



Date: March 30, 2004

**TO: Board Members - Parks and Recreation**  
**FROM: General Manager - Parks and Recreation**  
**SUBJECT: MILLENNIUM SPORT FACILITY - PROJECT STATUS UPDATE**

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## RECOMMENDATION

- 1. THAT the Board enter into a lease with the Millennium Sport Facility Society (the Society) for up to three years for a portion of land at Nat Bailey Stadium Park to permit the construction of the new Millennium Sport Facility, at a lease rate of \$1 per year.*
- 2. THAT no legal rights shall arise and no consents, permissions or licenses 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.*
- 3. THAT once the form of the lease 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

The Board entered into a Memorandum of Understanding (MOU) with the Millennium Sport Facility Society (the Society) in February 2000 and in September 2000 approved a location for the proposed facility allocating a portion of Nat Bailey Stadium Park at the corner of Clancey Loranger Way and Midlothian Blvd.

In December 2002 the Board approved the design of the facility which includes a combined gymnastics and indoor lawn bowling spaces that will, subsequent to the completion of construction, be operated by the Phoenix Gymnastics Club and the Pacific Indoor Bowls Club who are the partners in the Society.

The Society has been fund raising in the community, receiving grants from higher levels of government and has recently completed the last portion of the funding required for the \$4.7 million facility in January 2004 with the approval of a grant from the City of Vancouver for \$1.18 million.

As a partner with the Society and in conjunction with the funding request from Council, the Board amended the MOU to include an additional role for staff in the monitoring of the project, including expenditures.

The MOU indicates in Clause 1 that the site must be selected and the fund raising completed before the Board will agree to lease the site for the construction of the facility. Clause 14 indicates that all funding must be secured and a timetable submitted to the satisfaction of the General Manager before construction of the facility can begin.

## **DISCUSSION**

This report will:

- C update the Board on the status of the project; and
- C recommend that the Board enter into a lease with the Society for three years to permit the construction of the building.

Project Status:

As was reported to the Board at its January 27, 2004 meeting, staff have been and will continue to play an active role in the monitoring of the project. Staff's involvement will include:

- review of all drawings and specifications to ensure that they are consistent with previous Board approvals, and that design and materials meet Park Board standards;
- review of the budget and schedule;
- review of the building permit;
- review of all prime construction contracts for consistency with scope of work, budget, and insurance and bonding requirements;
- review of all change orders;
- review of on-site activity and construction progress.

Staff will continue to work with the Society and their agents to represent the Board's interests. Once a permit has been issued, other requirements are met, and the lease is signed, construction may begin. Construction is expected to take about ten months.

Construction Lease:

In view of the completion of fundraising and the confirmation by the Society that all funds required to construct the facility are available, it is now appropriate for the Board to enter into a lease for the land upon which this facility will be constructed. The general terms of the lease were defined in the MOU and include that:

- C the term will be for up to three years;
- C the lease rate will be \$1 per year;
- C the lease area will include the building, accessory landscaping and any required on-site parking;
- C the Park Board will not unreasonably withhold the assignment of the lease to a financial institution for the purposes of providing security for the Society; and
- C the Society will carry sufficient fire, theft and liability insurance during the construction to the satisfaction of the General Manager.

A draft lease including these terms and other standard provisions has been prepared by the Law Department and reviewed by the Society. The Board agreement to enter into this lease is now required.

## **SUMMARY**

The Millennium Sport Facility Project is ready for construction, with a final building permit expected to be issued within the next several weeks. The General Manager is satisfied that the funding is in-place, that the facility will be constructed to standards acceptable to the Park Board and that the construction can begin.

The draft lease for the land upon which the building will be built has been prepared on the basis of the terms approved in the MOU, but requires the Board's approval now that the funding for the project has been confirmed.

Prepared by:

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LM