



REPORT

Report Date: March 2, 2020
Contact: Mary Clare Zak
Contact No.: 604.871.6643
RTS No.: 13484
VanRIMS No.: 08-2000-20
Meeting Date: April 29, 2020
[Submit comments to Council](#)

TO: Standing Committee on Policy and Strategic Priorities

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 Victoria Drive Community Hall - 2026 East 43rd Avenue

RECOMMENDATION

- A. THAT Council authorize the Director of Real Estate Services to negotiate and execute a lease (the "Lease") with Victoria Drive Community Hall Association (the "Association") as the non-profit operator and tenant for the Victoria Drive Community Hall situated on City-owned property with a civic address of 2026 East 43rd Avenue, and legally described as: *PID's 013-586-441 and 013-586-467; Lots 8 and 9, District Lot 719, Plan 2609* (the "Premises", a plan of which is included in Appendix A). The Lease shall be based on the City's Precedent Lease for Non-profit Entities (Cultural/Social), on terms as set out in the signed Offer to Lease attached as Appendix A (the "OTL"), and upon such other 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;

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 \$175,600 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 recommends that Council approve a nominal-rent lease with the Association for the Premises for an initial term of five (5) years with two 5 year options to renew for a total term of fifteen (15) years.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

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 and where City standard documentation is not amended.

However, this authority excludes any lease of real property of any value or any term for “social purposes.” In such situations, the lease must be approved by Council. In addition, leases that are provided at less than market rent are considered equivalent to a grant to the tenant and therefore require approval by eight affirmative votes of Council as per Section 206 (1) of the Vancouver Charter.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

Victoria Drive Community Hall (the “Hall”) is located a half block from Victoria Drive, in the heart of the South Vancouver neighbourhood. The Hall was constructed on City-owned land in 1923 by the Association, which continues to operate and program the approximately 8,362 square feet building. The Hall has two storeys – an open upper storey with a wooden floor, a small stage and a kitchen, and a lower storey with linoleum flooring, structural columns and a kitchenette. The most current lease for the Premises expired on December 31, 2019.

The Association runs a variety of programs out of the Hall, with a special emphasis on serving seniors, youth and new Canadians. Evenings are the most popular time for programming, and users include Tai Chi, Weight Watchers, Scandinavian Dancers, Vancouver Minor Baseball and the Vancouver Ceili Irish Society. Programs for seniors, including ESL instruction and free lunches, are scheduled on weekday mornings and Sunday afternoons. Bingo is also offered regularly. The Hall is rented out on Fridays, Saturdays and Sundays for weddings, anniversaries, birthday parties, baptisms, meetings, craft sales and other community uses.

The Association's programs are primarily funded through earned revenue from rentals. Earned revenue covers the salary of an on-site caretaker, utilities, maintenance and repairs, and other obligations of the Association. The Association also donates regularly to approximately 45 other community groups, including Ronald McDonald House, Easter Seal House, Children's Hospital, Cystic Fibrosis and approximately thirty other charities throughout Vancouver.

Social Policy and Projects, through a needs analysis of South Vancouver and review of the Association's programs, has concluded that the Hall has been an important community resource. Its range of programs are responsive to community needs such as providing English-language training, overcoming social isolation, community-building through organized recreation, and helping meet nutritional needs for seniors, all while operating in a financially sustainable way. The Association also has done an exemplary job of maintaining the Hall. City staff considers it important that the new lease for the Hall not only supports the continuation of the Association's programming, financial and building maintenance successes, but also builds on these to reflect the likely transformation of the South Vancouver area over the course of the proposed lease term.

Strategic Analysis

Real Estate Services, in consultation with Social Policy and Projects and Partner Agreements, developed an Offer to Lease, attached as Appendix A, which outlines the principle terms of the proposed Lease. The OTL is based on the City's Precedent Lease for Non-Profit Entities (Nominal Rent). It includes details such as the length of term, insurance requirements of the Association and conditions for third party uses of the Hall, such as rentals. Since it is also possible that further changes in the South Vancouver neighbourhood may necessitate the City exploring redevelopment of the site where the Hall is located, it is recommended that the Lease include a mechanism whereby the Association may be given a minimum of one year's notice after which the City could demolish the facility for redevelopment purposes.

Beyond general lease terms, the OTL contains two additional key elements that will govern the relationship between the Association and the City over the length of term of the Lease: the Public Service Requirements and the Service Level Agreement.

The Public Service Requirements (the "PSRs"):

The PSRs outline the vision, mission and mandate of the Association and list how through the use of the Hall the Association will fulfil these in order to continue achieving City goals and objectives. Beyond continuing its important traditional functions, Social Policy and Projects recommends two additional goals for the Association:

1. exploring means to more fully reflect local diversity, given the dramatic demographic changes in the South Vancouver neighbourhood; and,
2. further optimizing use of the building, perhaps in partnerships with local community social and cultural organizations, since affordable space for community groups is at a premium in South Vancouver as throughout the City.

The Association has indicated that it willingly accepts these additional requirements insofar as resources permit. Social Policy and Projects intends to review the Association's performance regarding the PSRs annually.

Service Level Agreement ("SLA"):

The Service Level Agreement breaks down all components of a building and details whether the Association or the City are required to do and pay for maintenance, repair and replacement of all those components.

As detailed in the OTL, the SLA will provide for a “Partnership-Medium” level of support. In a “Partnership-Medium” level SLA, most costs and obligations related to routine and preventative maintenance for the Premises will be the responsibility of the Association, as will all other operating costs including utilities, program and administrative costs. The City will continue to maintain responsibility for the life cycle replacement and capital maintenance of major structural components and base building systems, which will be prioritized as part of the City capital planning and budgeting process. The responsibility for all capital costs associated with the mechanical, electrical and plumbing systems and other capital costs including those associated with the building envelope and any structural components of the Premises will be as set out in the SLA.

The OTL was provided to the Association and after review it was approved and signed off on by its board of directors, and subsequently signed by the City. Should Council approve Recommendation A, the OTL will form the basis for Legal Services to prepare a final version of the Lease for execution by the Association and the City.

Implications/Related Issues/Risk

Financial

Staff recommends that basic rent be set at a nominal rate of \$10.00 for the initial term and for any subsequent 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 \$175,600 per annum.

Legal

Real Estate and Facilities Management and Social Policy and Projects will instruct Legal Services to prepare the Lease based on the City’s standard form of lease for Non-Profit Entities (Nominal Rent), and on terms consistent with the OTL. Real Estate and Facilities Management and Social Policy and Projects will jointly oversee the development of the Lease as well as ongoing management.

CONCLUSION

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

* * * * *

Appendix A: Offer to Lease ("OTL") (including Plan of Premises, SLA, PSR's and Occasional Third Party Use Policy)

OFFER TO LEASE

This Offer to Lease (the "**Offer**") is dated for reference this 16th day of March, 2020,

BETWEEN:

CITY OF VANCOUVER

453 West 12th Avenue
Vancouver, BC V5Y 1V4

(the "**Landlord**")

AND:

VICTORIA DRIVE COMMUNITY HALL ASSOCIATION (Society Incorporation No. S-0001342)

2026 East 43rd Avenue
Vancouver, BC V5P 1M7

(the "**Tenant**")

1. The Tenant offers to lease the two-storey building having a floor area of approximately 8,362 square feet and known as Victoria Drive Community Hall, having a civic address at 2026 East 43rd Avenue, Vancouver, B.C., and the lands on which the building is situated being two lots legally described as:

Parcel Identifier: 013-586-441
Lot 8, District Lot 719, Plan 2609, New Westminster District

Parcel Identifier: 013-586-467
Lot 9, District Lot 719, Plan 2609, New Westminster District,

which lands and building (together, the "**Premises**") are shown outlined in bold red on the plan attached hereto as Schedule "A", upon the terms and conditions set out in this Offer and the Landlord's standard form of non-profit lease (the "**Standard Lease**"), an electronic copy of which has been provided to the Tenant as of the date first above written. The lease resulting from this Offer (the "**Lease**") shall be in substantially the form of the Standard Lease, completed in accordance with the terms of this Offer.

2. DEFINITIONS

Capitalized terms used in this Offer are used with the respective meanings ascribed to them in the Standard Lease unless otherwise defined herein. The word "including" means "including without limitation".

3. BASIC LEASE TERMS

The following basic terms and conditions are part of, and are in certain instances referred to in subsequent provisions of, this Offer and shall be incorporated in the Lease as applicable:

(a) Tenant Information:

- (i) Name: Victoria Drive Community Hall Association
- (ii) Society Incorporation Number: S-0001342
- (iii) Tenant's GST Number: None (NTD: VDCHA to provide)
- (iv) Address of Tenant: 2026 East 43rd Avenue, Vancouver, BC V5P 1M7
- (v) Telephone: s.22(1) Personal and Confidential
- (vi) Fax: s.22(1) Personal and Confidential
- (vii) Individual(s) to contact and who are or may be authorized to sign on behalf of Tenant: (NTD: VDCHA to provide)

Name: Mary McCann
Phone: s.22(1) Personal and Confidential
Email: s.22(1) Personal and Confidential

Name: Theresa Goe
Phone: s.22(1) Personal and Confidential
Email: s.22(1) Personal and Confidential

(b) Term and Renewal Options:

An initial term of five (5) years from the Commencement Date (the "Term"), plus two options to renew for a further five (5) years each, for a total possible term of fifteen (15) years.

(c) Commencement Date: January 1, 2020.

(d) Possession Date: *Intentionally deleted*

(e) Fixturing Period: *Intentionally deleted*

(f) Rent:

Nominal prepaid rent of Ten Dollars (\$10.00) plus GST inclusive of payment of rent in lieu of property taxes, for the Term, as well as for each renewal term as and when applicable (the "Rent").

(g) Tenant Improvements and Costs: *Intentionally deleted*

(h) Facility Operating Costs and Capital Costs:

The Tenant will pay all costs and expenses for the operation of the Premises as set out in the Lease, including as assigned to the Tenant in the Service Level Agreement to be attached thereto (a draft copy of which is attached to this Offer as Schedule "C"), including in respect of the operation, repairs, maintenance, preventative maintenance and capital maintenance, janitorial, security and insurance, and including:

Directly Metered Utilities and Municipal Utility Charges: The Tenant will be responsible for any and all costs and obligations associated with metered utilities directly serving the Premises, including heat, gas, electricity, neighbourhood energy utility charges, as well as any municipal utility charges including but not limited to sewer, water, recycling, solid waste, fire-lines, cross connection fee, and the like, some of which may be inserted in the property tax roll notwithstanding the Premises may be exempt from taxation;

Telecommunications: The Tenant will be responsible for any and all costs associated with telecommunications for the Premises, including internet, telephone and cable, and any applicable taxes;

Capital Costs: The Tenant shall be responsible for life cycle replacement of those items assigned to it in accordance with the Service Level Agreement. The Landlord shall be responsible for life cycle replacement of those items assigned to it in accordance with the Service Level Agreement;

Ancillary Space Maintenance: The Tenant shall be responsible for ancillary space maintenance, including regular maintenance and repair, preventative maintenance and maintenance of any parking space(s) (including car share spaces, if any) and landscaped areas.

(i) Tenant's Insurance:

The Tenant will be responsible at all times for maintaining at its own expense and cost, insurance coverage in the amounts and types, and upon such terms as are satisfactory to the Landlord's Chief Risk Officer, including:

- (i) Commercial General Liability insurance with limits of not less than Five Million Dollars (\$5,000,000) per occurrence or such higher limit of coverage as the Landlord may require from time to time;
- (ii) Tenant's legal liability coverage for an amount equal to the actual cash value of the Premises, such coverage to include the activities and operations conducted by the Tenant and third parties in the Premises;
- (iii) Blanket contractual liability covering liability arising directly or indirectly out of the performance of the Lease;
- (iv) Non-owned auto liability coverage;
- (v) Personal injury and advertising liability coverage;
- (vi) products and completed operations coverage;
- (vii) All Risk Property (Broad Form) insurance on property of every description and kind owned by the Tenant or for which the Tenant is legally liable or provided by or on behalf of the Tenant (and which is located in the Premises), including furniture, computers, equipment, toys, supplies, appliances, trade fixtures and any display model, project, prototype, tool, instrument and/or device within the Premises in an amount not less than ninety percent (90%) of the full replacement cost thereof;
- (viii) Automobile Liability insurance on all licensed vehicles owned by or leased to the Tenant with a limit of not less than Five Million (\$5,000,000) Dollars per occurrence or other such amount as the Landlord may approve from time to time;
- (ix) Directors and Officers liability insurance providing ONE MILLION DOLLARS (\$1,000,000) coverage per claim and TWO MILLION DOLLARS (\$2,000,000) coverage in the aggregate.

The above insurance policies will:

- (i) Be with insurers duly authorized to carry on business in the Province of British Columbia, in form and amounts satisfactory to the Landlord's Chief Risk Officer;
- (ii) Provide the Landlord with thirty (30) days' prior written notice of cancellation or material change resulting in a reduction of coverage;
- (iii) Be primary insurance as respects the Landlord such that any insurance or self-insurance maintained by or on behalf of the Landlord shall be in excess of this insurance and shall not contribute with it;
- (iv) Provide for a limit of deductibility not greater than Five Thousand Dollars (\$5,000) or other such amount as the Landlord may approve from time to time;
- (v) Name the Landlord, its officials, officers, employees and agents as additional insureds;
- (vi) Include a cross liability or severability of interest clause insuring the Tenant, the Landlord, the Landlord's personnel and the Tenant's personnel in the same manner and to the same extent as if separate policies had been issued to each.

(j) Permitted Use:

The Premises will be used solely for community uses and rentals for club meetings, classes, social events, games and other community activities, including food services, as well as other ancillary support uses, in accordance with: the Public Service Requirements to be completed jointly by the Landlord and the Tenant and attached to the Lease, the form of which is attached hereto as Schedule "C"; the Occasional Third Party Use Policy, the form of which is attached hereto as Schedule "D"; and, the applicable zoning for the Premises.

(k) Heritage Building: *Intentionally deleted*

(l) Subleasing/Licensing/Third Party Use:

The Tenant may not sublease or license the Premises or any portion thereof without the prior written consent of the Landlord's General Manager of Arts, Culture and Community Services.

All third party uses which are not captured by the Occasional Third Party Use Policy will be documented by way of a form of agreement (ie, sublease, licence agreement, rental agreement) approved by the Landlord, on a cost recovery basis inclusive of all costs including utilities and reasonable administrative fee.

Where the Occasional Third Party Use Policy is applicable, the Tenant shall abide by its provisions. The purpose of the aforementioned policy is to provide for occasional use of the Premises by third parties at various times in order to generate earned revenues which will assist the Tenant in supporting its operations.

(m) Assignment, Mortgage, Naming Rights:

Except with the prior written consent of the Landlord, the Tenant will not sell, transfer, assign or mortgage its interest in the Premises. Amalgamation will be considered to be an assignment. The Tenant will not have the right to name the Premises or any portion thereof without the Landlord's prior written consent. The Tenant shall follow the City of Vancouver's Naming Rights policy including potential restrictions on the right to name the Premises (including any portion of the Premises).

(n) Observation of Rules and Bylaws: *Intentionally deleted*

(o) Reporting and Financial Information:

The Tenant will be required to submit reports to the Landlord on a regular basis, for example, an annual report including a maintenance plan, financial statements, proposed annual budget, and summary of activities, in accordance with the Public Service Requirements.

(p) Facility Reserve Fund: *Intentionally deleted*

(q) Termination:

Upon demolition, destruction or substantial damage of the Premises, expiration of the Term (or any renewal term), or failure to fulfill other material terms of the Lease, the Lease will terminate.

(r) Early Termination:

The Landlord may terminate the Lease:

- i. if 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,
- ii. at any time during the Term or any renewal term 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.

The Tenant may terminate the Lease upon three (3) months' written notice if it intends to or has ceased to use the Premises for the Permitted Use.

No compensation will be payable by either party in the event of early termination.

(s) Additional Lease Terms:

All additional terms and conditions and any variations of the foregoing terms as may be required by the Landlord's Director of Legal Services and the Director of Real Estate Services in consultation with the Managing Director, Social Policy and Projects Division.

4. NET LEASE

The Lease shall be completely net to the Landlord. Any amount or obligation that is not expressly stated in this Offer or in the Lease to be the Landlord's responsibility, and whether or not contemplated at the execution of the Offer or the Lease, will be the Tenant's responsibility.

5. POSSESSION - *Intentionally deleted*

6. PARKING

The Tenant shall be permitted to use the six (6) surface parking spaces located at the rear of the property.

7. PERMITS

The Tenant shall be solely responsible for obtaining all necessary permits required to operate its business on the Premises, and to carry out any Alterations (as defined in the Lease) of the Premises.

8. LANDLORD'S REMEDIES

If the Tenant is in default under this Offer, the Landlord may terminate this Offer on ten (10) calendar days' written notice.

9. LANDLORD'S CONDITION

This Offer is subject to the following condition precedent (the "Landlord's Condition"):

- (a) All necessary senior management and Vancouver City Council ("Council") approvals having been obtained, including:
 - (i) Council passing a resolution by April 30, 2020 to approve the Tenant as the not-for-profit tenant of the Premises, and authorizing a grant to the Tenant in an amount equivalent to the foregone market rent and property taxes;
 - (ii) Council passing a resolution by April 30, 2020 approving the Offer, and authorizing the Director of Real Estate Services to negotiate and execute the Lease with the Tenant.

The Landlord's Condition is for the sole benefit of the Landlord and must be satisfied or waived unilaterally by the Landlord in writing to the Tenant on or before April 30, 2020, failing which this Offer shall be null and void and of no force or effect and the Tenant shall have no recourse against the Landlord for any damages.

10. MUTUAL CONDITION - *Intentionally deleted*

11. CONFLICTS/SURVIVAL

If the terms of the Standard Lease are contrary to the terms and conditions of this Offer, then the terms of this Offer shall govern.

Upon full execution and delivery of the Lease, the provisions of this Offer will survive to the extent that they are not inconsistent with the terms of the Lease provided that in the event of any contradiction between the terms of this Offer and the Lease, the terms of the Lease shall supersede.

12. BINDING OFFER TO LEASE

Execution and delivery of this Offer by the parties will constitute a binding and enforceable contract, subject only to satisfaction or waiver of the Landlord's Condition.

If not executed by the Landlord, this Offer is null and void without any further formality, notice, delay or recourse by any party and regardless of any facts or expenditures by the Landlord or the Tenant.

After satisfaction of the Landlord's Condition, the Landlord will deliver to the Tenant the Lease in its final form incorporating the provisions of this Offer. The Lease shall be executed by the Tenant and delivered to the Landlord within six (6) months of the Tenant receiving the same from the Landlord unless the parties otherwise agree. If the Tenant fails to execute the Lease within the stipulated time period for execution, then the Tenant shall be deemed to have executed the same and shall be bound by the provisions of the Standard Lease and shall be deemed to hold the Premises in accordance therewith, provided however, the Tenant shall still be obligated to execute and deliver the Lease to the Landlord forthwith upon demand, and such failure to execute the Lease shall be a breach of covenant by the Tenant to which the default provisions of the Standard Lease shall apply.

13. COMMISSIONS OR FINDER'S FEES

The Tenant shall be solely responsible for any brokerage commissions or finder's fees concerning this lease transaction.

14. TIME OF THE ESSENCE

Time is of the essence of this Offer and each part of it.

15. NO REPRESENTATIONS

There are no representations, warranties or other agreements in any way related to this Offer except those expressly stated herein.

16. NOT ASSIGNABLE

This Offer or any interest resulting from this Offer will not be assignable or transferrable by the Tenant in any manner whatsoever.

17. REGISTRATION

The Tenant will not be entitled to register this Offer or the Lease or any interest under them.

18. INDEPENDENT LEGAL ADVICE

The Tenant acknowledges that it has been advised to, and has been given the opportunity to, obtain independent legal advice, and that it is entering into this Offer

with full knowledge and understanding of the contents hereof, including the Standard Lease.

19. NOTICE

Any notice or other communication required or permitted to be given under this Offer will be in writing unless otherwise specified and will be effectively given if hand-delivered or emailed to each party's address or email address for notice specified below, or to such other address or email address as a party may specify by notice as set out above.

Any notice or other communication will be deemed to have been received, if hand-delivered or sent by email before 4:00pm, on the day of delivery or transmission if it is a business day and otherwise on the next business day.

20. COUNTERPARTS

This Offer may be executed in one or more counterparts and delivered by email.

- Remainder of page left intentionally blank -

21. ACCEPTANCE

This Offer is open for acceptance by the Landlord until 3:00 p.m. (PST) on April 8, 2020, after which date, if not accepted, it shall become null and void.

Offered by the Tenant this 24 day of March, 2020.

VICTORIA DRIVE COMMUNITY HALL ASSOCIATION

Per:


Authorized Signatory

Mary McLann, President
Print Name and Title


Authorized Signatory

Theresa Gee, Vice president
Print Name and Title

Address for notice to the Tenant:

2026 East 43rd Avenue
Vancouver, B.C. V5P 1M7
Email: _____

Accepted by the Landlord this _____ day of _____, 2020.

CITY OF VANCOUVER

Per:

Authorized Signatory

Print Name and Title

Address for notice to the Landlord:

453 West 12th Avenue
Vancouver, B.C. V5Y 1V4
Attention: Director of Real Estate Services
Email: _____

Schedules:

- Schedule A: Plan of Premises
- Schedule B: Service Level Agreement (Draft)
- Schedule C: Form of Public Service Requirements - Social Facility
- Schedule D: Occasional Third Party Use Policy

21. ACCEPTANCE

This Offer is open for acceptance by the Landlord until 3:00 p.m. (PST) on April 8, 2020, after which date, if not accepted, it shall become null and void.

Offered by the Tenant this _____ day of _____, 2020.

VICTORIA DRIVE COMMUNITY HALL ASSOCIATION

Per:

Authorized Signatory

Print Name and Title

Authorized Signatory

Print Name and Title

Address for notice to the Tenant:

2026 East 43rd Avenue
Vancouver, B.C. V5P 1M7
Email: _____

Accepted by the Landlord this 7th day of April, 2020.

CITY OF VANCOUVER

Per:

JERRY EVANS, Director
Real Estate Services



Authorized Signatory

Print Name and Title

Address for notice to the Landlord:

453 West 12th Avenue
Vancouver, B.C. V5Y 1V4
Attention: Director of Real Estate Services
Email: jerry.evans@vancouver.ca

Schedules:

Schedule A: Plan of Premises
Schedule B: Service Level Agreement (Draft)
Schedule C: Form of Public Service Requirements - Social Facility
Schedule D: Occasional Third Party Use Policy

SCHEDULE "A" of OFFER
PLAN OF PREMISES



SCHEDULE “B” of OFFER
SERVICE LEVEL AGREEMENT (Draft)

SERVICE LEVEL AGREEMENT
VICTORIA DRIVE COMMUNITY HALL
2026 East 43rd Avenue

For purposes of this document, the parties are identified as follows:

Landlord:	City of Vancouver	CoV
Tenant:	Victoria Drive Community Hall Association	NPO

For the purpose of this agreement, this Service Level Agreement (the “SLA”) is intended to reflect the proposed delineation of repair, maintenance and replacement responsibilities between the parties as currently anticipated. The City reserves the right to revise the SLA as necessary and deemed appropriate.

Annual Maintenance Plan

The Tenant must prepare and submit an Annual Maintenance Plan including both the Routine and Preventative Maintenance Plan, which the City reserves the right to validate. The Tenant will submit a report/reports summarizing the Routine and Preventative Maintenance that has been performed and costs, and the Capital Maintenance and Improvements performed and cost annually on the anniversary of the commencement of the lease.

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
1.1	Heating, Ventilation and Air Conditioning		
a	- annual inspection	NPO	NPO
b	- routine maintenance and repair	NPO	NPO
c	- provision & replacement of filter material	NPO	NPO
d	- cleaning of ducts	NPO	NPO
e	- life cycle replacement (Capital Maintenance)	CoV	CoV
2.1	Plumbing Systems		
a	- preventive maintenance and repairs to hot water heating systems (i.e., boiler, hot water tank) and domestic cold water systems	NPO	NPO
b	- major repairs and replacement of hot water heating systems and domestic cold water systems	CoV	CoV
c	- repairs to all fixtures including faucets, unplugging toilets and all other routine repairs	NPO	NPO
d	- life cycle replacement of hot water systems, and piping	CoV	CoV
e	- life cycle replacement of fixtures (i.e., faucets, toilets, urinals, water closets, drinking fountains, etc.)	CoV	CoV

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
3.1	Mechanical Systems & Elevating Devices		
a	- preventive maintenance and repairs	NPO	NPO
b	- life cycle replacement	CoV	CoV
c	- installation, maintenance and replacement of additional equipment provided and installed by the occupant	NPO	NPO
4.1	Fire Protection & Suppression		
a	- monthly inspection of fire extinguishers and smoke detectors within the leased premises	NPO	NPO
b	- annual inspection of fire extinguishers and smoke detectors within premises	NPO	NPO
c	- repairs/recharging/life-cycle replacement of fire extinguishers within premises	CoV	CoV
d	- annual inspection, maintenance and repairs of the fire alarm system	NPO	NPO
e	- life cycle replacement of fire alarm system	CoV	CoV
f	- annual inspection, maintenance and repair of fire sprinkler system	NPO	NPO
g	- life cycle replacement of fire sprinkler system	CoV	CoV
5.1	Security Systems		
a	- system monitoring, inspection, maintenance and repair	NPO	NPO
b	- life cycle replacement	NPO	NPO
c	- repair, replacement, re-keying of all locks, fobs and access devices	NPO	NPO
6.1	Electrical Distribution Systems		
a	- repairs and upgrades required by Code and initiated by Landlord	CoV	CoV
b	- repairs and upgrades initiated by Tenant	NPO	NPO
c	- inspection, maintenance and repair of wiring, breakers and electrical panels	NPO	NPO
d	- life cycle replacement of wiring, breakers and panels	CoV	CoV
e	- repair or replacement of switches, receptacles, cover plates	NPO	NPO
7.1	Lighting Systems		
a	- bulb/tube replacement for interior lighting	NPO	NPO
b	- annual inspection and maintenance of interior emergency/exit lighting	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
c	- interior lighting ballast replacement	NPO	NPO
d	- life cycle replacement of interior lighting fixtures and emergency / exit lighting	CoV	CoV
e	- cleaning of interior lighting fixtures	NPO	NPO
f	- provision, maintenance, repair and replacement of portable lighting fixtures	NPO	NPO
g	- maintenance and repair of exterior lighting	NPO	NPO
h	- life cycle replacement of exterior lighting	CoV	CoV
8.1	Interior Windows		
a	- breakage and replacement of interior windows, caused by the occupant or operations	NPO	NPO
b	- routine repairs and cleaning of interior windows	NPO	NPO
c	- life cycle replacement due to normal wear and tear	CoV	CoV
8.2	Exterior Windows		
a	- breakage and routine repairs and replacement of exterior windows, not caused by the occupant or operations	CoV	CoV
b	- cleaning (of exterior surfaces)	NPO	NPO
c	- cleaning (of interior surfaces)	NPO	NPO
d	- life cycle replacement	CoV	CoV
8.3	Interior Doors		
a	- maintenance and repair, including hardware	NPO	NPO
b	- life cycle replacement, including hardware	CoV	CoV
8.4	Exterior Doors		
a	- maintenance and repair, including hardware	NPO	NPO
b	- life cycle replacement, including hardware	CoV	CoV
9.1	Interior Surfaces		
a	- interior life cycle repainting	CoV	CoV
b	- maintenance and cleaning of window applications including, but not limited to blinds and curtains	NPO	NPO
c	- repairs to interior walls and ceilings, including minor painting	NPO	NPO
d	- life cycle replacement of ceiling tiles	CoV	CoV

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
e	- interior repairs due to building system failures such as roof leaks, exterior walls and foundation leaks not caused by the occupant or operations	CoV	CoV
f	- maintenance and repairs of floor coverings, including carpet and tile	NPO	NPO
g	- life cycle replacement of flooring	NPO	NPO
h	- maintenance, repair, and replacement of millwork	NPO	NPO
10.1	Major Structural Systems		
a	- repairs or replacements of foundations, flooring sub-structure, building envelope including bearing walls and roofing, and parking lots due to damage not related to the tenancy	CoV	CoV
b	- repairs and painting of exterior surfaces including windows, trim, fascia and soffits	NPO	NPO
c	- exterior lifecycle repainting	CoV	CoV
d	- cleaning of eaves troughs and gutters	NPO	NPO
e	- cleaning of roof drains and roof areas	NPO	NPO
f	- maintenance and repairs of elevators	NPO	NPO
g	- life cycle replacement of elevators	CoV	CoV
11.1	Site Services		
a	- landscaping repairs and maintenance	NPO	NPO
b	- grass cutting	NPO	NPO
c	- general cleaning of grounds, litter disposal	NPO	NPO
d	- snow and ice removal from steps, walkways, entrances including provision of de-icing materials	NPO	NPO
e	- removal of snow from entrance to parking areas, if applicable	NPO	NPO
f	- removal of snow and ice from roof areas	NPO	NPO
g	- repairs of water and sewage systems (beyond the building perimeter) ,unless deemed to be caused by the occupants/tenancy	CoV	CoV
h	- maintenance and repair of external walkways, steps	NPO	NPO
i	- life cycle replacement of external walkways, steps	CoV	CoV
j	- maintenance, repair and replacement of gates and fences	NPO	NPO
k	- maintenance, repair and replacement of irrigation sprinklers	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
l	- maintenance and repair/patching of parking and loading areas	NPO	NPO
m	- life cycle replacement of parking and loading areas	CoV	CoV
n	- graffiti removal	NPO	NPO
12.1	Exterior Signage		
a	- maintenance, repair and replacement (subject to prior approval of CoV), including temporary signage	NPO	NPO
12.2	Interior Signage		
a	- installation, maintenance, repair and replacement of interior building and wayfinding signage	NPO	NPO
13.1	Janitorial Services		
a	- routine janitorial/custodial services	NPO	NPO
b	- pest control services	NPO	NPO
c	- provision of all washroom supplies	NPO	NPO
d	- garbage and recycling removal services	NPO	NPO
14.1	Appliances, Program and Other Non-Installed Equipment		
a	- inspection, maintenance and repair of all non-building equipment including stoves, refrigerators, microwaves, coolers, free standing cabinets, track lighting	NPO	NPO
b	- replacement of all appliances, program and non-installed equipment	NPO	NPO
c	- maintenance, repair and replacement of furniture	NPO	NPO
15.1	Renovations and Upgrades		
a	- any upgrades, additions, enhancements or improvements initiated by the Tenant (subject to prior approval by CoV), including contaminants remediation as required	NPO	NPO
16.1	Utilities		
a	- electricity	NPO	NPO
b	- gas	NPO	NPO
c	- water and sewer costs directly attributable to the leased premises	NPO	NPO
d	- all other municipal utilities charges which appear on the property tax notice	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
17.1	Business Operations		
a	- staff costs	NPO	NPO
b	- telephone, internet & cable services	NPO	NPO
c	- insurance (CGL, TLL, business interruption, contents, etc.)	NPO	NPO
d	- building insurance	CoV	CoV
e	- supplies and equipment, including for bathroom and kitchen	NPO	NPO
f	- security services	NPO	NPO

Life Cycle Replacement

Life cycle replacement is based on fair wear and tear. The need of such replacement is at the Landlord's sole discretion.

Damage

Notwithstanding the foregoing, but except in the case of emergency, it is a condition hereof that the Landlord's obligation to maintain, repair, and replace parts of the Premises as indicated above is always subject to the availability of funds currently budgeted by the Landlord for such purposes at the Premises.

SCHEDULE “C” of OFFER
FORM OF PUBLIC SERVICE REQUIREMENTS - Social Facility

SCHEDULE ____
PUBLIC SERVICE REQUIREMENTS

This Schedule ____ forms part of the Agreement made as of _____ 20__, between the City of Vancouver (the “Landlord”) and Victoria Drive Community Hall Association (the “Tenant”). A breach of the requirements of this Schedule will constitute a breach under Section ____ of the Agreement.

DOUBLE CLICK TO POPULATE DOCUMENT WITH ABOVE FIELDS

1. Landlord’s Requirements:

The Landlord requires that the Premises be used and occupied in accordance with the following:

City staff: Please fill in this section. Include an excerpt or summary from the Council Report authorizing the Agreement with the Tenant. Explain what public benefit the City is seeking to provide by having this operator deliver this particular service in the Premises.

- (a) in a manner that is consistent with the City of Vancouver’s policy objectives set out as follows in Council Report RTS _____, (approved <date> _____, 20__):
- Since 1924, The Victoria Drive Community Hall has provided a safe and welcoming space to the local community for functions such as bingo, seniors programming, weight watchers, sports club meetings and programming geared toward the diversity of the neighbourhood, including English language training, programs for Filipino seniors, Chinese exercises such as Guo Kin Chi Gong and Scandinavian dances. The Victoria Drive Community Hall is a well-used rental hall for local community occasions such as wedding, anniversaries, birthday parties, and craft sales.*

Specifically, the following public benefits must be provided by the Tenant in the Premises:

City staff to complete this section in point form to summarize the benefits for the residents of Vancouver provided by the Tenant’s operation of the premises.

- provide an affordable venue to the South Vancouver area for neighbourhood events, activities and celebrations.
 - help seniors avoid isolation through providing social activities such as bingo, English language training and nutrition support;
 - contribute to Healthy City goals and assist New Canadians through food preparation programs for seniors and youth;
- (b) in a manner that is consistent with, and upholds the following principles to the satisfaction of the City of Vancouver’s Managing Director of Social Policy and Projects:
- i) Accessibility and Inclusion: the Tenant will demonstrate accommodation, welcomeness and openness to people of all ages, abilities, sexual orientations, gender identities (including trans*, gender-variant and two-spirit people), ethnicities, cultural backgrounds, religions, languages, under-represented communities and socio-economic conditions in the Tenant’s policies, practices and programs except in instances where the

exclusion of some group is required for another group to be effectively targeted.

- ii) Financial Management: the Tenant will demonstrate sound financial planning and management practices to sustain current and longer-term programming and operation of the Premises.
- iii) Leadership: the Tenant will have sound management in place and an engaged board of directors, with the appropriate representation of communities served and the skills and expertise to support the Tenant's use, Mission, Vision and Mandate. The board of directors must function in a governance role, be active in setting direction, policy and long-term planning, and fulfill their legal and fiduciary responsibilities.
- iv) Alignment with the City of Vancouver's Mission and Values: the Tenant's use of the Premises must align with the City of Vancouver's Mission and Values, as set out below:

The City of Vancouver's Mission: to create a great city of communities that cares about its people, its environment, and its opportunities to live, work, and prosper.

The City of Vancouver's Values: being responsive to the needs of citizens and colleagues, striving for the best results, approaching work with unbiased judgement and sensitivity, being open and honest, and honouring commitments; setting examples that others will choose to follow, and being a learning organization that grows through its experiences.

The City of Vancouver is committed to A Healthy City for All – a city where everyone can create and continually improve the conditions that enable the highest level of health and well-being possible.

The foregoing principles may be amended from time to time by the Landlord and if so amended, the Landlord will notify the Tenant in writing of such amendments and will include a copy of same and the Tenant will abide by such amended principles as though they were originally contained herein;

This section is to be completed by City staff. It will build on the general use in the Agreement by setting out in greater detail how the City requires the Premises to be used.

- (c) only for the purpose set out in Section _____ of the Agreement and specifically:
 - (d) N/A?
- (collectively, the "Landlord's Requirements").

2. Tenant's Acknowledgement, Representations and Covenants

- (a) Acknowledgement: the Tenant acknowledges that the Landlord has been authorized by Vancouver City Council to lease the Premises, for the public benefit, to the Tenant in its capacity as a non-profit public-service organization that meets the Landlord's Requirements, and that the Landlord has relied on the Tenant's representations and covenants hereinafter set out, in determining that the Tenant is an appropriate tenant for the Premises.
- (b) Representations: the Tenant represents that its Mission, Vision and Mandate are as follows:

Mission:

Through programming, partnerships and rentals, to anticipate and respond to the needs of South Vancouver's diverse communities, including people with low incomes, New Canadians and Canadians for whom English is a second language, seniors, youth, people with disabilities and people at risk of isolation or discrimination.

Vision:

The Victoria Drive Community Hall as a hub for activities that support all who live in South Vancouver in fulfilling their potential in a harmonious, prosperous and welcoming neighbourhood.

Mandate:

To provide an affordable and well-maintained venue and to offer community-based programming for the South Vancouver neighbourhood.

The Landlord acknowledges that the Tenant's organization may evolve, expand, contract, diversify or specialize over time (for example, by offering new types of services to meet emerging community needs), and that such changes may necessitate revisions to the Tenant's Mission, Vision and Mandate from time to time. The Tenant will notify the Landlord immediately of any such revisions, and such revisions will be permissible, PROVIDED that the Tenant, in the Landlord's sole discretion, continues to be a non-profit, public-service organization, and the Tenant's use of the Premises continues to be a Permitted Use that meets the Landlord's Requirements.

- (c) **Covenants:** throughout the Term of the Agreement, the Tenant covenants that it will consistently, actively and rigorously implement, promote, advance and fulfil the Landlord's Requirements and its Mission, Vision and Mandate through its use of the Premises.

The Tenant will fulfill its Mission in the following way(s):

- *By ensuring through recruitment and succession planning that the board of directors reflects the diversity of the South Vancouver neighbourhood;*
- *By carefully developing and delivering programming that responds to priority needs of the South Vancouver neighbourhood as identified by the board of directors;*
- *By continuously reaching out to community organizations to develop strategic partnerships that will leverage the Community Hall to support diverse cultural and social programs, events and activities.*

The Tenant will fulfill its Vision in the following ways(s):

- *By proactively spreading the Society's mission as widely as possible throughout the South Vancouver neighbourhood.*

The Tenant will fulfill its Mandate in the following way(s):

- *By maintaining the Community Hall to as high a standard as possible in partnership with the City;*
- *By ensuring the financial sustainability of the Community Hall while keeping programs, activities and events as affordable as possible or free;*

- *By equipping the board of directors (through means such as recruiting for board diversity, board training, community surveys and diverse board experience) to be able to identify and effectively respond to community needs.*

3. Reporting and Monitoring

The Tenant will report to the Landlord about its use and operation of the Premises on an annual basis, by no later than December 31st, or as frequently as may otherwise be reasonably required by the Landlord. Reports must be made in a form and manner that satisfy the Landlord's reporting requirements in effect from time to time. The Landlord will notify the Tenant in writing of any changes to its reporting requirements, and the Tenant will abide by such amended reporting requirements as though they were originally contained herein.

The Landlord's current reporting requirements are as follows:

ANNUAL REPORTING:

- (a) the name and contact information of the key persons for the Tenant at the Premises;
- (b) a current list of directors and officers of the Tenant including their terms, positions and affiliations;
- (c) financial statements of the Tenant, including at a minimum a statement of income and expenses for the Premises, for the most recently available fiscal year independently prepared at the Tenant's expense by an accounting professional (review engagement or audit) OR financial statements, including at a minimum a statement of income and expenses for the Premises, endorsed by two signing officers of the Board of Directors, if independently prepared or audited statements are not available;
- (d) a proposed annual budget for the Premises with an estimate of all revenues and expenditures as well as a maintenance reserve sufficient to meet the Tenant's obligations under the Agreement, in a form acceptable to the Landlord, which must have first been approved by the directors of the Tenant;
- (e) a summary of activities for the past fiscal year demonstrating how the Tenant has implemented its Mission, Vision and Mandate through its use of the Premises and complied with the Landlord's Requirements;
- (f) a summary of activities at the Premises for the past fiscal year demonstrating how the Tenant has complied with the Maintenance Plan and Service Level Agreement requirements;
- (g) a summary of activities at the Premises planned for the coming fiscal year;
- (h) a summary (including users, dates, rental fees, and MOUs or other agreements if any) of third party and community uses at the Premises and rental rates charged.

OTHER REPORTING:

The Tenant shall submit an annual maintenance plan as outlined in the Agreement in Section _____ and in the Service Level Agreement.

The Tenant must provide evidence of good standing as a not-for-profit or charity (submit a current Corporate Registry Search from BC Registry Services) every five years of the Term or Renewal Term(s).

In the Landlord's discretion, the Tenant may also be required from time to time to provide a copy of its strategic plan, board minutes, and a summary of governance policies.

In advance of granting any renewal of the Agreement, the Landlord will review whether the Tenant has met the Landlord's Requirements.

4. AMENDMENTS

The Tenant shall not make any changes to this schedule without the prior written approval of the City of Vancouver's Managing Director of Social Policy and Projects.

DOUBLE CLICK TO DELETE ALL HELP TEXT

SCHEDULE “D” of OFFER

OCCASIONAL THIRD PARTY USE POLICY

This Occasional Third Party Use Policy (the “Policy”) forms part of the Agreement made as of _____, 20____ between the CITY OF VANCOUVER, as the Landlord, and VICTORIA DRIVE COMMUNITY HALL ASSOCIATION, as the Tenant, regarding 2026 East 4rd Avenue, Vancouver (the “Premises”).

1. Purpose of Policy

The purpose of this Policy is to provide for occasional use of the Premises by third parties at various times in order to generate earned revenues which will assist the Tenant in supporting its operations.

2. Amendments

This Policy shall not be amended unless the Landlord and the Tenant agree to any amendment in writing.

3. Tenant Liable for Actions of Third Parties

Without limiting anything else contained in the Agreement, the Tenant shall at all times be fully responsible for the actions of any third party that the Tenant permits to use the Premises. If those actions result in any damage or loss to the Premises or if the Landlord sustains any loss of any kind due in whole or in part to such actions, the Tenant shall repair the damage or loss to the Landlord’s satisfaction and shall indemnify the Landlord for any loss it might sustain due in whole or in part to such actions.

The Tenant shall ensure that the Tenant’s insurance is adequate to protect the Tenant for the actions of third parties.

4. Use by Third Parties

Any use by third parties of all or any portion of the Premises shall:

- (a) not be a subletting but shall only be a license to use on the terms set out in the Rental Agreement (hereinafter defined);
- (b) be appropriate to and support and not detract from the Public Service Requirements; and
- (c) be no longer than sixty (60) consecutive days, except with the prior approval of the Landlord, not to be unreasonably withheld except that the Landlord may arbitrarily withhold consent if the use is to be longer than one hundred and twenty (120) consecutive days.

5. Rental Agreement

Before the Tenant permits a third party to use all or any portion of the Premises, the Tenant shall enter into a written agreement with the third party (the “Rental Agreement”). At a minimum the Rental Agreement shall contain the following information and requirements:

- (a) the full and correct legal name, address, contact name and telephone number of the third party;

- (b) identification of which area(s) of the Premises is/are to be used by the third party;
- (c) the purpose for which the area(a) is/are to be used by the third party;
- (d) the amount of the fee being paid by the third party including the amount of the deposit, if any;
- (e) the duration of the Rental Agreement;
- (f) proposed additional janitorial and security arrangements if such additional arrangements seem reasonably necessary in view of the proposed use; and
- (g) an obligation on the third party to comply with all federal, provincial or civic statutes, by-laws, regulations and orders in force at the time of execution of the Rental Agreement or thereafter relating to the Premises and the third party's use of the Premises.

6. No Occupation by Third Party Until Certain Conditions Met

The Tenant shall not permit any third party to occupy all or any portion of the Premises unless:

- (a) the third party has executed the Rental Agreement; and
- (b) the third party has satisfied all the preconditions set out in the Rental Agreement.

7. Policy Part of Agreement

As this Policy forms part of the Agreement, default by the Tenant in its obligations enumerated in this Policy is default under the Agreement.