

DATE: October 12, 1995

SUBJECT: LICENCE WITH JERICHO SAILING CENTRE ASSOCIATION

RECOMMENDATIONS:

1. THAT the Licence between the Board and the Jericho Sailing Centre Association be renewed for a further five year period ending October 1, 2000 with a right to renew for an additional five year term upon satisfactory performance during the initial term. All details subject to the approval of the Director of Legal Services

2. That no legal rights shall arise hereby, and none shall arise until execution of the contemplated lease.

BACKGROUND

The Jericho Sailing Centre Association has been administered by the Jericho Sailing Centre Association for the past twenty years. The Association, a non profit organization, is made up of volunteers with a Board of Directors numbering approximately fifteen.

The principle functions of the Association are to provide instruction in sailing, building small boats and renting space to members for boat storage.

DISCUSSION

The Association has requested that the Board consider a renewal of their current Licence for a ten year term. The current Licence, which had a five year term, expired on October 1, 1995. With the exception of this request, no other substantive changes have been proposed.

It has not been the practice of staff to recommend that the Board enter into ten year agreements. It is important that the Board have the opportunity, at reasonable intervals, to evaluate the performance of organisations who operate Board facilities in the public interest. However, the Board has on occasion approved giving a lessee a right of renewal for an additional five years.

In the attached letter from Mr. Cotter, the General Manager of the Sailing Centre, he states that current accounting practices only allow non-profit societies to amortize leasehold improvements over the remaining terms of a lease. As they expect to begin a Phase IV Building Renovation Project in 1998, it is important to the Society that they be able to amortize the cost of the improvements over the remaining seven year period. Staff believe that this is a reasonable request and our recommending the a right to renew for an additional five years be approved.

The substantive clauses of the Licence are as follows:

1. The Association may not sub-let the operation of the centre without the Board's permission.
2. The membership fees must be reasonable.
3. The Association must, at its expense, maintain the facility and fixtures to the satisfaction of the General Manager.
4. The installation and maintenance of specialized equipment is the responsibility of the Association,
5. An annual budget must be prepared by the Association and submitted to the General Manager for approval. Disposition of funds in excess of operating funds are at the discretion of the Park Board.
6. Any equipment purchased from the operating funds belong to the Park Board.
7. The Association may require users of the Centre to become members of the Association.
8. No material changes to the facility can be made without Board approval.

For the past sixteen years the Association has permitted the Old Boys Rugby Club to use facilities in the Sailing Centre as a clubhouse. The Rugby Club has become an affiliated group of the Association. Eight years ago the Association formalized the Club's use of the facility in a rental agreement. This was approved by the Board at the time. Currently the Rugby Club uses a room in the facility, during winter months, on Tuesday and Thursday evening and Saturdays until 8:00 pm. It is the intent of the Association to continue this relationship.

In the new lease, a clause will be inserted which will provide access to the facility by the Board, for community programming during mutually agreed upon times.

For many years, the Association has employed a caretaker who lives on the premises in a trailer located just inside the storage compound. It was the original intent that the caretaker be housed in quarters inside the main building. Although this is the solution preferred by staff, the Association wants to continue to house the caretaker in the trailer for a number of reasons.

To provide caretakers quarters in the main building would necessitate expensive upgrading to the facility to meet the City's code requirements.

Moreover, the Association feels that the space in the building can be put to other uses which will increase service to their members. Also, housing the caretaker within the compound provides a more effective security system.

Staff are prepared to allow the Association to continue to use the

trailer to accommodate the caretaker, but have requested that the Association acquire all necessary City permits. The attached letter from Mr. Cotter outlines the steps that the Association are taking to get a Development Permit for the trailer. The letter includes a commitment to do whatever is required to meet City licensing requirements. This requirement will be included in the new agreement.

As indicated in Mr. Cotter's letter, the Association is working on a Phase IV Building Renovation Project. The details of this work will be submitted to the Board for approval before work commences.

Prepared by:  
Recreation Division  
Vancouver Board of Parks & Recreation

-