

Date: May 8, 2008



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: AAA Horse & Carriage in Stanley Park Ltd – License Agreement renewal.

RECOMMENDATION

- A. THAT the license agreement with AAA Horse & Carriage in Stanley Park Ltd to operate a horse drawn tour service in approved areas of Stanley Park be renewed for an additional 5 years, from May 1, 2008 to April 30, 2013, on the same terms as the existing license except for the changes noted in this report.*
- B. THAT the annual license fee paid to the Board by AAA for the period of the license agreement renewal be set at 6% of its gross revenues from its horse drawn operations and 10% of its gross revenues from the sale of other items.*
- C. THAT the licence granted to AAA to occupy a portion of the Stanley Park Service Yard, be renewed for an additional period of 5 years from May 1, 2008, to run concurrently with its license to operate the horse drawn tour service, subject to AAA making capital improvements of a minimum of \$100,000 during the first two years of the license term, as set out in this report.*
- D. THAT no legal rights shall arise and no consents, permissions or license 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.*
- E. THAT once the form of all legal documentation has been approved by the General Manager and Director of Legal Services for the City of Vancouver, that the General Manager be authorised to execute and deliver such documentation on behalf of the Board.*

BACKGROUND

AAA Horse & Carriage in Stanley Park Ltd (AAA) has been operating a horse drawn carriage service in Stanley Park since 1985. After several years without a detailed license agreement, the Board entered into a five year agreement in 1993 with AAA that included an option for a further five years.

In October, 2002 the Board agreed to a renewal of the license agreement for five years from May 1, 2003 to April 30, 2008.

DISCUSSION

Operational Overview

For over 20 years AAA has operated a popular and well-run horse and carriage business in Stanley Park. Apart from its carriage rides AAA has given its support to both community groups and schools in providing educational visits to its operation in Stanley Park.

In return for recognizing the requirements of AAA's business the Board has allocated the following areas of Stanley Park, totaling about 1 acre, for their exclusive use:

- Paddock of approximately 31,000 sq ft adjacent to the Stanley Park Service Yard
- Approximately 9,000 sq ft for an office, stables and overnight carriage storage in the Service Yard
- A ticket sales kiosk of 100 sq ft on Stanley Park Drive at Coal Harbour, plus 2700 sq ft of land for client and carriage use
- Free overnight parking in the Central parking lot for AAA's express bus

AAA has paid the Board the following monies for the past 5 years:

	AAA Gross Revenues	Rent to the Board
2003	\$609,760	\$38,374
2004	\$683,235	\$43,463
2005	\$650,693	\$41,898
2006	\$731,682	\$46,715
2007	\$605,222	\$39,165

Proposed Changes to the AAA License Agreement

All terms of the existing agreement will be in effect as well as the following changes:

License Term and Renewal on Expiry

The license term will be May 1, 2008 - April 30, 2013. The agreement will include a provision that, if AAA wishes to discuss a renewal before its expiry in 2013, AAA will notify the Board of this fact by October 31, 2011 and, if the Board also wishes to renew, negotiations will then commence.

Capital Improvements

AAA will commit to spending a minimum of \$100,000 during the first two years of the five year term on capital improvements to its facilities in Stanley Park. Details have yet to be finalised, and will be subject to the approval of the General Manager, but could include improvements to the departure location and AAA's ticket booth at Coal Harbour.

The purpose of the capital improvement investment is to improve the quality of the customer's experience and result in increased sales.

Revenue Statements

The clauses in the agreement pertaining to audited revenue statements will be updated to be consistent with agreements with other stakeholders who pay the Board percentage rents.

SUMMARY

AAA has performed a well-managed transportation service for tourists for over 20 years and staff have reached agreement with the company to continue this operation for a further five years.

Prepared by:

Stanley District
Vancouver Board of Parks and Recreation
Vancouver, BC

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