



Date: November 21, 2013

TO: Board Members - Vancouver Park Board  
FROM: General Manager - Parks and Recreation  
SUBJECT: Shaughnessy Restaurant Lease Extension

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## RECOMMENDATION

- A. *THAT the Board approve a five-year renewal option for the Shaughnessy Restaurant for the period April 1, 2020 - March 31, 2025, based on a minimum capital expenditure of \$300,000 as outlined in this report.*
- B. *THAT all legal documentation is to be in a form which is satisfactory to the Director of Legal Services for the City of Vancouver and the General Manager of the Park Board.*
- C. *That the General Manager be authorized to execute and deliver such documentation on behalf of the Board.*
- D. *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.*

## POLICY

The Board approves all use of lands under its jurisdiction.

## BACKGROUND

There has been a restaurant at VanDusen Gardens since 1984. In 1998, the Park Board consented to the assignment of the lease to the Shaughnessy Restaurant and its existing operator, Mr. Chris Chatten.

During the past 15 years, the lessee has invested capital funds in maintaining the restaurant to a high standard and contributed to the operation of the Gardens through the payment of annual rent and an amount in lieu of property taxes. The return in Rent and Payment in Lieu of Taxes to the Park Board for 2012 was \$125,331.

On June 7, 2010, the Board approved a five-year renewal option for the period April 1, 2015 - March 31, 2020, based upon a minimum capital expenditure of \$200,000.

## DISCUSSION

Shaughnessy is an established full-service restaurant with 150 indoor seats and 90 outdoor seats, catering to both Garden visitors and external customers. In addition to operating as a

public restaurant, they also provide catering services to many corporate and wedding events at the Gardens.

With the opening of the Visitor's Centre, the main entry to the Gardens and the location of the VanDusen gift shop has moved from their previous location adjacent to Shaughnessy Restaurant. As a result of this change, there is now a large unused covered wooden deck and an unfinished space that was formerly occupied by the gift shop. The condition of the previous gift shop space limits its use to storage and as a support area so that it goes largely unused.

The operator has written the Board requesting a further 5 year option from 2020-2025, and has agreed to spend a minimum of \$300,000 on capital improvements. This investment would be allocated as a \$30,000 contribution to finish the previous gift shop area so that it might be used as a meeting space for Garden groups, corporate meetings and wedding parties. This would provide both needed meeting space and a source of increased room rental and food and beverage revenue. The balance of the contribution would be allocated to the conversion of the unused wooden deck to an outdoor seating area for the restaurant, and a much needed upgrade and expansion of the existing kitchen. Subject to the approval of the Liquor Control and Licensing Branch, there may be the ability to expand the total outdoor seating with the new deck, which has an outstanding view of the Gardens. With one of the most attractive outdoor decks in the city there will be an increase in revenue and returns to the Park Board.

In return for the operator's contribution towards the finishing of the former gift shop space, they would be granted the exclusive catering rights for groups, other than non-profits.

## **SUMMARY**

The Shaughnessy Restaurant has operated at a high standard and enhances the visitor experience to the Gardens. In addition, the restaurant provides a consistent rent return to the Park Board to support Park and Recreation activities.

The new improvements will both upgrade the existing facilities and provide increased revenue to the operator and Park Board.

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