



Date: November 18, 1998

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
**SUBJECT: VANCOUVER AQUARIUM ASSOCIATION -
AGREEMENT RENEWAL**

RECOMMENDATION

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| A | THAT the Board enter into a new agreement with the Vancouver Aquarium Association from January 1, 1999 until October 30, 2015. |
| B | THAT this term is subject to the Federal Government renewing the head lease for Stanley Park before October 30, 2007. |
| C | THAT the Board receive annual remuneration, effective January 1, 1999 , of \$40,000 which can be either cash or revenue derived from marketing and other partnership initiatives as agreed to by the General Manager. |
| D. | THAT the annual remuneration be reviewed every three years. |
| E | THAT the Board approve in principle the expansion of the footprint occupied by the Aquarium by 392 sq meters (4220 sq feet) as identified in Appendix "B". |
| F | THAT no rights shall arise hereby and none shall arise hereafter until execution of the contemplated document. |

BACKGROUND

The Vancouver Aquarium Association is a private, self-supporting, non-profit society and registered charitable organization dedicated to effecting the conservation of aquatic life through display and interpretation, education, research and direct action.

The Aquarium opened in 1956 and is administered by a volunteer board of governors and two liaison commissioners appointed by the Park Board. There are approximately 44,000 individual members of the Association.

On September 30, 1996 the Board approved a Memorandum of Understanding (M.O.U.) with the

Aquarium that was considered as a blueprint for an improved relationship between the two parties. On November 24, 1997 the Board approved a minor amendment to the M.O.U. concerning the Aquarium's commitment to research on whale release issues.

The M.O.U. reflected the Board's extensive 1996 public consultation process and as outlined in the document the new relationship would be expressed in any lease renewal or new agreement with the Aquarium. The M.O.U. was signed by both parties on December 8, 1997. (Appendix 'A')

DISCUSSION

Negotiations have taken place this year with the Aquarium for the new agreement to be effective January 1, 1999. Although the existing agreement does not expire until September 9, 2000, the Aquarium has requested the early extension to reflect both their long-term plans and their new partnership with the Board as expressed in the M.O.U.

The following are the significant changes for the new agreement:

1. Food Services

No changes in the number and size of food service retail outlets as of October 1, 1998 unless approved by the Board. These outlets are to service Aquarium visitors only and must remain within the confines of the premises.

It should be noted that the Board will in the next year be embarking on the design stage of a new food service facility in the plaza area. This will replace the existing Trailer concession and will result in a café-style restaurant with indoor / outdoor seating.

2. Parking

The Board will not make changes to the parking in the central portion of Stanley Park which could adversely affect Aquarium operations without first consulting the Association.

3. Joint Projects / Working Relationship

The Aquarium and the Board will meet at least twice a year to discuss items of mutual concern. Other clauses will promote improved communications between the two parties.

4. Community Outreach

The Association will encourage outreach efforts to Vancouver residents through our community centres (with the consent of the centres).

5. Whale Issues

The M.O.U. provisions concerning whale capture and exchange, alternatives to whale exhibitory and research on whale release issues and rehabilitation will be covered.

New Association Projects

The Aquarium has advised staff that as part of its current capital campaign it is raising funds to redevelop the facility and requires Board approval for expanding beyond its current footprint.

Attached (Appendix 'B') is the Association's description of the new Discovery Education Centre and Holding and Research Facility expansion that will increase the present footprint of the Aquarium premises by 392 sq meters (4220 sq feet).

Although detailed design plans have not been submitted at this time the Board, as owner, will have to approve any proposed design before it is submitted to the City for development permit processing. Nonetheless, the following guidelines will drive the design of the expansion:

1. The additions will generally not exceed one story in height above ground level.
2. Setbacks from sidewalks and service roads will be densely landscaped to screen the structures.
3. Design concepts will be brought to the Board staff at the earliest possible point in the process to formulate mutually acceptable aesthetic solutions.

In addition, as part of the third phase of the old zoo site development, the existing plaza area south of the Aquarium will be reconfigured. The rough concept envisages moving the Killer Whale Sculpture, owned by the Aquarium, about 10 meters south of the existing location to enhance the presentation of the plaza area. This will result in further changes to the revised footprint as identified in Appendix 'B'.

Annual Remuneration

As already mentioned, the Aquarium is a non-profit society and all earnings are injected back into the facility and the many educational programs it administers. Indirectly, the Aquarium also generates revenues to the Board by attracting visitors to Stanley Park who purchase services such as parking and refreshments from our many outlets.

Despite these facts, it is believed that the new agreement should reflect the fact the Aquarium occupies a prime area in Stanley Park and should return a portion of its revenues to the Board.

Discussions with the Aquarium covered ways they could increase Park Board revenues through marketing and other partnership initiatives. The following possibilities have been explored to date:

- ▶ A special combination admission ticket with visits to the Aquarium, Children's Farmyard and Train ride.
- ▶ Consignment ticketing through the Aquarium distribution network whereby third parties such as tour agencies, group operators and hotels sell tickets to Board facilities.
- ▶ The sale of Aquarium tickets on board the Stanley Park Shuttle.

Since it is difficult at this time to forecast accurately the value of these initiatives it is proposed that for the first three years the Aquarium guarantee the Board \$40,000 per annum and deduct from this amount the annual value of the initiatives. It is important to emphasize that these initiatives should yield "new money" to the Board and therefore help offset expenditures in our operating budget. The initiatives will be subject to the approval of the General Manager and the remuneration will be reviewed every three years.

SUMMARY

The Board is entering into a new agreement with the Aquarium Association that adheres to the Memorandum of Understanding signed in 1997. It allows both the Board and the Aquarium to enter the new millenium in a partnership that recognizes the Board's overall stewardship of Stanley Park and the Aquarium's independence and reputation as one of the City's prime attractions and educational facilities for residents and visitors alike.

Prepared by:

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