorities identified measures supporting staff's recommendations in this report. Specifically, relevant to this report:

- Site design & architecture is high quality, context sensitive;
- Accessible and multi-purpose amenities;
- Key sites are proactively planned; and
- Animated parks and public spaces.

The proposed non-market facility lease aligns with Council Policy 347 – Non-Market Leasing of Civic Lands and Buildings. For this reason, staff are recommending a non-market lease agreement.

Internal Circulation:

Parks Planning
Parks Operations
Active Living & Culture Division
Communications

Considerations not applicable to this report:

Legal/Statutory Authority:
Legal/Statutory Procedural Requirements:
Financial/Budgetary Considerations:
External Agency/Public Comments:
Communications Comments:

Submitted by: J. Adamson, Manager, Property Management

Approved for inclusion: J. Säufferer, Real Estate Department Manager

- Attachments:**
1. Schedule A – Interim Lease Areas
 2. Schedule B – Future Lease Areas
 3. Schedule C – Non-Market Lease Agreement
 4. Schedule D – PowerPoint Presentation