



Date: September 2, 1998

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
**SUBJECT: STANLEY PARK- PARK DRIVE; TWO-WAY TRAFFIC
TO FERGUSON POINT**

RECOMMENDATION

- A. THAT the Park Board approve modifying Park Drive in Stanley Park to permit two-way traffic between Second and Third Beaches on a trial basis for one summer season.
- B. THAT the operator of the Ferguson Point Teahouse Restaurant fund the modification to a maximum sum of \$50,000.
- C. THAT the Park Board approve a five year option to the Ferguson Point Teahouse lease, from January 1, 2005 to December 31, 2009.

BACKGROUND

Over the last decade, two-way traffic has been instituted on portions of the west side of the Park, initially from the Beach Avenue entrance to Lagoon Drive to improve transit access and then 100 meters further to serve the new Second Beach Pool. The justification for the two-way system, beyond time and convenience for park facility users, was to reduce the traffic on Pipeline Road and North Park Drive created by having to go around the park to reach Second Beach.

In November 1977, the Park Board leased the Ferguson Point Teahouse Restaurant to Mr. Brent Davies. In the last rent review, in November 1994, the Park Board set a rent of 5¼% of total gross revenue, including liquor. A payment in lieu of property taxes was implemented and a further five year option, to December 31, 2004 was granted in return for restaurant improvements worth approximately \$259,000. The main change was the addition of a raised patio attached to the centre of the building.

DISCUSSION

In 1997 discussions were held with the operator of the Teahouse Restaurant at Ferguson Point to investigate the possibility of implementing two-way traffic on Park Drive to the restaurant. Staff

support this request as users of Third Beach would also be able to access the area by car directly from the west side of the park.

In the summer of 1997 N.D. Lea Consultants Ltd , transportation engineers, were retained to conduct a traffic study for the proposed conversion. The report analyzed the traffic volumes, queuing, crosswalk usage and traffic impacts of the proposed extension to the two-way system. The report concluded that the concept was feasible and overall, the advantages outweighed the disadvantage of some increased delay at Second Beach. This delay, related to the pedestrian activity in the crosswalk, could be mitigated by introducing some positive pedestrian control (e.g., commissionaire) at the crosswalk.

Planning staff are concerned about the impact of this change on the Second Beach intersection. Stacking capacity for the Lagoon Drive exiting may become overloaded if this change is successful. The overload could tie up all west side park exiting on high volume days. Therefore, a one summer season trial of the change is appropriate to assess the conditions at Second Beach intersection. Interim modifications will cost approximately \$50,000 for curb changes, new asphalt, replacement lawns and signage.

If the project proves to serve the Ferguson Point area well but Second Beach area becomes more of a problem, the Park Board can expect to invest about another \$50,000 to rebuild this intersection to reduce congestion. The operator of the Teahouse Restaurant has agreed to pay for the test period changes. Hence, the initial modifications will be at no cost to the Park Board.

The Park Board will benefit from increased revenues at Third Beach concession and parking lot. In addition, a valet service could be introduced for patrons of the Teahouse and the vehicles parked in the Third Beach parking lot. Less traffic around the perimeter of the park will enhance the environment.

The operator of the Teahouse Restaurant has advised that he spent \$350,000 on improvements five years ago with virtually no return on his investment. He claims that pay parking fee increases and the reduction in roadside parking have resulted in a loss of business and no increase in gross revenues. He is willing to continue to maintain the restaurant to a high standard and provide the funding for the two-way extension on a trial basis.

In return, Mr. Brent Davies has requested an additional five year option (January 1, 2005 - December 31, 2009). This request is reasonable in light of the operator's past performance and capital expenditures. For the year ending December 31, 1997 gross revenues were \$3,465,955 with rent to the Park Board being \$181,963. A rent review will be conducted before the next lease term (January 1, 2000 - December 31, 2004) and submitted to the Park Board for approval.

SUMMARY

Modifying Park Drive to permit two-way traffic from Second Beach to Third Beach on a trial basis is a worthwhile experiment. It should result in lower traffic volume on the east side of the park, easier access to visitors of Third Beach and the Teahouse Restaurant and increased revenues to the Park Board.

The project will be funded by the operator of the Teahouse Restaurant who believes his revenues will increase and his customers will appreciate the shorter drive.

The request for a five year extension for the Teahouse Restaurant is reasonable in light of the lessee's excellent past performance and willingness to continue to maintain the restaurant to a high standard.

Prepared by:

Planning and Development Division/
Administrative and Revenue Services
Board of Parks and Recreation
City of Vancouver
JL/PJ/ss