



IN CAMERA

ADMINISTRATIVE REPORT

Report Date: May 22, 2014
Contact: B. Prosken/
J. de Hoop
Contact No.: 86858/87479
RTS No.: 10610
VanRIMS No.: 08-2000-21
Meeting Date: June 25, 2014

TO: Vancouver City Council

FROM: General Manager of Community Services

SUBJECT: Termination of Lease with Vancouver Multicultural Society at Hodson Manor - 1254 West 7th Avenue

IN CAMERA RATIONALE

This report is recommended for consideration by Council on the In Camera agenda as it relates to Section 165.2(1) of the *Vancouver Charter*: (d) the security of the property of the city; (k) negotiations and related discussions respecting the proposed provision of an activity, work or facility that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the city if they were held in public.

RECOMMENDATION

THAT Council authorize the termination of the month-to-month tenancy of the Vancouver Multicultural Society at Hodson Manor, 1254 West 7th Avenue, effective September 1, 2014 (60 days' notice).

REPORT SUMMARY

The City-owned facility at 1254 West 7th Avenue, Hodson Manor, has been tenanted by cultural groups since the mid-1970s. Vancouver Multicultural Society (VMS) was one of the original non-profit tenants along with Vancouver Chamber Choir and the Vancouver Society for Early Music using this facility. According to previous Council reports, and by their own admission, VMS has been unable to sustain regular programming use of the premises. This report recommends terminating the month-to-month tenancy of VMS in order to facilitate an open tenant selection process consistent with City policy for use of this building and respecting properties held in the Capital Asset portfolio.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

1975: Council approved original tenancies in Hodson Manor, including VMS, Chamber Choir and Early Music, subject to ensuring public access to the heritage asset, payment of market rent, and tenants having responsibility for maintenance, preservation and restoration of the heritage assets of the building.

1979: Council reduced the amount of rent to 87% of market value and relieved the non-profit tenants of maintenance responsibilities to enable the fulfilment of the public access and heritage preservation goals for the building.

1981: Council further reduced rents to 77% of market.

1982: Council approved further reduction of rents to 63% of market.

1982: Council authorized the issuance, by the Supervisor of Properties, of notices of default to tenants such as service groups, housing cooperatives, sports clubs etc. without further instruction from Council, but specified that no further action should be taken against such tenants without specific direction by Council.

1983: Council approved lease terms, said lease expiring on August 31, 1985. The lease is in overholding.

2003: Council authorized lease terms for various non-profit associations, including VMS, at nominal lease rates. No lease was executed with VMS under this authority, so the month-to-month tenancy continues.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Community Services notes that there is a critical shortage of affordable program and administrative spaces for non-profit societies across the City. The long history of under-use of this important City asset by the Vancouver Multicultural Society needs to be addressed to enable other groups with immediate programming pressures to occupy this important heritage asset.

REPORT

Background/Context

The City has acquired a number of heritage assets over the years aimed at achieving the multiple goals of preserving City heritage resources while providing public access to these and also providing affordable premises to key non-profit partners. Hodson Manor, a former residence on West 7th Avenue, Heritage Hall on Main Street and Vancouver East Cultural Centre at Venables and Victoria Drive are examples.

Hodson Manor, a registered heritage 'A' building in Fairview, has been occupied by a number of non-profit cultural groups since the mid-1970s. All tenants at Hodson Manor, including VMS are on month-to-month tenancies. VMS "occupies" two large offices,

about 28% of the office spaces, on the second floor of the building. The ground floor is shared space intended for public use.

While the other tenants have flourished, VMS has struggled to meet its obligations under various leases since the beginning. The situation has worsened over the past five years, with VMS failing to demonstrate any regular use or access to the premises, often resulting in other tenants needing to go out of their way to contact VMS to deliver mail or to apportion building operating expenses.

Staff have met with VMS and other tenants of the building on many occasions since 2009 attempting to resolve conflict arising from VMS's failure to perform their duties, identify solutions, and to offer VMS alternative options for accommodating the very limited activities they still are able to sustain.

VMS board representatives failed to attend two recent meetings with management that they requested to discuss these matters.

Strategic Analysis

Cultural groups across the City share the same challenge as community services organizations in acquiring spaces they can afford that meet their functional requirements.

The music-related cultural tenants at Hodson Manor have built their audience and funder base over the years and as a result, have outgrown the spaces they were originally allotted in Hodson Manor.

Meanwhile, VMS has struggled to obtain funding and to make use of the spaces assigned to them. Starting in the 1970's when Multicultural issues and commensurate programming were taking hold in communities across the country, VMS flourished with federal funding for various culturally ethnic oriented services. The following decades saw these programs shift to more focused areas including employment equity, human rights, anti-harassment and bullying initiatives, and so on. Since 2009, VMS has been unable to maintain the necessary funding to keep their organization operating. They have not been able to maintain even a minimal presence in Hodson Manor, often going months without entering the building.

VMS representatives admit that they only meet occasionally, and on those occasions they frequently meet at other premises, such as restaurants. Staff have consistently encouraged VMS to consider using many of the City's community centres and neighbourhood houses who offer free or low-cost meeting spaces to accommodate their current needs.

VMS asserts that the materials stored in the offices comprise a library with value, but all of the materials are either out-of-date or available on-line. Also, VMS's inability to regularly attend the space to make the materials available to the public, renders them inaccessible as a library and violates the terms and conditions initially required by Council for retention of the building.

Should Council approve the recommendation in this report, Cultural Services proposes to undertake an open Request for Expressions of Interest (REI) process to identify an appropriate tenant for the vacated spaces in the building.

Implications/Related Issues/Risk (if applicable)

The on-going under-utilization of the space allotted to VMS at Hodson Manor places a burden on the remaining tenants who struggle to work effectively in their confined spaces. VMS now uses the two large offices they have retained, primarily for storage of outdated printed materials. VMS currently offers no programming or services in Hodson Manor or anywhere else in Vancouver, to staff's knowledge. The City has not provided any funding grants to this organization in the past 10 years.

The lack of attendance and attention to the VMS space also makes it difficult to generate enthusiasm for raising funds among the other tenants for enhancements to the fixtures and furnishings, and is a violation of the lease terms requiring restoration and preservation of the heritage elements of the building. This under-use of a significant portion of the building contributes to a perception of neglect and lack of a coherent, purposeful vision as anticipated and promised in the original report to Council that enabled the purchase and relocation of the building.

The on-going situation also creates an unfavourable precedent for the remaining cultural and social non-profit groups and for staff who are acutely aware of the need for good, functional space for programmes and activities that are well supported by the public. See Appendix A for a letter from the other cultural tenants of Hodson Manor.

CONCLUSION

Although it is regrettable that VMS has been unable to attain financial or other support and resources for their proposed programmes, it is not a good use of scarce City resources to allow their continued exclusive "use" of an important portion of Hodson Manor. Staff have made many offers to assist VMS to ease their transition into a group that only needs to meet occasionally in a community centre as many such groups across the City do. The amount of notice recommended is more than adequate for VMS to dispose of the materials stored at Hodson Manor, or to acquire a storage locker for that purpose.

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