



December 4, 2015

TO: Park Board Chair and Commissioners
FROM: General Manager - Vancouver Board of Parks and Recreation
SUBJECT: Fish House Restaurant Award

RECOMMENDATION

THAT the Vancouver Park Board approve a 10-year sublease with one additional 10-year extension term for 0998323 BC Ltd. to operate the former Fish House restaurant site, with the following conditions:

- A. THAT the rent structure will be a Basic Minimum annual rent of \$180,000 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;
- 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.

POLICY

The Park Board approves all use of park lands under its jurisdiction.

BACKGROUND

Since 1990, SilverBirch Hotels and Resorts has been the operator of the successful restaurant known as The Fish House in Stanley Park. In the spring of 2015, they indicated to Park Board staff that they did not wish to pursue any possible extension of their building sublease. This sublease expired October 31, 2015.

This well-known and iconic building is a high-profile destination in Stanley Park. Located adjacent to the main grouping of tennis courts and the pitch and putt golf course (see Appendix A), it is surrounded by spectacular gardens and the forests of Stanley Park. Situated beside the busy Beach Avenue access point, it is one of the focal points of the park.

The building was constructed in 1930 to support local golfers and tennis players using the adjacent facilities, and it was originally known as the Sports Pavilion. From 1949 to 1974, it was operated as the Third Beach Tea Room, and from 1974 to 1990, as the Beach House

restaurant. The current restaurant layout consists of three distinctive dining areas, along with seating at the bar and on two sunny decks. The building also houses public washrooms and workspaces for the pay tennis operation and Park Board gardeners.

DISCUSSION

On June 9, 2015, a Request for Proposal (RFP) with an August 18, 2015 closing date was issued for proponents to enter into a sublease with the City of Vancouver, as represented by the Vancouver Board of Parks and Recreation, to operate a restaurant in the former Fish House restaurant space. The objective was to identify an operator for a first class restaurant in this unique and high profile location.

The key requirements of the successful proponent are to enable the Park Board to realize:

- a first class food service establishment;
- a competitive rental payment, including a payment in lieu of property taxes;
- prices and service consistent with similar restaurants; and
- a strong commitment to sustainability.

The RFP was publicly posted, an advertisement was published in the Western Investor, email notices were sent to 24 potential proponents, and an Information Meeting was attended by six (6) potential proponents.

The RFP Selection Committee recommends the proposal submitted by 0998323 BC Ltd. as the best submission, with the best overall score and highest rent proposal. 0998323 BC Ltd. is the part owner and operator of the Feast Neighbourhood Table, a successful restaurant located in West Vancouver. Feast has a focus on the use of fresh local and sustainable ingredients and operates without a freezer. This highly-rated restaurant won the 2015 Wine Spectator Award of Excellence for its wine list.

The proposed concept for the Fish House site is to have a menu which showcases the best of British Columbia products including seafood, meats, produce, wine and spirits. The focus will be on local, fresh and sustainable ingredients sourced from businesses operating in a sustainable and responsible manner.

The sublease term will be ten (10) years with an opportunity to renew at the end of the initial term for one (1) further ten (10) year term. The rent structure during the term of the agreement will be:

An annual Basic Minimum rent of \$180,000, plus variable rent calculated as a tiered percentage of gross revenues:

| Gross Revenue | Variable Rent |
|-------------------|---------------|
| \$0 - \$2,000,000 | 2% |
| \$2,000,000+ | 5% |

In addition, the proponent will be responsible for a payment in lieu of property taxes and all operating costs.

SUMMARY

0998323 BC Ltd. meets the key requirements to operate the former Fish House restaurant site located in Stanley Park. Staff recommend the Vancouver Park Board approve the terms as noted above and permit the General Manager to enter into a formal agreement with 0998323 BC Ltd. for the restaurant operation in Stanley Park.

General Manager's Office
Vancouver Board of Parks and Recreation
Vancouver, BC

Prepared by:
Gordon Barber
Manager, Revenue Services

/GB/de/clc

Former Fish House Restaurant Location in Stanley Park

