



Date: June 26, 2003

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
**SUBJECT: DR. SUN YAT-SEN CLASSICAL GARDEN SOCIETY -
RECEIVING THE FINANCIAL PLAN FOR THE
EXPANSION PROJECT**

RECOMMENDATION

THAT the Board receive the financial plan submitted by Dr. Sun Yat-Sen Classical Garden Society for the expansion project.

BACKGROUND

On July 19, 1999 the Board gave approval in principle to the Society to expand the Classical Garden in front of the present gift shop on Carrall Street for the purpose of an education / presentation hall, public washrooms, a volunteer/meeting room, storage/office space and a larger gift shop. A plan of the Garden site is attached as Appendix 'A'.

On October 15, 2001 the Board approved a 15 year renewal to the operating agreement with the Dr Sun Yat-Sen Garden Society of Vancouver, with the rent remaining at \$1.00 per annum and any changes being subject to the approval of the General Manager and Director of Legal Services.

On December 16, 2002 the Board approved the final design for the expansion project at the Dr Sun Yat-Sen Classical Garden. At this meeting the Society was requested to provide the Board with information once the loan for improvements had been approved by a financial institution.

DISCUSSION

Project Cost

The current estimate of the project is \$2,007,200. This is broken down as follows:

Plans and permits	\$ 291,200
Construction	\$1,614,000
Fixturing	<u>\$ 102,000</u>
Total:	\$2,007,200

The Society retained a Project and Construction Cost consultant to review the pre tender construction cost estimate and their report indicated the estimate was within the budget allocated by the Society.

Funding Sources

\$1,200,000 is already committed through operating funds and donations and the remaining \$800,000 will be financed. The Society has arranged financing with VanCity for a loan up to \$1,000,000.

Staff have reviewed the Society's financial plan and are satisfied that the payback schedule is attainable. Depending on the amount of projected operating revenues being allocated to this project, it is forecast that the outstanding balance will be repaid over a period of eight to eleven years. There will be no cost to the Board.

Net operating revenues in the past 5 years have averaged \$168,020 and with the ability to generate greater income from a larger gift shop and hall rentals their anticipated operating revenue on completion of the project will be \$204,000. The annual repayment amount will be in the range of \$144,000 to \$162,000 annually depending on the revenues available to repay the loan.

The Society will be making a presentation at the Board meeting to review their projected financing plan.

The Society's architect, Joe Wai, invited 10 builders to submit letters of interest for this project. The candidates were chosen for their experience with similar projects. This list was narrowed to 5 companies and tenders are expected in mid-July.

Estimated Project Timetable

Contract awarded	Mid-August
Construction commences	September
Construction completed	June, 2004

The Gardens will still be open to the public during the construction phase.

SUMMARY

The Financial Plan prepared by the Dr Sun Yat-Sen Classical Garden Society will enable them to proceed with their expansion project.

When completed, many aspects of the facility will be greatly improved and provide a higher level of service to Garden visitors and at the same time improve revenue generation opportunities for the Society.

Prepared by:

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Appendix A

