

Date: November 26, 2008



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: AWARD OF STANLEY PARK PAY TENNIS CONCESSION FOR 2009-2013

RECOMMENDATION

- A) *THAT the Board award the Stanley Park Pay Tennis Concession to Gayle Dobson and Gordon Cheng dba G & G Tennis Services, for the 2009 season, to be renewed annually for 2010 and subsequent seasons up to and including 2013, by mutual consent of the Board and the Operators.***
- B) *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.***
- C) *THAT once the form of all legal documentation has been approved by the General Manager and Director of Legal Services for the city of Vancouver, that the General Manager be authorised to execute and deliver such documentation on behalf of the Board.***

BACKGROUND

Pay Tennis has operated at six of the 17 tennis courts in front of the Fish House Restaurant in Stanley Park in the spring and summer months since the early 1980s. The Board awards the pay tennis concession to an operator on a revenue sharing basis. The Operator rents out the courts, provides lessons and runs programs. The Board provides the Operator with a small office underneath the Fish House Restaurant out of which to operate.

These six courts are the only Board tennis courts where this type of arrangement is in effect. There are approximately 170 other tennis courts throughout the City that are available to the public for play, year-round, free of charge. They are also the only tennis courts in Vancouver which can be booked by the public without requiring them to have a tennis club membership or purchase a booking card.

The Board sets the court rental fee as part of its annual fees and charges. The fee for 2009 will be \$5.85 per half hour. The Operator plans and delivers lessons and programs and sets the fees for them. These fees depend on factors such as lesson type and group size and because lessons and programs are also offered by community centres, tennis facilities and clubs, they are competitive in comparison to fees at these other facilities.

DISCUSSION

Request for Expressions of Interest (REOI)

The REOI was advertised, and Tennis BC was notified of the opportunity. One key requirement was that the prospective Operator commit to spending a significant amount of time personally at the courts. Previous experience has shown that this is the most effective style of operation at this location.

The only expression of interest received was from the existing operators, Gayle Dobson & Gordon Cheng. No serious enquiries have been received by staff in recent years from anyone else potentially interested in running this operation.

Ms. Dobson & Mr. Cheng submitted a proposal and were interviewed by staff. Ms. Dobson operated this concession from 1986 to 1993 and Ms. Dobson & Mr. Cheng have jointly run it from 1999 to 2008. They are both certified coaches and are active in local tennis. Amongst the tennis programs that they have been running at these courts is one for the Roundhouse Community Centre.

Award of Concession

Amounts to be paid to the Board by the Operator are as follows:

% of gross receipts from court rentals	50%
% of gross receipts from lessons & programs	15%

These are the same percentages as have been paid to the Board by this Operator over each of the past 10 years. Over these 10 years, revenues to the Board from the pay tennis concession have increased annually, from \$6,800 in 1999 to \$17,000 in 2008. The Operator anticipates a continued steady growth in revenues over this next five year term, with projected revenues to the Board in 2013 of over \$19,000.

The contract will be awarded for the 2009 season, renewable annually for up to four additional years by mutual consent. This would allow either the Board or the Operator the ability not to renew, should circumstances change for either party or the arrangement not work out as anticipated.

SUMMARY

Ms. Dobson & Mr. Cheng have been good operators of this concession over the last 10 years and have built up a regular clientele. They have the experience and ability to offer coaching for different age groups and at different ability levels. Revenues paid to the Board have consistently increased annually.

Prepared by:

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