



Report Date: July 13, 2026

VanRIMS No.: 08-3000-30

[Submit comments to the Board](#)

TO: Park Board Chair and Commissioners
FROM: Director, Business Services
SUBJECT: The Teahouse in Stanley Park Restaurant - Lease Extension

RECOMMENDATIONS

- A. THAT the Vancouver Board of Parks and Recreation ("Park Board") authorize staff to negotiate to the satisfaction of the Park Board's General Manager, the City of Vancouver's (the "City") Director of Legal Services, and the City's Chief Purchasing Official, and extend the current lease agreement, with Ferguson Point Restaurant Inc. & Sequoia Company of Restaurants Inc. ("Sequoia"), for the restaurant at Stanley Park for an initial term of four (4) years eleven (11) months, with one additional five (5) year renewal, for a total contract extension of nine (9) years and eleven (11) months effective January 1, 2028;
- B. THAT the City's Director of Legal Services, Chief Purchasing Official and Park Board's General Manager be authorized to execute on behalf of the Park Board the contract contemplated by Recommendation A above.
- C. THAT no legal rights or obligations will be created by the Park Board's adoption of Recommendations A and B above unless and until such contract is executed by the authorized signatories of the City as set out in these Recommendations.

PURPOSE AND SUMMARY

This report provides a review of the discussions between Sequoia and Park Board staff related to the restaurant in Stanley Park. Sequoia seeks securing a nine (9) year eleven (11) month lease extension to continue to operate the successful and long-established restaurant that has been enjoyed by locals since opening in 1978 and known as The Teahouse in Stanley Park ("The Teahouse").

In exchange for continuing to offer locals and visitors an excellent food and beverage experience and event space, Sequoia is committed to continue to operate the restaurant. They are prepared to undertake approximately \$130,000 in site improvements, and continue to maintain, repair and fund a facility that is almost 90 years old. Sequoia is also open to increasing their current market rent contribution.

BOARD AUTHORITY / PREVIOUS DECISIONS

As per the [Vancouver Charter](#), the Park Board has exclusive jurisdiction and control over all areas designated as permanent and temporary parks in the City of Vancouver, including any structures, programs and activities, fees, and improvements that occur within those parks.

There is no applicable Park Board or Council authority or previous decisions related to this report.

CONTEXT AND BACKGROUND

The Teahouse in Stanley Park, is operated by Sequoia, which is owned by local restaurateur Brent Davies and has been a partner of the Park Board since 1977. The Teahouse has been in existence since 1978 and is the first of four local restaurants within Sequoia's portfolio: Seasons in the Park in Queen Elizabeth Park, Sandbar on Granville Island and Cardero's in Coal Harbour.

The current lease agreement effective January 1, 2000, will expire on December 31, 2027, with no further options to renew. The Teahouse is the Park Board's longest existing commercial partner and has consistently contributed to the Park Board's annual revenues for almost 50 years.

DISCUSSION

Based on almost 50 years of operational excellence, consistent delivery of quality food and beverage offerings, and excellent customer service, The Teahouse continues to be one of the city's premier destination restaurants. For decades The Teahouse has also been known as top event space to host weddings and corporate and private gatherings.

Both Sequoia and Park Board staff would like to continue this well-established and respected partnership and feel it is in the Park Board's best interest to provide Sequoia with an additional term. If Sequoia are not provided an extension, they will need to implement a plan to cease operations.

In exchange for an extension to the existing lease, Sequoia is committed to continue to operate the restaurant. They are prepared to undertake approximately \$130,000 in site improvements and are committed to continue to maintain, fund and refresh a facility that is almost 90 years old. Subject to securing an agreement extension they are also open to increasing the Park Board's percentage rent share of gross sales.

The following table outlines key terms of the existing lease agreement with Sequoia for The Teahouse, and proposed enhancements within the extension:

Item	Current Lease	Extension Term
Lease Term	28 years, January 1, 2000 – December 31, 2027	9 years 11 months effective January 1, 2028 – November 30, 2037; <i>initial four (4) year eleven (11) month term, with one five (5) year renewal for a total Term of 9 years and 11 months.</i>
Rent Structure	Percentage rent of gross sales that is currently within food and beverage industry market rate range.	The greater of a Minimum Annual Guarantee (MAG) of \$150,000 or Percentage* of gross sales. <i>*subject to negotiation and within the market rate range</i>

Tenant Responsibility	Maintenance, repairs and improvements. City and Park Board responsible for the envelope and structural components of the building.	Maintenance, repairs and improvements of a facility that is almost 90 years old City and Park Board responsible for the envelope and structural components of the building. Coordinate approximately \$130,000 in site improvements in 2027.
Payment In Lieu of Taxes (PILT)	\$61,225.26 annually: 2025 “Business and Other” rate \$11.13/ft ²	2028 “Business and Other” rate to be set by Council will be applicable on 5,500ft ²

Table 1: Key Terms of Existing Lease

FINANCIAL CONSIDERATIONS

If granted a nine (9) year eleven (11) month lease extension, Sequoia has committed to invest \$130,000 in site improvements. They have also committed to preserve and repair a high maintenance building that will be 100 years old upon expiry of the proposed lease extension.

Sequoia is prepared to pay an annual MAG of \$150,000 and subject to the intent of being offered an extension are open to increasing the Park Board’s percentage rent share of gross sales.

Except for the structural and envelope components of the building, the City and Park Board will not have any ongoing costs associated with maintaining The Teahouse restaurant facility.

LEGAL CONSIDERATIONS

Park Board Procurement Policy requires that all contracts, renewals, extensions, and any other forms of commitments and contracts will be on terms and conditions approved by the City Solicitor.

The City’s Procurement Policy (ADMIN-008) requires the Director of Legal Services to execute all contracts that have been awarded by the Bid Committee, Park Board and Council.

CONCLUSION AND NEXT STEPS

Sequoia and their owner Brent Davies have had a positive and successful partnership with the Board since 1977. They have maintained The Teahouse restaurant to a high standard and continue to upgrade and refresh the facility on a regular basis.

The extension of the existing lease for The Teahouse site will allow for the site to be serve guests over the next 12 years and provide for improved and consistent returns to the Park Board.

Staff recommend that the Vancouver Park Board approve a lease extension to Ferguson Point Restaurant Inc. & Sequoia Company of Restaurants Inc. for the restaurant in Stanley Park known as The Teahouse for an initial term of four (4) years eleven (11) months, with one additional five (5) year renewal, for a total contract extension of nine (9) years and eleven (11) months effective January 1, 2028.

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