

DATE: November 20, 1997

SUBJECT: EXTENSION OF LICENCE AGREEMENT WITH AAA HORSE & CARRIAGE LTD. FOR THE PROVISION OF A HORSE DRAWN CARRIAGE SERVICE IN STANLEY PARK

RECOMMENDATIONS

A. THAT on the expiry of the first 5 year term of the licence agreement with AAA Horse & Carriage Ltd. on April 30, 1998, the Board extend the agreement until September 30, 1998 and then if required, on a month to month basis, under the same terms and conditions, until such time as a decision is made as to whether to permit the horse drawn carriage service to continue for a further 5 years.

B. THAT no legal rights shall arise hereby and none shall arise hereafter until execution of the contemplated document.

PURPOSE

The current 5 year term of the licence agreement with AAA Horse & Carriage Ltd. expires on April 30, 1998. The purpose of this report is to recommend a course of action to the Board at the expiry of the current term.

BACKGROUND

Since the start of the horse drawn carriage service in Stanley Park in 1987, it has been operated by AAA Horse & Carriage Ltd. The original agreement expired in April, 1993. Staff then conducted a call for proposals for the provision of this service on a designated route on the eastern side of the park. Mr. Gerry O'Neil, of AAA Horse & Carriage Ltd., was the sole respondent.

On June 7, 1993, the Board approved the following:

THAT the Board grant the concession for a horse-drawn carriage service in Stanley Park for a five year period, with a five year renewal, subject to the Board wishing to have a horse and carriage service continue in Stanley Park, to AAA Horse and Carriage Ltd., all details to be to the satisfaction of the General Manager.

THAT an annual concession fee of \$2,000 adjusted annually by the C.P.I., or the percentage increase in fees levied for the service, which ever is greater, be payable to the Board, and reviewed at the end of the first five year term.

The subject on the 5 year renewal period was included for several reasons: >

- It would allow staff an opportunity to evaluate the impact of the service on the park, evaluate the level of user satisfaction and review the operator's financial statements.
- Since transportation changes would be taking place in Stanley Park, there was a concern that there might be a conflict between requirements of the horse drawn carriage service and the proposed future transportation plan. The approved resolution allowed the Board to make appropriate changes without being restricted by the terms of the existing agreement with AAA Horse & Carriage Service Ltd.

The City's Legal Department is currently drafting a licence agreement, to formalise the relationship with the operator. Staff expect to be in a position to forward a draft of the agreement to AAA Horse & Carriage Ltd. for its review shortly.

DISCUSSION

The Board recently approved the operation of a shuttle bus service in Stanley Park during the months of May to September 1998. Staff will be reviewing and assessing the impact of this service, prior to recommending a future course of action, which may include introducing a "bus only" lane on the roadway. If this is done, or if other changes are made, it may not be possible to continue to accommodate the operations of AAA Horse & Carriage Ltd. in their present form.

The Board needs to retain the ability to assess its requirements to implement the Stanley Park Transportation Plan, which may be in conflict with those of AAA Horse & Carriage Ltd.'s operations, prior to committing to a further 5 year agreement. It is unlikely

to be in a position to make an informed decision on this issue until late 1998, at the earliest.

Mr Gerry O'Neil, operator of the horse and carriage service, recently met with staff and was concerned that a month to month extension during the summer months does not give him the security that he can operate for the whole summer season. Since the intent of this report is to recommend delaying any decision on the future of the horse and carriage service until after the summer, staff believe that the agreement can be extended until the end of the summer season (September 30th) before the month to month extension takes place. This will provide Mr O'Neil with the comfort he requires to operate without interruption during the summer season and not affect the Board's decision-making process.

If the Board ultimately approves the 5 year extension of the licence agreement, the 5 year period should start from the first day of the month following the one in which this approval is granted.

JUSTIFICATION

Approving a five month extension would allow AAA Horse & Carriage to continue to operate after the expiry of its current agreement on April 30, 1998 until September 30, 1998. After that date there would be a month to month agreement until such time that the Board assesses the Stanley Park Shuttle service.

This strategy would not commit the Board to a long term arrangement which might jeopardise its ability to implement the most appropriate transportation plan for Stanley Park.

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