

November 15, 2019

I would like to make a deputation to Council on November 26th regarding a proposal for a public-private partnership with the Picton Marina property / operations.

Would you be so kind as to confirm next steps.

Many thanks in advance.

Kind regards,

CJ

CJ THOMPSON

Founder & Chief Executive Officer



TENACITY

Expression of Interest: Picton Marina Operations
THE CORPORATION OF THE COUNTY OF PRINCE EDWARD
November 2019

DRAFT

Expression of Interest
 Picton Marina Operations
 1 Head Street, Picton, Ontario

Bottom Line Up Front

It is the intent of TENACITY CAPITAL to enter into a public-private-partnership on the subject property and to establish a revitalized marina operation, which would service both the travelling public and local residents with access to improved marina services and the boat launch. Through said partnership Tenacity Capital would stabilize/normalize the hours of operations with experienced Full Time staff, expand on harbour services, invest in capital improvements to the property (namely; a poured concrete pad to facilitate emergency lift out for crane operators), and increase the transient docking. In order to accomplish this, Tenacity Capital is requesting a lease agreement with the municipality over the term of 99 years at the rate of one-dollar per year, and thus removing the financial burden of a public service that operates at a net loss and enhancing the consumer facing experience. In return, Tenacity Capital will buildout a new state-of-the-art marina operation with 70+ berths and U.S. Port of Entry on their existing waterfront property which is adjacent to the subject property. It is through the consolidation of these efforts that we can forecast an increase in transient boater traffic which serves as a net benefit to the municipality and contributes to the viability and vibrancy of the harbour.

Background

Picton Harbour has long been considered a key asset for Prince Edward County – attracting boating, fishing and sailing tourism and providing the quality of life and amenities that have attracted many residents to the County.

In the 2014 Prince Edward County Community Development Strategic Plan it states that the municipality should:

22. Support and attract private sector marina investment in suitable locations across the County and encourage the enhancement of public docking and launching and residential development where appropriate.

22.1 Develop concept plan for Picton harbour for approval. Pursue land acquisition / access if necessary. Determine needed amenities.

22.2 Develop internally a plan for the development of the public marinas to support private marina development.

22.3 Develop internally a plan for the development of public boat launches determining priority, works required and methods for on-going up keep.

22.4 Consider water access opportunities for public recreation, tourism development and quality of place enhancement.

To support this strategic plan action item, the municipality brought together a community stakeholder group responsible for further developing an overall vision for the County's marinas. As part of this groups mandate they have been charged with the creation of a Picton Harbour Development Plan. In doing the research for the plan it was identified that the Picton Marina could provide the amenities that are both needed and desired by the marine community if operated by a private sector entity. As a result Tenacity Capital is seeking the support of the Municipality in its expression of interest / intent to manage operations of the marina.

Council & Community Priorities

The County's Mission Statement as per the **Corporate Strategic Plan** states that the municipal government of Prince Edward County champions the economic and social vitality of the community, and its actions are guided by the following principles:

- The delivery of cost effective services
- The development of sustainable infrastructure
- The promotion of a healthy, liveable and vibrant community

Entering into a public-private-partnership for the marina operations is in keeping with the guiding principles with a focus on creating cost saving efficiencies on marina operations, the creation of new sustainable infrastructure, and the promotion of an active and healthy lifestyle through the development of the waterfront property for the benefit of residents and visitors.

The Picton Urban Centre Secondary Plan defines the guiding policies with regards to Picton Harbour (sect. 2.12.2):

- Support the creation of visual and physical connections between surrounding neighbourhoods and the Harbour with particular focus on connections with the Downtown Core Area.
- Ensure that all development at the waterfront contributes to the viability and vibrancy of the Harbour for both residents and visitors.
- Interpret the historic and environmental features of the Harbour to express the significant contribution of this resource as a gateway to the community and to the quality of place in Picton-Hallowell.

Tenacity Capital has carefully considered these guiding policies in their forward thinking in the planning process for the revitalizing the existing marina amenities that are currently utilized by residents and visitors. It is the intent of Tenacity Capital to ensure that a customer focused operation is implemented, ensuring that the services offered to boaters is in keeping with the best practices of marinas operated within South Eastern Ontario, this will be to the benefit of the municipality as the hours of operation, staffing, and fair market rates for services will be operated and managed by Tenacity Capital.

The **Picton Urban Centre Secondary Plan** also recommends a series of implementation policies for consideration that will be intrinsic to the proposed public-private partnership, namely; the addition of dockside slips and expansion of the boat launch to better serve residents and visitors. These core improvements will also be complemented by updating the washrooms, information kiosks, and retail facility. Lastly, upon entering into a public-private partnership, Tenacity Capital will begin redevelopment on their existing property in consultation with Quinte Conservation to tie into the boat launch with the construction of a boardwalk to ensure public access to the shoreline is optimized and enhanced with pedestrian amenities that reflect the vibrancy of the waterfront while respecting the natural habitat through lighting, seating, and signage.

The Official Plan Principles for The County's Urban Centres and Villages indicates the need to *Identify Infrastructure Gaps* that are currently limiting the community's growth potential. These principles also highlight the need for The County to *Facilitate Investment Attraction Opportunities* that align with the community's identified gaps in services or amenities that are critical for future growth and vitality.

The County's **Downtown Revitalization Action Plan for Picton** details a series of goals in relation to the Action Plans resulting from the Downtown Revitalization Study, this project speaks specifically to the need to Celebrate and Connect to Picton Harbour. A key component to the success of this goal will be the *continued implementation of the Picton Harbour Improvement Plan*. It is documented within this study that opportunities for new business exist as per the findings of the Downtown Revitalization Study, and a

much needed new vision for Picton Harbour has been developed to guide the Municipality, prospective developers and investors, in shaping Picton's waterfront and surrounding area. The proposed partnership fulfills the goal of: increasing waterfront activities and amenities through a partnership on marina operations.

Working towards a shared vision for the development of Picton Harbour serves as a testament to maintaining and acting on the Corporate Values that reflect the role and responsibilities of Municipal/County Government; Collaborative, Service-oriented, Results-focused, Accountable, and Innovative.

It is through this proposed public-private-partnership that we can achieve these goals and realize a long term vision for the community.

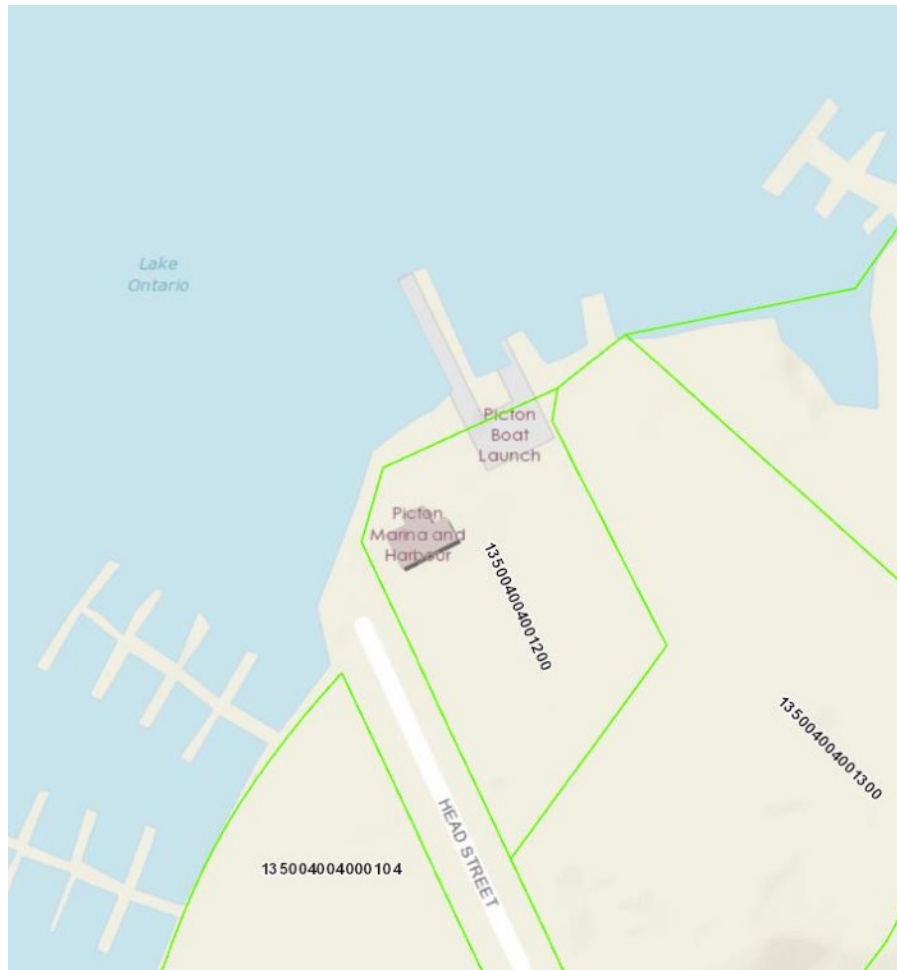
Property Information:

The property consists of 0.55 acres (2222.29 sq. m.) of land and one building of 721 sq. ft. The building is being used to house marina operations administration, washroom and shower facilities associated with marina use. The property is currently zoned Open Space (OS) that includes the following permitted use:

- Boat launching facility

Tenacity Capital is requesting that the municipality consider rezoning the property to Tourism Commercial upon establishing a public-private partnership for management and operations of the marina. In the event the property is rezoned Tourism Commercial all proposed services will conform to the following uses:

- Tourist establishment
- Marina or accessory uses including storage, fuelling facilities, and marine sales and service.
- Any use, building or structure accessory to a permitted use including recreational facilities, convenience store and restaurant.



Facilities and Services

The table below summarizes information about the current conditions.

Facilities and Services		
Buildings	Main Building (721 sq. ft.)	Includes washrooms / showers, cash register, office area and freezer for ice.
	Pump House	Small out-building
	Seawall	150' seawall for overnight docking. Can hold an average of 3 boats and sometimes 4 depending on size.
Docks	Small Dock	With staircase for customers to park on an hourly basis to go into town.
	Large Dock	Where boats come to get gas and pumped out.

	Electrical	There are 5 – 15 amp electrical outlets, 3 of which are located at various spots along the seawall for transient boaters to use, 1 is located on the gas dock and the last 1 is on the side of the marina building. There are 7 – 30 amp outlets; all are located at various spots along the seawall for transient boaters. Tenacity Capital will request that the municipality upgrades the amperage on the 5 outlets that service transient boaters in lease agreement.
	Water	There are 4 water hook-ups, 3 are at various spots along the seawall and one is located before the ramp on the gas dock.
	Depth	Depth varies through-out the season
Haul-out and Launch	Launch	Yes
Storage	Boat Storage	No
	Cradle Storage	No
	Mast Storage	No
Mast Crane	Crane	Crane services are traditionally offered through the Prince Edward Yacht Club
Parking Lots	Parking	Room for approximately 5-6 trucks with boat trailers attached. There would be room for 10 – 15 traditional cars depending on how they are parked and if they were free of trailers.
Garbage Dumpster	Garbage	Not currently on-site. There are public garbage cans. Tenacity Capital will request that the municipality provide a dumpster in lease agreement.

Fees for services (Current)	Docking Fees	Docking fee: \$1.51 + hst per foot Docking fee Cruise Ships: \$1.55 + hst per foot, per night (May 1 – 31 or October 1 to mid-November) Tenacity Capital will reserve the right to charge Fair Market Value.
	Launch Fees	Launch fee \$6.00, ½ season \$29.10, Full season \$60.00 Tenacity Capital will reserve the right to charge Fair Market Value.
Additional Services	Gas Pumps	Premium and diesel fuel
	Pump Out	\$23.28 pump out fee Tenacity Capital will reserve the right to charge Fair Market Value.
	Ice	Yes
	Picnic Tables	There is one permanent picnic table (located at the side of the parking lot) and often 2 regular ones near the office building.
	Marine Supplies	Charts (for a fee) and Oil
	Wifi	After fee is paid then Wifi is available. Tenacity Capital will provide free Wifi.
	Phone	Payphone available

Proposed Service Deliverables

Tenacity Capital is committed, at a minimum, in having the following Marina / Tourism operations continue:

- Boat launch
- Docking services
- Pump-out services
- Fuel services
- Visitor information services

Possible opportunities to be developed within a public private partnership:

- Tenacity Capital securing & maintaining Port of Entry designation with Canada Border Services Agency
- Net new marina services that meet current and future market/consumer demand
- Collaboration with local business owners to create net new consumer facing offerings i.e. accommodation packaging, wine tours, food & beverage partnerships
- Property & service improvements for residents and visitors

Core Responsibilities of Tenacity Capital as Marina Operator

- Maintaining new Port of Entry designation with Canada Border Services Agency
- Compliance with all local, provincial and federal laws
- Entering into a **99 year lease agreement** with the County including providing insurance levels and types, including indemnifications, as required by the County and reasonable for the type of operation agreed upon.
- Coordination of the set-up and monthly service fees and any other applicable expenses and required services for the operation of the marina, example telephone, internet, fuel deliveries, etc.
- Payment of any taxes, rates, charges or levies generated by the operation of the marina (i.e. vendor permits, by-laws, HST remittance, etc.)
- Adhering to all health and safety laws and agreeing to have any health and safety violations corrected within the stipulated time frame by the authority issuing the violation.
- Cost and coordination of all inspections required by law (i.e. health unit, TSSA, etc.)
- Utilizing the property for only those services outlined in the agreed upon lease.
- Ensuring no liens or encumbrances are placed against the County property.
- Staffing, relief, pay, supervision, discipline, health and safety training, employment insurance, leaves, uniforms, and all other matters arising from the relationship between the employer and their employees or their volunteers as applicable.

Qualifications

As an investor in the previous ownership group (PEC Innovation Centre / Tip of the Bay Motel & Marina), CJ Thompson was responsible for the management of the existing marina operations. In July 2019, CJ Thompson fully acquired the property & marina assets through his holding company; Tenacity Capital, and has committed himself to a vision that revitalizes the waterfront and intends to hire a Harbour Master with 15+ years of operational experience.

Tenacity Rural Ventures is the country's first & only rural-based venture capital fund, leveraging a formal investment partnership with the Federal Government, bringing high tech jobs to rural Canada.

Philosophy

Tenacity Capital is committed to delivering a best in breed model for purpose built waterfront development, an approach that is guided by the following core principles:

- Environmental stewardship
- Service-oriented
- Community focused

Objectives and Goals

- Ensuring financially sustainability
- Enhancing access to waterfront for our community
- Becoming known as a waterfront destination of choice

Communications and Public Relations

Tenacity Capital will work with the municipality, local government, and media to inform the general public about the partnership and vision for the waterfront.

Proposed Public-Private Partnership Deal Summary

- 99 year lease agreement at a rate of one dollar per year
- Rezoning to allow for Tourism Commercial
- Municipality upgrades existing amperage
- Municipality provides a dumpster and maintain garbage removal

- Removing the financial burden of a public service that operates at a net loss
- No liability exposure to the municipality

DRAFT

November 18th, 2019

Dear Mayor Fergusson and Council:

I write on behalf of Port Picton Homes in support of Tenacity Capital proposal to enter into a Public-Private Partnership with the Municipality on the subject property to establish a revitalized marina operation, which would service both the travelling public and local residents with access to the boat launch and improved marina services. We strongly support this partnership as it will stabilize/normalize the hours of operations with experienced Full Time staff, expand on harbour services, invest in capital improvements to the property, and increase the transient docking while reducing the financial burden on the Municipality.

Picton Harbour has long been considered a key asset for Prince Edward County – attracting boating, fishing and sailing tourism and providing the quality of life and amenities that have attracted many residents to the County.

As an organization which is investing in Picton's downtown, we support the creation of visual and physical connections to the harbour with particular focus on connections with the downtown core area.

Through this letter, we acknowledge that there is an exciting opportunity to work in partnership with the private sector, and Tenacity Capital has demonstrated the vision and presented a plan that will ensure financial sustainability while enhancing access to the waterfront for our community and as a waterfront destination of choice.

Sincerely, DAVID CLEAVE

A handwritten signature in black ink, appearing to read 'David Cleave', with a stylized, flowing script.

THE
ROYAL

November 18, 2019

Dear Mayor Fergusson and Council:

I write on behalf of The Royal Hotel Group in support of Tenacity Capital proposal to enter into a Public-Private Partnership with the Municipality on the subject property to establish a revitalized marina operation, which would service both the travelling public and local residents with access to the boat launch and improved marina services. We strongly support this partnership as it will stabilize/normalize the hours of operations with experienced Full Time staff, expand on harbour services, invest in capital improvements to the property, and increase the transient docking while reducing the financial burden on the Municipality.

Picton Harbour has long been considered a key asset for Prince Edward County – attracting boating, fishing and sailing tourism and providing the quality of life and amenities that have attracted many residents to the County.

As an organization which is investing in Picton's downtown, we support the creation of visual and physical connections to the harbour with particular focus on connections with the downtown core area.

Through this letter, we acknowledge that there is an exciting opportunity to work in partnership with the private sector, and Tenacity Capital has demonstrated the vision and presented a plan that will ensure financial sustainability while enhancing access to waterfront for our community and as a waterfront destination of choice.

Yours sincerely,



Greg Sorbara



18 November, 2019

Dear Mayor Fergusson and Council:

On behalf of Picton Harbour Inn, I would like to express our support of Tenacity Capital's proposal to enter into a Public-Private Partnership with the Municipality for the operation of the Municipal boat launch and facilities located at 1 Head St, Picton. We believe this partnership is in line with the harbour redevelopment and would result in increased marina operations, serving both visitors and residents with normalized hours of operation, increased services and improved infrastructure.

As you are aware, Picton Harbour has long been considered a key asset for Prince Edward County – attracting boating, fishing and sailing tourism and providing the quality of life and amenities that have attracted many residents to the County.

As an organization with a vested interest in Picton and the development of Picton Harbour, we support the creation of visual and physical connections to the harbour with particular focus on connections with the downtown core area.

Through this letter, we wish to express our support for Tenacity to work in partnership with the Municipality in this exciting endeavour.

Sincerely,

A handwritten signature in blue ink, appearing to read "DW", with a stylized flourish at the end.

David Walcott
 Managing Partner
 The Picton Harbour Inn
 dwalcott@pictonharbourinn.com
 613-602-2397