



Date: April 19, 2012

**TO:** Board Members – Vancouver Park Board  
**FROM:** General Manager – Parks and Recreation  
**SUBJECT:** *Seasons in the Park* Restaurant – Lease Extension

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## RECOMMENDATION

- A. *THAT an additional three-year option be given to the Sequoia Company of Restaurants for the Seasons in the Park location;***
- B. *THAT no legal rights shall arise and no consents, permissions or licenses 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;***
- C. *THAT once the form of all legal documentation has been approved by the General Manager and the Director of Legal Services for the City of Vancouver, that the General Manager be authorized to execute and deliver such documentation on behalf of the Board.***

## POLICY

The 2006 Concession Strategy Report identified opportunities to develop facilities by food and beverage specialists and enter into lease agreements. The 2012-2017 Strategic Plan Directions of Parks and Recreation for All and Excellence in Resource Management support this recommendation.

## BACKGROUND

Seasons in Queen Elizabeth Park (Seasons) is a fine dining restaurant operated by the Sequoia Company of Restaurants. Their owner, Brent Davies, and his company Sequoia Restaurants Inc. have operated Seasons since 1989. The Sequoia Group also operates the Teahouse (at Ferguson Point in Stanley Park), the Sandbar restaurant on Granville Island and Cardero's in Coal Harbour.

In 2005, the Board approved an increase to the rent for this contract from 5.25% of gross revenue to 6% of gross revenue, on the projected annual revenue at that time, and a lower rate of 4%, on any revenues over that amount. The reasoning was twofold. Firstly, it was determined that the base rent should be increased to align with other similar park

restaurants. Secondly, the fee structure was intended to provide an incentive for the restaurants to increase their sales and pay a reduced rent on any additional revenues.

Seasons generates the highest annual revenue among all restaurants in the Park Board portfolio with sales in excess of \$5 million.

In 2010, the Board granted a five-year extension to Seasons in recognition of the significant investment made by the company in repairs and maintenance (\$500K) in the prior three years, in addition to the planned improvements estimated at the time to be \$300K.

The present status of the lease is that Seasons has two five-year options that expire on February 28, 2025.

## **DISCUSSION**

In progressing through the various phases of the recent refurbishment, a number of other areas requiring maintenance attention have been identified, due to the age of the building and the need for Seasons to remain current and competitive in the market place. These areas are over and above those identified in 2010 and include public washrooms, upgrading the Skyline Room, new flooring in the kitchen and interior walkways, improved storage in the basement, and replacement of the building's air handling equipment (furnaces, air conditioning, roof units). The cost to address these areas is estimated to be \$500K.

The current and planned upgrades promote the continued success of Seasons and demonstrate a commitment to maintaining a first-class fine dining experience in one of the highest profile locations in the city.

The tenant has requested that the Board consider an additional three-year option. The Board has traditionally granted lease extensions to tenants who make significant capital investments in Park Board properties which they occupy and the current Sequoia Company of Restaurants request falls within these parameters.

In addition to addressing the extension of the lease, the issue of responsibility for repairs and maintenance to non-base building areas and the conditions for further extensions would be included in the lease.

## **SUMMARY**

The Sequoia Company of Restaurants and their owner, Brent Davies, has had a successful relationship with the Board since the late 1970's. The partner has maintained both the Teahouse and Seasons to a high standard and has continued to upgrade and improve the buildings on a regular basis. The Sequoia restaurants in Stanley Park and Queen Elizabeth Park are both acknowledged to be among the finest in the City and have

provided the Board with solid financial returns. Staff recommends the three-year extension of the Seasons lease.

Prepared by:  
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