



Date: November 9, 2000

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: Stanley Park Dining Pavilion - Lease Extension

RECOMMENDATION

- A. THAT the Board extend the lease of Pavilion Enterprises (1978) Ltd. at the Stanley Park Dining Pavilion for one year (January 1, 2001 - December 31, 2001) under the current terms and conditions.*
- B. THAT no legal rights shall arise and no consents, permissions or licences are granted hereby and none shall arise or be granted hereafter unless and until all contemplated legal documentation has been executed and delivered by all parties.*
- C. THAT once the form of all legal documentation has been approved by the General Manager and the Director of Legal Services for the City of Vancouver, that the General Manager be authorized to execute and deliver such documentation on behalf of the Board.*

BACKGROUND

Pavilion Enterprises (1978) Ltd. have operated the food services at the Stanley Park Dining Pavilion since 1978.

On July 10, 2000 the Board passed the following resolutions:

- A. THAT the Board extend the lease of Pavilion Enterprises (1978) Ltd. at the Stanley Park Dining Pavilion for three (3) months (October 1, 2000 - December 31, 2000) under the current terms and conditions.*
- B. THAT staff enter into negotiations for a new lease with the present lessee and report back to the Board with a final recommendation by October 16, 2000.*

DISCUSSION

Since the Board meeting in July the lessee retained an architect and held several meetings with staff with regard to carrying out improvements in return for a new lease. Discussions with city planners have been postponed due to the strike and the lessee has not yet come forward with a business plan. For these reasons lease negotiations with regard to rent, length of term and an assessment of potential improvements have not yet taken place.

As well, staff have been exploring opportunities with a government agency to redevelop the Pavilion as a site for an Interpretative Centre. From 1997 to 1999 extensive studies were carried out by a consultant (Aldrich Pears) to determine options for the Board to develop an Interpretation Centre at this facility.

It has long been believed, that subject to available funding, Stanley Park's interpretative and educational activities should be expanded. Presently the Stanley Park Ecology Society carry out the programming function and conduct nature activities throughout the park.

It was envisaged that the main component of a new Centre at the Pavilion would be the existing banquet room which has an area of 1800 sq ft. This area would contain displays, activities and programs of the highest calibre and be a valuable resource from both an environmental and historical perspective.

Due to the high price of renovations (\$1.5 million - \$5 million) and the need to address other facility improvements, the Board has not included this project in the current Capital Plan.

In order to facilitate some further exploration of an Interpretative Centre option and allow the lessee to continue operating a viable business it is recommended to extend the current lease by one year. This would enable the lessee to take bookings for the next year which is necessary as most large functions such as weddings are usually booked well in advance of the desired date.

Pavilion Enterprises has been advised of the recent interest which, although will interrupt their own planning process, could result in new opportunities in the future. They have been informed by staff that costs incurred to date that might be unnecessary as a result of any change in direction for this facility may be considered for reimbursement to their company.

Since the Pavilion relies to a great extent on revenue from catered functions, it is recommended to extend the lease by a further year to allow bookings for functions in 2001. If the interest for an Interpretative Centre does not result in any firm proposal then staff will continue to negotiate a new agreement with the lessee and keep the Board apprised of all developments.

SUMMARY

The recent inquiry to explore the use of the Stanley Park Dining Pavilion as an Interpretative Centre is an exciting possibility. The lessee understands the implications involved and the Board may have to consider compensation for expenses incurred if plans for a new Centre are carried forward.

The Board should increase the present lease by a year in order to allow the lessee to book catering functions for the upcoming year.

Prepared by:

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