



Vancouver Board of Parks and Recreation

Harbour Green Park Restaurant Contract Award

November 16, 2015

Visit the Park Board website at: vancouverparks.ca



Recommendation

THAT the Vancouver Park Board approve a 10-year lease with two (2) additional 10-year extension terms for the Sequoia Company of Restaurants Inc and McDougall Holdings Ltd (SCRMH) to construct and operate a restaurant in the designated space of Harbour Green Park, with the following conditions:

- A. THAT the rent structure will be a Basic Minimum annual rent of \$200,000 and a Variable Rent at a tiered percentage of revenue rate as outlined in this report;
- B. THAT all legal documentation is to be in a form which is satisfactory to the Director of Legal Services for the City of Vancouver and the General Manager of the Park Board;



Recommendation

- C. THAT the General Manager be authorized to execute and deliver such documentation on behalf of the Board; and
- D. 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.

May 2006:

Board approved a new restaurant at east end of Harbour Green site.



June 2006 - October 2008:

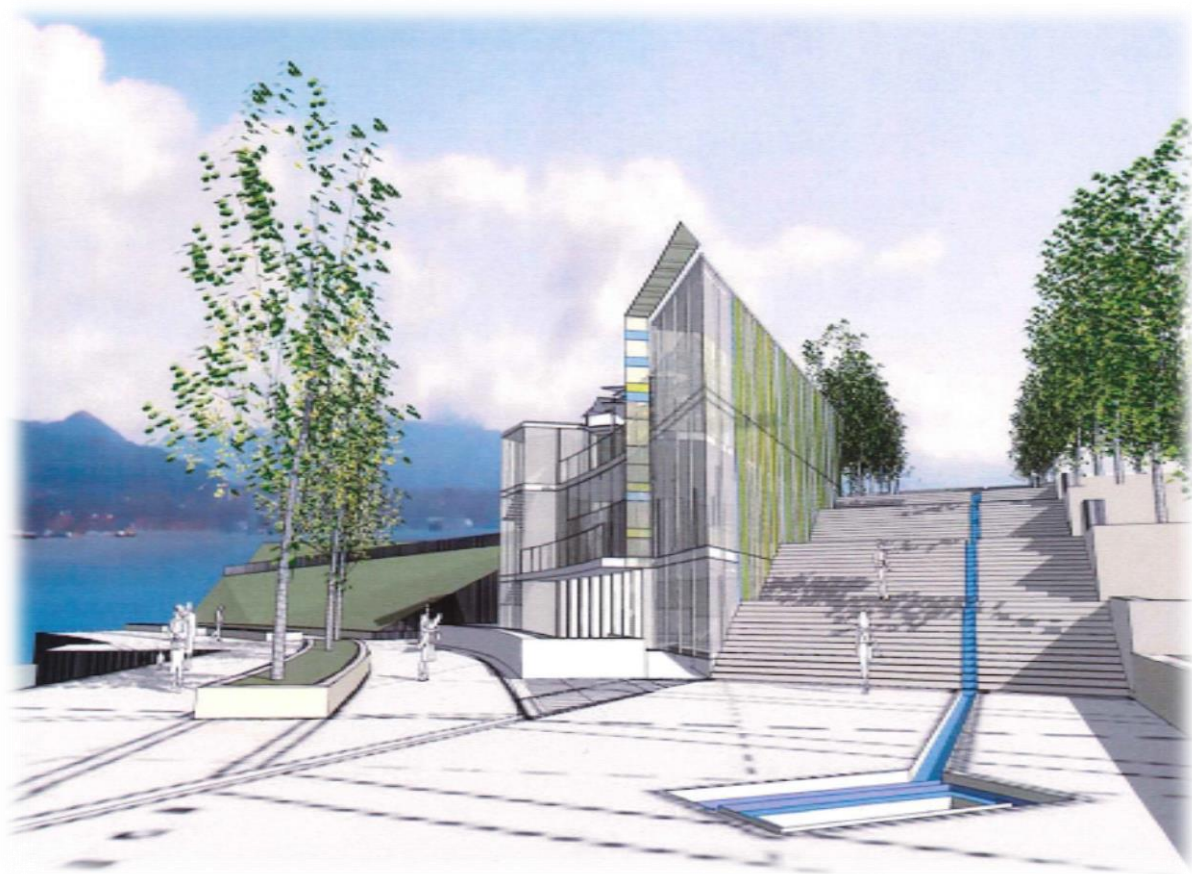
Board approved a design and development permit process.

March 2009:

Request for Proposal (RFP) was issued without a final outcome.

April 2015:

RFP was reissued for the Harbour Green Site.



The selected proponent is Sequoia Company of Restaurants Inc. and McDougall Holdings Ltd (SCRMH).



Sequoia Company currently operates Seasons in the Park and Ferguson Point Teahouse (both Park Board facilities) along with Cardero's and the Sandbar restaurants.

SCRMH developed and are principles of the Flying Beaver restaurant in Richmond and operators of the Flying Otter in Victoria.



Brent Davies (Sequoia) and Greg McDougall are partners in Harbour Air, located adjacent to Harbour Green Park.

SCRMH proposed an alternate design to the approved Development Permit (DP).

The new design would be two storeys rather than the originally designed three storeys.



The patio will be covered and enclosed rather than the open rooftop design of the original DP.

SCRMH will be required to apply for and obtain a new DP; this process will include significant public consultation.





Financial Proposal

- Sequoia and SCRMH to provide all capital to design and construct the facility and are responsible for all repairs, maintenance and utilities
- Minimum basic rent to Park Board of \$200,000 annually
- Additional rent based on Gross Revenues:
 - \$0 to \$8m = 4%
 - \$8m to \$10m = 5%
 - \$10m to \$12m = 6%
 - >\$12m = 7%
- Projected 1st year revenue approximately \$9.4m
- Based on Revenue projections the total rent for the first five years would be \$2,205,220
- Three terms of ten (10) years each



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- E. THAT the structure be no higher than the two stories indicated in the proposed design identified as Appendix C.

