

ADMINISTRATIVE REPORT

Date: June 8, 1999
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RTS No. 00608
CC File No.8009
P&E: June 24, 1999

TO: Standing Committee on Planning and Environment
FROM: Co-Director of Planning (Central Area), in consultation with
the General Manager of Parks & Recreation
SUBJECT: Hastings Park Restoration and Pacific National Exhibition
Arrangements Through 2002

RECOMMENDATION

- A. ***THAT Council approve the preparation of an Operating Agreement for the occupation and use by the Pacific National Exhibition of Hastings Park (except the Racetrack area) for the 2000-2002 time period, on terms and conditions as generally outlined in this report, and all to be finalized to the satisfaction of the City Manager and the Director of Legal Services, in consultation with the Co-Director of Planning (Central Area) and the General Manager of Parks & Recreation;***

AND FURTHER THAT the City Manager be authorized to sign such Operating Agreement with the Pacific National Exhibition.

- B. ***THAT the Pacific National Exhibition be requested to provide an annual report to the City on efforts to relocate its operations off Hastings Park.***

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of A and B.

COUNCIL POLICY

In January 1990, City Council approved that Hastings Park be restored to predominantly park use with abundant green space and trees, instead of asphalt and buildings. In March 1997, after a two-year community consultation process, both City Council and Park Board approved the Hastings Park Restoration Plan.

In November 1994, City Council authorized a lease with the Pacific National Exhibition (PNE) for Hastings Park including a clause that the PNE vacate the site at the end of 1996. In February 1996, the termination date was extended until September 1997. In April 1997, the termination date was extended until the end of 1999.

PURPOSE

The purpose of this report is to recommend Council support for the continued presence and operation of the PNE on Hastings Park for the next three years, in the context of the continued implementation of the Hastings Park Restoration Plan for green park and recreation purposes as currently approved and scheduled. This consideration has come about because the efforts to relocate the PNE, which remains a priority City objective, have thus far been unsuccessful and active work toward this end by the PNE continues.

BACKGROUND

Park Restoration: The Hastings Park Restoration Plan was approved in 1997 after extensive public involvement and Park Board staff analysis and design. To date, significant progress has been made on implementing this plan, which is on schedule. Between the 1997 and 1998 PNE Annual Fair, the Park Board coordinated the removal of five buildings. Between the 1998 and 1999 Annual Fairs, the Park Board is currently completing green park construction on 4 hectares (10 acres), including a large pond, stream and extensive landscaping, at the south centre of Hastings Park, called the ‘Sanctuary.’

During this period, the PNE has fully cooperated with the City and Park Board on the restoration program, making alternate arrangements for activities in buildings removed and areas now converted to green park. This has involved a plethora of technical changes to facilitate construction and accommodate the new park arrangements.

Over the next three years, the planning and construction schedule will lead to the following further phased restoration, subject to available funding, of park and recreation areas on Hastings Park.

- The area along Renfrew Street between Rollerland and the Forum, comprising 2.5 hectares (6 acres), will be restored for use for active pursuits including a childrens' playground, basketball/tennis courts and temporary installations.
- The area of the former Empire Stadium, comprising 5.5 hectares (14 acres), will be restored for sports fields.
- The area of a parking lot located to the east of the Livestock Building, called the "Exhibition Bowl" area, comprising 3.0 hectares (7 acres), will be restored as an extension of the lushly landscaped "Sanctuary" now being restored to the south.

Upon completion of these phases, a total of 15 hectares (37 acres) of the 65 hectares (162 acres) of Hastings Park will have been restored on schedule. These restoration areas are illustrated in Appendix A.

It is estimated that the restoration of the 11 hectares (27 acres) over the next three years will cost about \$10.5 million in capital funds. This includes: about \$0.5 million already budgeted in 1998/99; \$1.1 million committed to be paid by the PNE in December 1999; about \$2.1 million from Racetrack rent over the next three years; up to \$5.0 million requested in the upcoming 2000-2002 Capital Plan; and \$1.8 million to be generated by the Park Board through fundraising.

PNE Relocation Activities: The PNE and Province have been actively searching for an alternate permanent home for the PNE. Options regarding sites and partners have been explored. New amusement park design concepts have been framed. Extensive resources have been expended. One proposal, on Burns Bog in Delta, tentatively came together but did not find local support. Work to this end continues in regard to several targeted sites and business scenarios. At the same time, the PNE has been streamlining and reconceiving its current operations and dealing more proactively with neighbourly concerns. Nonetheless, as firm relocation plans are not in place, the PNE approached the City in early 1999 for an extension of their tenure on Hastings Park until relocation efforts succeed.

PRA Activities: In a parallel discussion, the PRA (Pacific Racing Association) has requested a new lease for the Racetrack on Hastings Park. The previous lease expired at the end of 1998 and the PRA has continued operations on their site since then on a month-to-month tenancy. Discussions with the PRA are underway and will be the subject of an upcoming report to Council.

PRINCIPLES FOR THE PNE AND PRA ON HASTINGS PARK

Upon review of an array of City Council and Park Board decisions on Hastings Park over recent years and in recognition of the Trust that applies to the lands, staff have framed a set of basic principles recommended to guide further decisions on park restoration and any further PNE and PRA tenure. These principles are listed in Appendix B.

These principles acknowledge first and foremost that the green park restoration should proceed as planned upon availability of funding. The principles acknowledge the significance of the PNE as a British Columbia institution, that the PNE is expected to relocate to new and better future premises, but that the PNE may have a place at Hastings Park until the realization of park restoration precludes this. The principles acknowledge the Racetrack is expected to stay for the foreseeable future but must adjust as necessary to the park restoration plan. And the principles acknowledge that while on-site jobs will change, all decisions should be sensitive to the impact on these jobs.

PROPOSED ARRANGEMENT FOR PNE EXTENSION

Guided by the principles for park restoration and respect for the PNE's situation, City and Park Board staff representatives have met with PNE representatives to frame an appropriate extension arrangement, the general principles of which have been agreed to by all these representatives for Council consideration. Confirmation of the PNE Board endorsement is forthcoming and will be forwarded to Council separately. The substantive terms for this arrangement are as follows.

- **Form:** The arrangement will take the form of an "Operating Agreement" for the PNE's occupancy and use of Hastings Park.
- **Area:** The premises covered by the Operating Agreement will include:
 - all land bounded by Hastings, Renfrew, McGill, Bridgeway and the Trans-Canada Highway (including land that is "restored as park"), except the land leased to the Racetrack;
 - Parking lot #10 located at the northwest corner of McGill and Bridgeway; and
 - the parking lot bounded by Hastings, Windermere, Pender and Rupert.

- **Term:** The term of the Operating Agreement will be for 3 years starting January 1, 2000 and terminating December 31, 2002. There will be no rights of renewal in the Operating Agreement. Before the end of year two (i.e., by December 31, 2001), the City and PNE will determine whether or not a further Operating Agreement is to be considered.
- **Park Restoration:** The Operating Agreement will secure that the Park Board will have the ability to continue with its park restoration program during the period as planned, in the following phases:
 - the Renfrew Street area between Rollerland and the Forum (after December 31, 1999);
 - the site of the former Empire Stadium (after 2000 Annual Fair);
 - the parking lot located east of the Livestock Building, called the “Exhibition Bowl” area (after 2001 Annual Fair), except if there is a secure decision, satisfactory to the City, before the end of the 2001 Annual Fair that the PNE will leave the site after the current term, then the “Exhibition Bowl” area shall not proceed until after the 2002 Annual Fair.

All other park restoration will occur after the end of the current term of the Operating Agreement. More detailed plans will be appended to the Operating Agreement as a “Transition Plan.” Minor alterations to the Transition Plan may be permitted to suit the needs of either the Park Board or the PNE. The Operating Agreement will secure that park construction is not to occur during the 17-day Annual Fair.

- **Fee:** The PNE will pay an Operating Fee to the City of \$1.00 per year.
- **Maintenance of the Site:** The Operating Agreement will secure that the PNE will maintain the premises to the current standards now in place and ensure that the portions of the premises that are restored to park land are maintained to the City park standards to the satisfaction of the General Manager of Parks and Recreation. The PNE will pay for the maintenance and all the operating costs associated with the premises. The City will contribute to the maintenance of the site only in those years when the PNE does not make an operating profit (with pre-agreement on the documentation of this). Such payment will be equal to the operating loss but not to exceed \$300,000.00 in any year. If in the restored park area there is an extraordinary maintenance expense, the PNE and City shall determine a fair sharing of such costs.

- **Daycare:** The Operating Agreement will secure that a permanent daycare will be accommodated on the premises in Rollerland or another location, to the satisfaction of the City. Direct capital and operating costs of this permanent daycare will be paid by the City and others but not by the PNE. Costs associated with any ancillary rearrangements to accommodate the daycare installation will be paid by the PNE. A separate report will bring forward this daycare proposal for Council consideration.
- **Parking Lot #10:** The Operating Agreement will secure that the PNE will not lease parking lot #10 to a third party between Victoria Day and Labour Day in order to allow New Brighton Park patrons to park there free of charge, except that the PNE can use and charge for the use of the parking lot for fair-related purposes during the 17-day Annual Fair.
- **E-Comm Facility Parking:** The Operating Agreement will secure that the PNE will make available to the E-Comm Facility 50 parking spaces, fully reserved on a 24-hour year-round basis in the parking lot bounded by Hastings, Windermere, Pender and Rupert, free of charge, except that during the 17 days of the Annual Fair, the PNE shall be paid a parking fee not to exceed \$6,800.00 per year, calculated at a rate of \$8.00 per day per parking space used.

The satisfactory resolution of two matters has been a prerequisite in our discussions of the City executing the Operating Agreement, as follows.

- **1999 Lease Termination Fee:** The current lease requires that "... not less than 10 days prior to the expiration of the tenure on December 31, 1999, the PNE will pay the City a termination fee of \$1.1 million." This reflects payments made by the City to the PNE of \$500,000.00 per year over the last two years to help defray site maintenance costs. Staff asked confirmation of the PNE's agreement to pay this fee as arranged. The PNE has now confirmed that the payment will be made in full as previously agreed.
- **Parking for Racetrack Patrons:** There is a standing 'Parking Agreement,' running through the year 2003, between the PNE, PRA and City. There has been a disagreement between the PNE and the PRA on the application of the Parking Agreement related to setting the specific parking rate for Racetrack patrons and what, if any, 1997, 1998 and future 'top-up' of revenue payments are required to be paid by the PRA to the PNE. Staff have urged that this disagreement be resolved prior to concluding on further tenure for either organization on Hastings Park. This matter has now been fully settled in a manner satisfactory to all parties.

NEXT STEPS

If Council agrees to proceed as outlined in this report , the next step will be to frame the exact wording of the Operating Agreement satisfactorily for all parties. This will be completed by the Director of Legal Services. Thereafter, the Operating Agreement would be signed by the City Manager.

For further park restoration, the Park Board will proceed with design development of the Renfrew area, utilizing funds already allocated to Hastings Park - Project Phase II. Upon completion of the design and budgeting process, City Council will be asked to authorize further funding for the construction of that phase. A report is expected toward the end of 1999, with a construction start in early 2000.

Coincidentally, with the PNE's request for an extension, City staff have received two unsolicited inquiries from private-sector groups interested in leasing and managing the Pacific Coliseum. As revenues from the Coliseum are an integral part of the PNE's business plan, separating this facility out for third party control would not be compatible with the proposed Operating Agreement for the PNE. Instead, staff has suggested, and the PNE concurs, to convene talks between the City, PNE and these other interested parties to explore if a cooperative scenario is feasible during the remaining period that the PNE is at Hastings Park and perhaps stretching later in time. At least one of the interested parties has expressed a positive interest in such possibilities.

Finally, even with the best efforts by the PNE, there remains understandable concerns, particularly by community people, as to whether the PNE can or will relocate. From the material presented by PNE representatives, staff are confident that efforts are proactive and ongoing. To provide good information for everyone over the period of the proposed Operating Agreement, as well as to foster a regular redoubling of efforts and whatever assistance the City can provide, the PNE is requested to provide an annual report to the City about its relocation plans and, hopefully, early success.

CONCLUSION

Hastings Park restoration is well underway but the PNE needs more time to achieve its relocation to a new and better alternative site. Since the planned phasing for park restoration over the short run can continue unhindered with the co-existence of the PNE, including Playland and the Annual Fair in the summer, City and Park Board staff have worked with the PNE to frame terms of an Operating Agreement for the PNE on Hastings Park for the next three years. This has been based upon principles that unquestionably confirm both park restoration and PNE relocation as primary City objectives. If Council agrees, a detailed Operating Agreement will be finalized.

