

September 20, 2017

City Terminates Agreement with Trio Marine Group

The City of Penticton announces the termination of the agreement with the Trio Marine Group for the marina and restaurant at the Skaha Lake Marina. Enacting the terms of the agreement means the end of a proposed 29-year lease with Trio Marine Group to upgrade and operate the marina beyond the 2018 season.

"After much deliberation, we are enacting the terms of our agreement with the Trio Marine Group to terminate the 29-year contract completely," reported Mayor Andrew Jakubeit. "The Trio Marine Group will continue to operate the Marina through to end of the 2018.

The key reason for the decision began last fall. When the waterslides and use of green space were removed from the development proposal, it changed the amount of the investment substantially. The initial investment by the Trio Marine Group was estimated in excess of \$4 million. With the removal of the waterslides from the proposal, it is now below \$1.5 million, reducing the value to the community and the need for a long-term agreement with a third party.

According to the terms of the agreement, the City will pay a \$200,000 termination fee that caps the settlement and limits potential liability and or higher costs. As part of the process, the City has incurred two years worth of administrative, legal and other costs at \$168,700 while still collecting \$112,900 in revenue over the term of the 4 year license to use agreement. Trio Marine Group is covering all other costs for the development proposal.

"In the future, a comprehensive community engagement process, developed through a Council approved procedure as part of the Park Use Policy, will guide decisions around park land use," added Mayor Jakubeit. "The work we are doing today will ensure that the community has a stronger voice in how park lands are managed in the future."

The Parks and Recreation Master Plan Steering Committee is currently preparing the draft policy that will be the subject of a robust community engagement process to be held when the draft is ready for comment.

Information about the consultation on the Parks and Recreation Master Plan, including the draft Park Use Policy when ready, can be found on our website at www.shapeyourcitypentiction.ca

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For media information:
Mayor Andrew Jakubeit
Phone: 250-809-2397

Email: mayor@penticton.ca