

ITEM 7
MANAGER'S REPORT NO. 19
COUNCIL MEETING 86/03/17

RE: HART HOUSE RESTAURANT PROPOSAL CALL
5055 SPERLING AVENUE
(Item 13, Report No. 60, 1984 October 01)

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Planning & Building Inspection be adopted.

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TO: MUNICIPAL MANAGER 1986 March 12
FROM: DIRECTOR PLANNING & BUILDING INSPECTION Our File: 10.382.1
SUBJECT: HART HOUSE RESTAURANT PROPOSAL CALL - 5055 SPERLING AVENUE

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RECOMMENDATIONS:

1. THAT Terms of Reference for a restaurant proposal call for the Hart House at 5055 Sperling Avenue be prepared.
2. THAT David Greig and Associates be retained to provide consultant services to the Municipality for the proposal call as outlined in this report.
3. THAT the Terms of Reference be approved by Council prior to the proposal call.

SUMMARY

David Greig and Associates in their restaurant feasibility study for the Hart House have concluded that it has an attractive potential to become a successful high quality destination restaurant. This Council report recommends that terms of reference for a restaurant proposal call be prepared as soon as possible and that David Greig and Associates be retained to provide consulting services for the proposal call.

R E P O R T

1.0 BACKGROUND AND PURPOSE

Council on 1984 October 01 authorized that negotiations with TDAC Management Corporation for the lease of the Hart Mansion for a restaurant be terminated and that the Burnaby Chamber of Commerce be given the opportunity to explore the feasibility of establishing a Faculty/Businessmen's Club at the Mansion.

The decision to terminate the negotiations with TDAC was reached after the Municipality was unsuccessful in obtaining the required deposit. Following this, staff worked with a Committee established through the Chamber of Commerce to explore the feasibility of their proposal. After their review, the Committee decided not to put forward a proposal to Council. A copy of the letter from Mr. R. Speller, the Committee Chairman, is attached.

In the latter part of 1985, there was a perception that conditions in the restaurant industry were improving. Accordingly, the Municipality retained David Greig and Associates to undertake a restaurant feasibility study for the Hart House. Their study has just been completed and submitted to the Municipality. This Council report summarizes the Consultant's key findings and recommends a future course of action.

2.0 CONSULTANT'S KEY FINDINGS

The major findings of the Consultant are:

1. The Hart House, leased to a capable and financially sound operator, has the development potential for a profitable quality sit-down restaurant.
2. A conservative base year food and beverage sales volume of \$1.5 million increasing to \$2.1 million by year 5 is estimated.
3. Capital costs to renovate, furnish and equip the restaurant will be about \$500,000 and should be borne by the operator.
4. The Municipality should proceed as soon as possible with a restaurant proposal call.

The Consultant's findings that the Hart House has the potential to become a successful, high quality destination restaurant is supported by staff. Subsequent discussions with the Consultant in reviewing his report have demonstrated his strong enthusiasm for the potential success of this project. Based on this conclusion together with the fact that the Park Drive will be completed by early June and provide the Hart House with increased exposure and accessibility, it is recommended that a proposal call be initiated as soon as Terms of Reference can be drawn up.

3.0 THE PROPOSAL CALL

David Greig and Associates was the Municipality's Consultant in reviewing the Terms of Reference, evaluating the submissions and recommending an operator for the Burnaby Mountain Pavilion. It is the opinion of staff that his expertise greatly assisted the Municipality in successfully negotiating an agreement with Nintendo Entertainment Centres Ltd.

David Greig and Associates upon request has made a submission to the Municipality to provide consultant services for the Hart House proposal call. These services, to be undertaken in conjunction with staff, would include:

- Preparation of proposal call Terms of Reference.
- Review of documents with prospective bidders.
- Answer questions related to food service design concept during proposal call period.
- Review and analyze proposals and make recommendations to the Corporation of the District of Burnaby.

Planning & Building Inspection Department
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The fee for these services is to be on an hourly basis with a maximum upset of \$4,500 excluding expenses and disbursements (e.g. copying, printing, delivery charges, etc.). The Consultant has estimated a 10 percent contingency would be adequate to cover these expenses. Funds to cover these expenses (\$4,950) are included in this department's 1986 Annual Operating Budget. Given Mr. Greig's background in this project, his specialized expertise in this field and the positive contribution he made in the Burnaby Mountain Pavilion restaurant proposal call, it is recommended that he be retained to provide consultant services for the proposal call as outlined.



A.L. Parr
DIRECTOR PLANNING &
BUILDING INSPECTION

BLS/mcb

Attach:

cc: Director Recreation & Cultural Services
Municipal Solicitor
Director Finance
Director Engineering

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(604) 437-7202

March 14, 1985

Mr. B. Luksun
The Corporation of The District
of Burnaby
4949 Canada Way
Burnaby, B.C.
V5G 1M2

Dear Mr. Luksun:

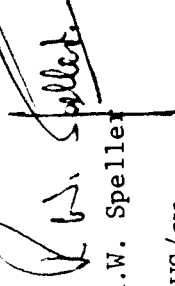
Burnaby Mansion Committee

Thank you for your letter of March 7. You are aware that the Committee has held a number of meetings to consider various programs for the renovation and future use of Hart Mansion. The "planning" meetings have been well supported, but the community input for various feasibility projects has been lacking. The Committee, therefore, has reluctantly decided not to put forward to Council any proposal for the future use of Hart Mansion.

Hart Mansion is a unique asset of the community, but we question whether in today's economic climate it would be prudent to anticipate major financial commitments being underwritten by the public- you will recall from one of our planning meetings a minimum of \$500,000 had been estimated as being required to bring the building up to current building code requirements.

At this time we would take the opportunity to thank both you and your staff for the cooperation that was always extended to the Committee.

Yours sincerely,


R.W. Speller

RWS/sw