

Supports Item No. 1  
CS&B Committee Agenda  
October 6, 2011



ADMINISTRATIVE REPORT

Report Date: September 19, 2011  
Contact: Michael Flanigan  
Contact No.: 604.873.7422  
RTS No.: 9248  
VanRIMS No.: 08-2000-20  
Meeting Date: October 6, 2011

TO: Standing Committee on City Services and Budgets

FROM: Director of Real Estate Services in consultation with the General Manager of Parks and Recreation

SUBJECT: Renewal of Sub-Lease of Foreshore in Stanley Park to Vancouver Rowing Club

**RECOMMENDATION**

- A. THAT Council authorize the Director of Real Estate Services to negotiate and enter into a sub-lease with Vancouver Rowing Club for those two areas of Stanley Park, with an area of 4.426 acres and .091 acres respectively, and on which the Vancouver Rowing Club Heritage Clubhouse, wharves and appurtenances are situate, as shown dotted and labelled "Lease of Portion of Stanley Park" on Appendix "A" (the "Sub-Lease Lands"), subject to the following general terms and conditions:

Term: Thirteen (13) years and one (1) month, commencing December 1, 2011 ending December 31, 2024 to coincide with the expiration of Vancouver Rowing Club's adjacent water lot lease with Port Metro Vancouver.

Rent: Nominal Rent. Two (\$2.00) dollars per year plus property taxes as if levied and applicable taxes.

Use: For the purposes of maintaining a clubhouse and operating a club engaged in promoting, developing, participating in and sponsoring amateur athletic activities related to but not limited to the sports of rowing, rugby, cricket, field hockey, tennis, cross country running, in addition to the operation of a marina for use by members and the public for no commercial gain to its members.

Other Terms and Conditions: Tenant to be responsible for all building improvement costs associated with their use, including, but not limited to all, operating, repair, maintenance, structural, electrical and mechanical cost of the property during the term of the lease.

- B. THAT such sub-lease will be on terms and conditions acceptable to the Directors of Real Estate and Legal Services.
- C. THAT the Director of Real Estate Services be authorized to execute and deliver the sub-lease on behalf of the City.
- D. THAT no legal rights or obligations will arise hereby and none will arise or be granted hereafter unless and until all legal documentation has been executed and delivered by the Director of Real Estate Services.

#### ***GENERAL MANAGER'S COMMENTS***

The General Manager of Business Planning and Services and the General Manager - Parks and Recreation RECOMMEND approval of the foregoing.

#### ***COUNCIL POLICY***

- The Director of Real Estate Services has been granted standing authority to approve leases and lease renewals if:
  - the total value is less than \$250,000; and
  - the term is no more than ten years (including renewal options)
- The proposed sub-lease term exceeds ten years and therefore must be submitted to Council for approval.
- Rent established below market rate constitutes a grant, and as such requires eight (8) affirmative votes from Council.

#### ***PURPOSE***

The purpose of this report is to request Council approval to sub-lease the Sub-Lease Lands to Vancouver Rowing Club for a thirteen (13) year and one (1) month term at a nominal rent of \$2.00 per year plus property taxes as if levied and applicable taxes.

#### ***BACKGROUND***

The Sub-Lease Lands constitute a portion of Stanley Park which the City leases from the Federal Government.

In January, 1988, Council approved a nineteen (19) year sub-lease of the Sub-Lease Lands at a nominal amount of \$2.00 per annum plus property taxes to Vancouver Rowing Club with rent reviews every five years (the "Existing Sub-Lease"). The Existing Sub-Lease requires Vancouver Rowing Club to maintain and repair the Heritage Clubhouse and wharves at their cost. The rent has been at a nominal rate during each of the five year rental review terms

and the Existing Sub-Lease expired on August 30, 2007. Vancouver Rowing Club is currently overholding under the Existing Sub-Lease on a month to month basis.

Vancouver Rowing Club's rent for the Sub-Lease Lands has been at a nominal rate since their occupation of the site dating back to 1905. Vancouver Rowing Club maintains the Vancouver Rowing Club Heritage Clubhouse and wharves at their cost. Recent additions include new railings, roofing, decking, flooring, electrical, safety and sprinkler systems, and a pedestrian walkway over the seawall. Vancouver Rowing Club has played a major role in the athletic and cultural life of the City. Vancouver Rowing Club is home to many national and international athletes, and is an active hub for amateur athletes in field hockey, rugby, rowing and yachting. Vancouver Rowing Club provides coaching, equipment and facility support to a number of high school field hockey, rowing and rugby programs and volunteer over 1,000 hours annually.

### *DISCUSSION*

Vancouver Rowing Club is Vancouver's oldest athletic club, formed in 1886 and is dedicated to the promotion and encouragement of amateur sports, and assisting, developing, and fostering community spirit as laid out in their Constitution and By-laws.

Vancouver Rowing Club has requested a new sub-lease at the continued nominal rental rate of \$2.00 per annum. As itemized in the attached letter from the Vancouver Rowing Club in Appendix "B", the Club continues to incur considerable costs for leasehold improvements. Real Estate Services has estimated the market rental value of the Sub-Lease Lands to be \$25,515 per annum plus applicable taxes, applying a rate of \$ .75 per sq. ft. to the 34,020 sq. ft. of usable water area.

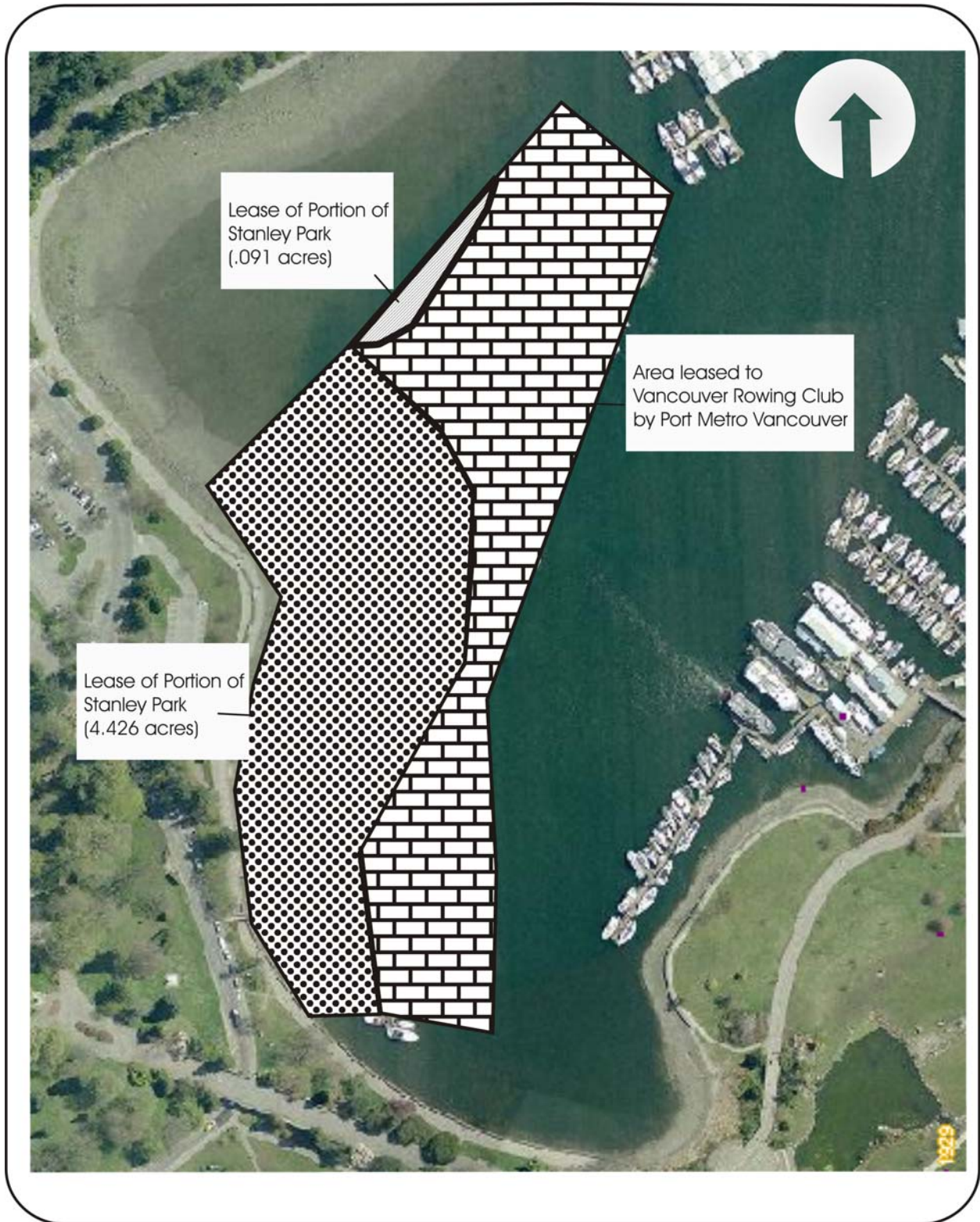
### *FINANCIAL IMPLICATIONS*

Should Council approve the recommendations in this report, Real Estate Services will negotiate a sub-lease with Vancouver Rowing Club at a nominal lease rate at \$2.00 per annum plus property taxes as if levied and applicable taxes for a thirteen year and one month term.

### *CONCLUSION*

The Director of Real Estate Services, in consultation with the General Manager of Parks and Recreation, is recommending the above for Council's consideration noting that a nominal rent lease constitutes a grant.

\* \* \* \* \*



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# VANCOUVER ROWING CLUB

FOUNDED 1886 — INCORPORATED 1915

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Attn: **Kerry Wong**  
Property negotiator  
City of Vancouver  
453 West 12<sup>th</sup> Ave  
Vancouver, BC  
V5Y 1V4  
[kerry.wong@vancouver.ca](mailto:kerry.wong@vancouver.ca)

June 9th, 2011

**Re: Renewal of Sublease of Two Foreshore Water Lots-Vancouver Rowing Club (the "VRC")**

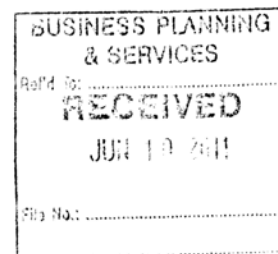
Further to your phone call for an update to my reply in reference to your letter of March 24, 2009 and confirm the VRC's intention to enter into a new sublease with the City in respect of our current premises.

On behalf of the Board of Directors of the VRC, I request your consideration and approval by City Council of the continuance, for the term of the new sublease to be entered into between the VRC and the City, of the present rent paid by VRC for its City sublease premises, which results in a net rent payable by the VRC of \$2.00 per annum. We have occupied our current site since 1905 and have traditionally paid nominal rent since that time.

The Vancouver Rowing Club is Vancouver's oldest athletic club, formed in 1886 as the Vancouver Boating Club. On April 1, 1899 it merged with the Burrard Inlet Rowing Club under the new name of Vancouver Rowing Club, building its Tudor-style heritage clubhouse at the entrance to Stanley Park in September 1911. The VRC was officially incorporated under the Benevolent Societies Act of British Columbia on January 21, 1916.

The purposes of the VRC, laid out in our Constitution and Bylaws, are the promotion and encouragement of amateur sports, and assisting, developing and fostering community spirit. We have individual section memberships available for adults & juniors, as well as a social membership. The VRC is currently home to nearly 1,000 athletes, including 60 Junior (under 18) and 50 Collegiate members, participating in our four main sporting sections: Field Hockey, Rowing, Rugby and Yachting. Membership and use of our facilities is open to all members of the local community through our Social (non-voting) memberships, which are available for \$230 per annum. Full Active annual membership rates for sporting section members range from \$300 to \$600 dependent on the sport, with the major portion of the fees used to fund the building, its facilities, maintenance and administration. Collegiate and Junior members receive discounts on member fees.

The VRC boasts a glittering amateur athletic record that has seen uncounted city, provincial, national and international championships brought home to the VRC in all of its athletic sections: field hockey, rugby, rowing and yachting. Numerous individual members of the VRC have represented their province and country in rowing, rugby and field hockey. VRC Yachts and crews have competed successfully in local and international racing such as the Vic-Maui race, Van Isle 360, Swiftsure and Vancouver Area Racing Council.



The Club also provides a number of athletic programs available to the general public. Our "Learn to Row" programs introduce 300-400 people annually to rowing. We also provide open Junior Learn to Row programs along with those we provide in conjunction with local high schools. Our adaptive rowing program provides opportunities for athletes with limited mobility. Our Mini Rugby and Junior Field Hockey programs are made available to children as young as five. We also provide coaching, equipment and facility support to a number of local high school field hockey, rowing and rugby programs. Other community benefits include being the unofficial home to the Vancouver Women's Field Hockey Association and making our facilities available at reduced costs to a number of charitable and non-profit groups.

The Clubhouse was designated a Heritage Building by the City of Vancouver in 1988. The Clubhouse plays host numerous events, and has catered to many past and present members who have helped build an outstanding athletic and social legacy in the City. Its prominent location in Coal Harbour makes it a highly recognizable facility.

The cost to construct and maintain the Clubhouse has been borne entirely by the members of the VRC. The annual costs to maintain and enhance this landmark building rise each year. The Clubhouse and all improvements made to it will eventually accrue to the City as lessor. The VRC has continued its ongoing commitment to refurbishing and improving the Clubhouse with the recent additions of new railings, roofing, decking, flooring and electrical, safety and sprinkler systems. A replacement of our pedestrian walkway over the Seawall was also recently installed.

Some highlights of the expenses incurred by VRC members with respect to the Clubhouse are:  
Leasehold improvements since the last lease renewal in 1988 are now approaching \$2,400,000. This does not include approximately \$232,000 in capital improvements to our marina facilities during the same period. The VRC's current fiscal budget anticipates an additional \$288,000 in leasehold capital improvements.

Since 2004 we have incurred \$744,421 in operational expenses maintaining the Clubhouse and marina facilities. In the current fiscal year, we have a budget of \$141,770.

The VRC's property taxes will be \$43,213 for 2010. The Club also provides approximately \$8,500 annually to the Vancouver Parks Board through turf fees for Field Hockey and Rugby. The Club also leases from the City the parking lot adjacent to the Clubhouse for \$23,770 annually.

In summary, the Vancouver Rowing Club has played a major role in the athletic and cultural life of the City for over 124 years. It has been home to many national, international and Olympic athletes. It is an active hub for amateur sports in the core of the City and contributes to healthy lifestyles. Club members volunteer over one thousand hours annually to assist our athletes in striving for their potential. The Clubhouse provides a home to these endeavours without the City bearing any cost of a building or support staff as it would with a community centre. We urge Council to support our request to continue the grant that reduces the VRC's rental rate to \$2.00 for the term of our new sublease.

Respectfully submitted,



Keith P. Jolly  
General Manager  
Vancouver Rowing Club