



ADMINISTRATIVE REPORT

Report Date: February 12, 2019
Contact: Mary Clare Zak
Contact No.: 604.871.6643
RTS No.: 12967
VanRIMS No.: 08-2000-20
Meeting Date: March 12, 2019

TO: Vancouver City Council

FROM: General Manager of Arts, Culture and Community Services in consultation with the General Manager of Real Estate and Facilities Management

SUBJECT: New Lease for Atira Women's Resource Centre, 101 East Cordova Street

RECOMMENDATION

- A. THAT Council authorize the Director of Real Estate Services to negotiate and execute a lease (the "Lease") with the Atira Women's Resource Society (the "Society," or "Atira") as the non-profit operator and tenant for the Atira Women's Resource Centre situated in City-owned property at 101 East Cordova Street, and legally described as Lots 22 to 26, all of Block 6, District Lot 196, Plan 184, PIDs: 015-697-398, 015-697-401, 015-697-410, 015-697-436 and 015-697-444 respectively (the "Premises") on the following terms and conditions and as set out in the signed term sheet attached as Appendix A (the "Term Sheet"), and upon other such terms and conditions to the satisfaction of the General Manager of Real Estate and Facilities Management, the General Manager of Arts, Culture and Community Services and the Director of Legal Services:

Term and Renewals: Initial term of five (5) years commencing February 1, 2019, with two (2) conditional options to renew, each for a further five (5) year term (fifteen years total term).

Each renewal option is conditional upon the City being satisfied that the Society has the capacity to operate, maintain and program the Premises in accordance with the lease terms and the public service requirements for the duration of the renewal term contemplated.

Total Rent: Nominal Rent of Ten Dollars (\$10.00) for the initial term, and for any renewal term, inclusive of payment in lieu of property taxes, payable in advance.

Form of Lease: The Lease is to be based on the City's Precedent Lease for Non-Profit Entities (Nominal Rent).

As the rent under the Lease for the Premises will be below the applicable market rate and includes rent-in-lieu of property taxes, Recommendation A constitutes a grant valued at approximately \$88,400 per annum, based on the first year of the term.

- B. THAT no legal rights or obligations will arise or be created by Council's adoption of Recommendation A unless and until all legal documentation has been executed and delivered by the respective parties.

Recommendation A is a grant that requires 2/3 affirmative votes of Council.

REPORT SUMMARY

This report seeks Council approval for a lease of a City-owned property at 101 East Cordova Street to Atira Women's Resource Society. Staff recommends a lease for five years with two 5 year conditional renewals of the Premises, subject to certain terms and conditions as outlined in the report. Atira is a registered charity that provides counselling, legal, employment and housing support to women experiencing violence and misogyny as well as women struggling with substance use or mental and spiritual wellness in the Downtown Eastside ("DTES"). Atira also provides programs and housing to women in Burnaby, Surrey and White Rock.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The current lease for the Premises, which expired on January 31, 2019, was approved on January 15, 2004 (RTS 3782).

City of Vancouver Standing Authority allows the General Manager of Real Estate and Facilities Management or the Director of Finance to approve the material terms of leases where the total rental value is less than \$750,000 for terms (including renewal options) of no more than 10 years. Leases of longer terms or of higher value such as that recommended in this report require Council approval.

Leases that are provided at less than market rent are considered equivalent to a grant to the Society and therefore require approval by eight affirmative votes of Council per section 206 (1) Vancouver Charter. Atira is a registered charity so this grant is pursuant to Section 206(1)(a) of the Vancouver Charter

GENERAL MANAGER'S COMMENTS

The General Manager recommends approval of the foregoing.

REPORT

Background/Context

Atira

The Atira Women's Resource Society was founded in 1983. The name Atira is taken from a woman in First Nations' mythology honoured in Judy Chicago's feminist installation art piece, "The Dinner Party." The Society focuses on providing safe, decent and affordable housing for women and their children experiencing violence, as well as providing counselling, advocacy, education and referral services.

The Premises are used by Atira specifically for:

- Homelessness prevention and outreach;
- Legal advocacy for DTES women;
- Outreach to women who are older and experiencing violence;
- Stopping the violence counselling; and
- Self Employment Initiatives (Enterprising Women Making Art, Painter Sisters Painting Company).

Atira also connects women in the DTES with its broader range of programs, which include:

- Long-term, transitional housing and shelter programs;
- Housing outreach and homelessness prevention programs, including rent supplements, in Surrey and Vancouver;
- Outreach to First Nations, Metis and Inuit women affected by violence, primarily in the Surrey and White Rock communities;
- 16-step programs; and
- The Family Project, support for children who witness abuse and parenting support.

The Premises

The Premises (please see Appendix B for a site plan) are 3,195 square feet comprised of offices, small meeting rooms, a kitchenette and washrooms. The Premises are on the ground floor of a building otherwise comprised of a City-owned six level above-ground parkade operated by EasyPark.

The Premises were leased from 1983 to 2003 to the YWCA Crabtree Corner for use as an emergency childcare and support centre for DTES women and children. When Crabtree Corner moved to another location, the space was leased to Atira, starting in February 2004.

In the fifteen years since occupying the Premises, Atira has met all their obligations under their previous lease and maintained the Premises in good condition.

Strategic Analysis

Atira plays an important role in the social ecology of the DTES and more broadly in the Lower Mainland. Atira's support, counselling and advocacy programs are vital for DTES women who are often among Vancouver's most marginalized residents.

Atira's work at 101 E. Cordova aligns with all five of the priority areas (identified in bold type below) that are the focus of Phase One of the report, *Vancouver: A City for All Women – Women's Equity Strategy* (accepted by Council January 18, 2018). Atira supports an **intersectional lens** in their work in the DTES, supporting diversity and inclusion in their programs for women. For example, their statement of values includes the following: "Inclusive Feminism: Our work is informed by our understanding that women's experience of oppressive institutions (sexism, racism, colonialism, classism, heterosexism, ableism, transphobia, xenophobia and other identity markers) are interconnected and cannot be examined separately from one another." Atira supports the **safety of women**, and access to **childcare** in the Lower Mainland and throughout Canada. One of Atira's key areas of focus is on the provision of safe, supportive, and secure housing options for women and children experiencing violence. Forty-five percent of Atira's clients are currently sex workers, or in some stage of exiting from the continuum of sex work. Prioritizing **housing for women and children** is at the centre of Atira's mandate; and homelessness prevention and outreach is a core use of the Premises. Eighty per cent of the people Atira supports identify having mental health or substance use issues. Finally, Atira is an organization run by women for women, and it therefore fulfils the last key goal of the Equity Strategy, encouraging women's **leadership and representation**.

Atira is important as well to the City of Reconciliation Framework. The *Aboriginal Health, Healing and Wellness in the DTES* study released by the City in April 2017, identified the critical role that access to traditional and culturally safe and appropriate health care practices play in supporting the well-being of Aboriginal people. A key gap identified in this study named the critical importance of more healing and wellness spaces for Indigenous peoples. Atira's programming, such as the "Intergenerational Mentorship Program," connects women within Atira housing programs to foster cross-generational relationships and social inclusion based on First Nations, urban Indigenous peoples, Inuit and Métis traditions of family support and care. Atira also offers outreach to Indigenous women experiencing violence and abuse, leading to improved access to services for women addressing social isolation. Atira prioritizes working with young women and children to build strength and capacity through cultural teachings. Seventy-five per cent of the people Atira supports are Indigenous.

At 101 East Cordova, Atira provides professional services while creating an environment that is warm and welcoming to its clients. Atira's ability to deliver its programming either for free or very affordably is dependent on support from its financial partners. The City has supported Atira by providing an annual grant (\$10,152 in 2018) and through a nominal rent lease currently valued at \$88,400 per annum for the Premises.

The obligations of Atira going forward will be detailed in a schedule of the Lease entitled, "Public Service Requirements." The Public Service Requirements will include specific goals and objectives and the reporting requirements placed on Atira. These requirements will be reviewed annually by staff in Social Policy and Projects to ensure that the high level of programs and services offered by Atira is maintained and growing.

Service level responsibilities for building maintenance, repair and capital replacements will be detailed in a Service Level Agreement that will be appended as a schedule to the Lease.

Implications/Related Issues/Risk

Financial

Financial analysis indicates that Atira is a robust organization with almost \$32 million in assets (all figures are from Atira's 2017 fiscal year). However, operational expenses are an ongoing challenge, and they have an accumulated deficit of \$683,837. They are currently running operational surpluses (\$198 in 2017; \$94,495 in 2016).

It is clear that the organization relies heavily on the support of its partners to provide its programs affordably to its client base. Staff is therefore recommending that basic rent be set at a nominal rate of \$10.00 for the initial term and any renewal term, inclusive of an amount in lieu of property taxes. Nominal rent is considered a grant based on the fair market value of the Lease. The current comparable annual market rental value for the Premises is estimated at approximately \$88,400 per annum including an amount in lieu of property taxes, based on the first year of the term.

Atira's successful history since its founding in 1982 inspires confidence in Atira's ability to manage its budget, but staff will be alert to Atira's financial position during annual evaluations for granting purposes and while following up on Atira's Public Service Requirements.

Legal

Real Estate and Facilities Management and Social Policy and Projects will instruct Legal Services to prepare the Lease based on the City's Precedent Lease for Non-Profit Entities (Nominal Rent), and on terms consistent with the key terms set out in the signed Term Sheet in Appendix A. Real Estate and Facilities Management and Social Policy and Projects will jointly oversee the negotiation of the Lease.

CONCLUSION

Atira has a demonstrated successful record in delivering programs that meet the needs of many women in the DTES. A new lease with a total term of fifteen years (including renewals) will provide security of tenure for the organization to support its future work.

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Term Sheet

TERM SHEET OF KEY LEASE TERMS FOR THE SOCIAL AMENITY SPACE
at
101 East Cordova Street (the "Premises")
between
THE CITY OF VANCOUVER (the "Landlord")
and
ATIRA WOMEN'S RESOURCE SOCIETY (the "Tenant")

Term and Renewal Options - Initial term of five (5) years, commencing on February 1, 2019. Two (2) renewal options, each for a further term of five (5) years.

Each renewal option is conditional upon the Landlord being satisfied that the Tenant has the capacity to operate, maintain and program the Premises in accordance with the lease terms and the stated public service requirements for the duration of the renewal term contemplated.

Gross Floor Area - 3,195 square feet, located on the ground floor of a building which also contains a multi-level above-grade parking garage.

Parking - n/a

Total Rent - Nominal rent of Ten (\$10.00) dollars for the term or any renewal term, payable in advance, plus applicable taxes.

Property Taxes, if any - Subject to City Council approval, the Tenant will not be required to pay real property taxes, or an amount in lieu thereof, for so long as the Premises remains exempt from such taxes during the Term. If the Premises is not exempt, the Tenant will be required to pay real property taxes.

Additional Rent - All amounts payable by the Tenant other than total rent will be treated as Additional Rent.

Directly Metered Utilities - The Tenant shall be responsible for all costs and obligations associated with directly metered utilities serving the Premises.

Municipal Utility Charges - All Municipal Utility Charges serving the Premises are payable by the Tenant.

Operating Costs - All costs and obligations related to the operating expenses for the Premises shall be the responsibility of the Tenant.

Repairs and Maintenance - All costs, obligations and expenses related to the operation, regular repairs and routine maintenance and any required preventative maintenance of the Premises will be the responsibility of the Tenant in accordance with the Service Level Agreement ("SLA") to be attached to and forming part of the Lease.

Capital/Life Cycle Replacement Costs - The responsibility for all capital/life cycle replacement costs associated with the Premises will be as set out in the SLA to be attached to and forming part of the Lease and otherwise as specifically provided for in the Lease, all on terms and conditions satisfactory to the Landlord. In general, the

Landlord will be responsible for capital life-cycle replacement of and major repairs to the base building mechanical and electrical systems, as well as structural components, such as foundations, flooring sub-structure, building envelope and roof, of the Premises.

Renovations, Alterations, Additions, Upgrades, Tenant Improvements - All costs associated with leasehold improvements including finishing, fixturing, furnishing and equipment shall be the responsibility of the Tenant. The Tenant shall seek the Landlord's written consent prior to carrying out any renovations, alterations, additions, upgrades, or tenant improvements, and shall obtain any and all permits, approvals and authorizations which may be required in order to carry out such improvements.

Insurance - The Tenant shall be responsible for maintaining Commercial General Liability (CGL) insurance and All Risk (Broad Form) Tenant's Legal Liability (TLL) insurance, as well as insuring for all leasehold improvements, equipment, fixtures and furniture, all in the amounts and types to the satisfaction of the Landlord. The Landlord (City) shall be named as additional insured on each and every policy.

The Landlord shall be responsible for insuring the Premises including, without limitation, the fixtures other than trade fixtures, against fire, vandalism and such other perils as may be determined from time to time by the Landlord in its sole discretion.

Permitted Use of Premises - The Premises shall be used in accordance with that permitted by the applicable zoning for the Premises. The Premises may be used for community social amenity purposes, in particular for the purpose of operating a women's resource centre to provide non-residential programming which meets the needs of women, and their children, in the Downtown Eastside and the rest of Vancouver, including programs for women experiencing the impact of violence/abuse, are homeless or at risk of homelessness, need legal advice, or employment skills. Uses may include, without limitation, office, classroom and ancillary support spaces including board/meeting/education rooms, reference/research, and other support activities including spaces to serve the public. Ineligible uses include large scale storage, residential use, or retail sales.

Public Service Requirements - The Tenant non-profit operator shall operate the Premises for the benefit of the residents of Vancouver and the advancement of social services in Vancouver. The Tenant operator will be asked to articulate and follow a set of *public service requirements* ("PSR's") to be attached to and forming part of the Lease, including: the mission, vision and mandate of the Tenant; the type and range of services and the expected benefits for the residents of Vancouver; and availability for community and public use (meeting/board or other such spaces appropriate for community and public use).

Third Party Use - The Tenant will be permitted to licence all or part of the Premises to other third parties for occasional use in accordance with an Occasional Third Party Use Policy that will form part of the Lease.

Subleasing - The Tenant shall not be permitted to sublease the Premises or any portion thereof without the prior written consent of the Landlord's General Manager of Arts,

Culture and Community Services, which consent the Landlord may unreasonably withhold.

Assignment -The Tenant shall not assign its leasehold interest in the Premises or any portion thereof save and except with the prior written consent of the Landlord, such consent not to be unreasonably withheld.

Mortgage of Lease - Except as may otherwise be set out in the Lease, under no circumstances whatsoever may the Tenant's interest in the Lease be mortgaged or otherwise encumbered by way of sublease, assignment or otherwise.

Naming Rights - The Tenant shall follow the City's Naming Rights policy including potential restrictions on the right to name the Premises (including any portion of the Premises) or the building in which the Premises are situated.

Termination - Upon demolition or destruction of the Premises or expiring of the term.

Early Termination by Landlord - The Landlord may terminate the Lease if:

- (a) the Tenant has failed to comply with any part of the Public Service Requirements within thirty (30) business days of a notice in writing from the Landlord that it is in breach thereof; or
- (b) at any time during the First Renewal Term or the Second Renewal Term the Landlord may terminate the Lease upon giving the Tenant twelve (12) months prior written notice if the Landlord requires the lands on which the Premises are situate for redevelopment purposes; or
- (c) with the Tenant's consent.

Early Termination by Tenant - The Tenant may terminate the Lease if the Tenant intends to or has ceased to use the Premises for the permitted use upon giving the Landlord three (3) months prior written notice of such termination.

Acknowledgement of Form of Lease, SLA, and PSR's - The Tenant acknowledges having received a copy of each of:

- (a) the Landlord's Precedent Form of Lease for Non-profit Entities;
- (b) the draft Service Level Agreement; and,
- (c) the Landlord's Precedent Form of Public Service Requirements - Social Facility Lease.

Landlord's Condition - This term sheet is subject to the following:

1. Approval of Vancouver City Council by March 12, 2019. The parties will act in good faith to execute the Lease with all due diligence thereafter.

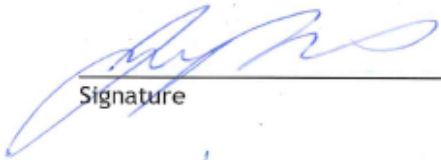
Tenant's Condition - This term sheet is subject to the following:

1. The approval of the board of directors of Atira Women's Resource Society by February 22, 2019.

Additional Lease Terms and Operating Covenants - All additional terms and conditions and any variations of the foregoing as required by the Landlord's Director of Legal Services in consultation with the Managing Director of Social Policy and Projects.

Agreed this 26th day of February, 2019.

CITY OF VANCOUVER
by its authorized signatory:




Signature

**JERRY EVANS, Director
Real Estate Services**

Print Name and Title

ATIRA WOMEN'S RESOURCE SOCIETY
by its authorized signatory(ies):



Signature

Janice Abbott, CEO

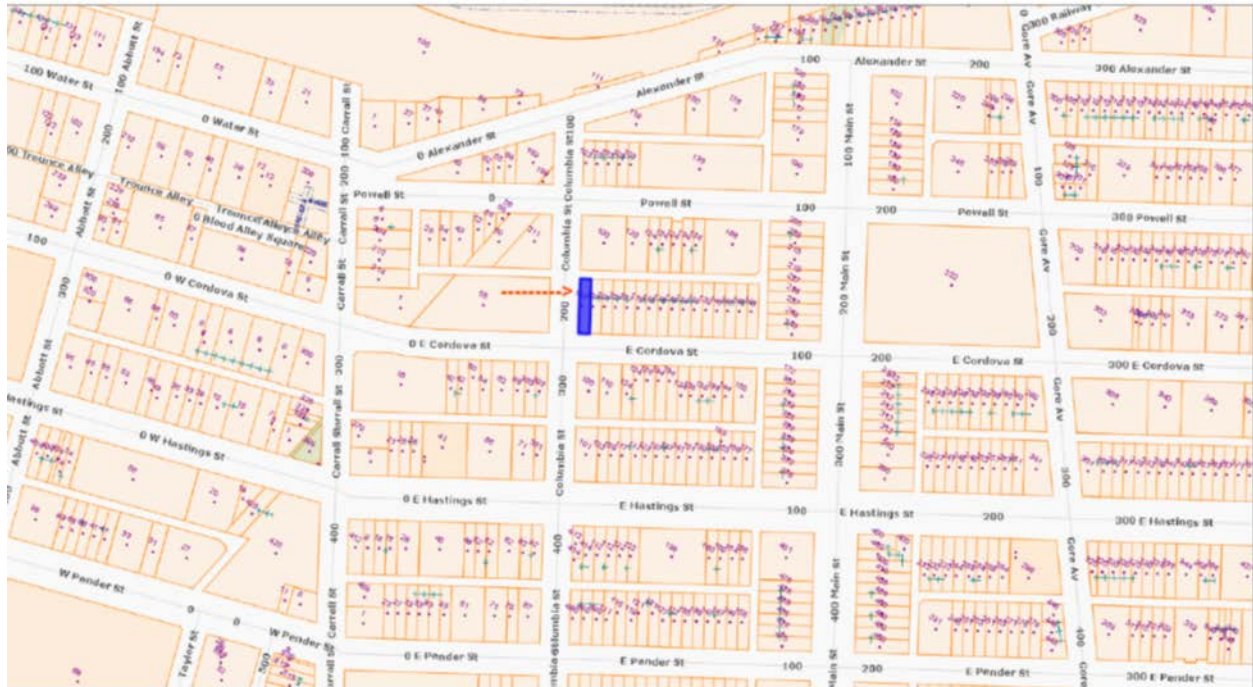
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Site Plan

101 E Cordova St



Street View of Premises and Parkade



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