

RE: THE HARRY JEROME SPORTS CENTRE
MUNICIPAL MANAGER'S RECOMMENDATION:

ITEM SUPPLEMENTARY 19
MANAGER'S REPORT NO. 57
COUNCIL MEETING 88/09/12

1. THAT the recommendations contained in the report from the Director Recreation & Cultural Services be adopted.

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TO: MUNICIPAL MANAGER 1988 September 08
FROM: DIRECTOR RECREATION & CULTURAL SERVICES
RE: HARRY JEROME SPORTS CENTRE

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PURPOSE:

The purpose of this report is to obtain Council's authority in principle, to lease Parkland to the Bicycling Association of British Columbia for the eventual construction of a Velodrome.

RECOMMENDATIONS:

1. THAT the leasing of Parkland, Lots "A" and "B", D.L. 215, Plan 9377 NWD, Barnet Highway to the Bicycling Association of British Columbia be approved in principle.
2. THAT the lease be executed when the Cycling Association has sufficient funds to construct the velodrome to an operational stage and has received final building and planning approvals.

REPORT

In November 1987, the Commission approved in principle the leasing of land on the Barnet Highway to the Bicycling Association of British Columbia, for purposes of the construction of a velodrome and multi-sport facility. The approval in principle assisted the Association to proceed further with their planning. The attached site map shows the location of the property.

The Association is now ready to implement a fund-raising campaign, and it would assist them if they now had approval in principle from the Corporation through a motion of Council. The Commission is therefore putting forward for Council's consideration a request that Council approve in principle the granting of a lease, under the terms and conditions that are outlined below. A number of site, organizational and financial matters still need to be resolved between the Corporation and the Association, and a final lease would not be signed prior to their conclusion. At that time a further report would be processed through the Commission to Council, which may or may not change the lease terms, but would provide additional details of any memoranda of agreement that had been worked out which covered financial obligations, use of the facility by the Commission, use of the facility by the public at large.

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The estimated cost of the building is \$1,500,000 of which the Association has presently raised \$400,000. The building basically houses a bicycle track, plus any necessary ancillary services, one of which may be a sports medicine clinic. The Commission may take part in construction costs by finishing off the center of the building to gymnasium standards for use by the general Burnaby community through the Commission's regular programming. Again, details still have to be worked out, but the Commission has an upset figure of \$325,000 in year five of its Five-Year Capital Plan, potentially to be used for this purpose. This is additional to the \$1,500,000 Association cost.

Annual operating costs are estimated at \$320,000 and would be the responsibility of the Association. The Commission's contribution to operating costs would be limited to normal allotment fees paid by any of our user groups occupying the gymnasium.

The recreational and competitive cycling opportunities, plus ancillary opportunities such as a sports medicine clinic or some track and field options, combined with direct programming of the gymnasium for community purposes, are of sufficient value to the Municipality, to support the use of the Parkland as requested.

Suggested lease terms follow hereunder. These are intended only as a guide to the legal draftsman.

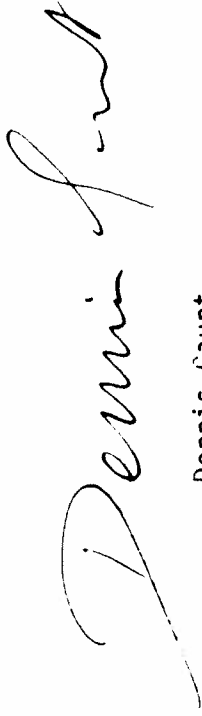
Lease Terms:

1. A five-year term, with an undertaking that an additional five-year or multiple of five-years, will continue to be granted by the Corporation on a mutually agreed basis (insofar as Council is able to commit a future Council to renew the lease for an additional period).
2. Rent of \$1.00 per annum.
3. If the Association chooses not to renew the lease or wants out of the lease, the property will revert to the Corporation at no cost to the Corporation.
4. Should the Corporation require the property before the expiry of the mutually agreed term specified in Clause #1, and therefore does not renew the lease or cancel the lease for reasons beyond the control of the Association, the Association will be compensated at an appraised value of the facility. The Corporation has precedents for this kind of an arrangement. A reasonable life is mutually agreed to for the building and potential compensation decreases the further into the building life.
5. The Association remains a non-profit society and meets the requirements of the Society Act.
6. The Association is responsible for payment of all costs related to construction, operation and maintenance of the facility. If the Corporation is to provide any construction or operating costs they will be negotiated later, within this overall responsibility.
7. The Association is to provide a recreational and competitive cycling program.
8. The facility to be used principally for sport, recreational and related support services.

9. The B.C. Cycling Association to be liable for property taxation on all land and improvements. It is the intent of the Parks and Recreation Commission to support an application to Council for permissive exemption from property taxation on those portions of the land and improvements used by the Association as part of the velodrome activity. Areas used by licenced businesses for profit or gain will be subject to taxation. (It is not intended that these precise words will be included in the lease; they may appear in a supporting memorandum of agreement.)
10. The Parks and Recreation Commission will receive approximately 25 hours of prime time of the use of the gymnasium area at the center of the building. These will basically be week-day evening hours and part of Saturday. The Commission will also have the option of the use of any part of the building if needed at other times, after the needs of the cycling program are met, with such rates to be negotiated. As part of the community use of the gymnasium area, the Commission will also receive the use of washrooms, changerooms, and storage rooms, etc., which may be necessary to the conducting of the program.
11. User fees for community recreation groups using the gymnasium area, will be consistent with the Parks and Recreation Facility Fees Bylaw. These user fees will be paid to the Association or approved building administration. Fees outside of this community use will be set at appropriate rates by the Association or building administration and will be subject to the approval of the Director Recreation and Cultural Services.

Once further details are worked out they will either be presented to Commission and Council in proper legal format to be included in the final lease terms, or will be included in a memorandum of agreement which will accompany the staff report recommending final approval.

It is the hope of the Cycling Association to complete their fund-raising campaign, and start construction of the facility within the next 12 months.

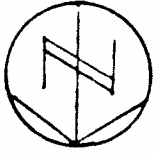


Dennis Gaunt
DIRECTOR RECREATION &
CULTURAL SERVICES

DG:mdw

Attach.

c.c. Director Finance
Municipal Solicitor



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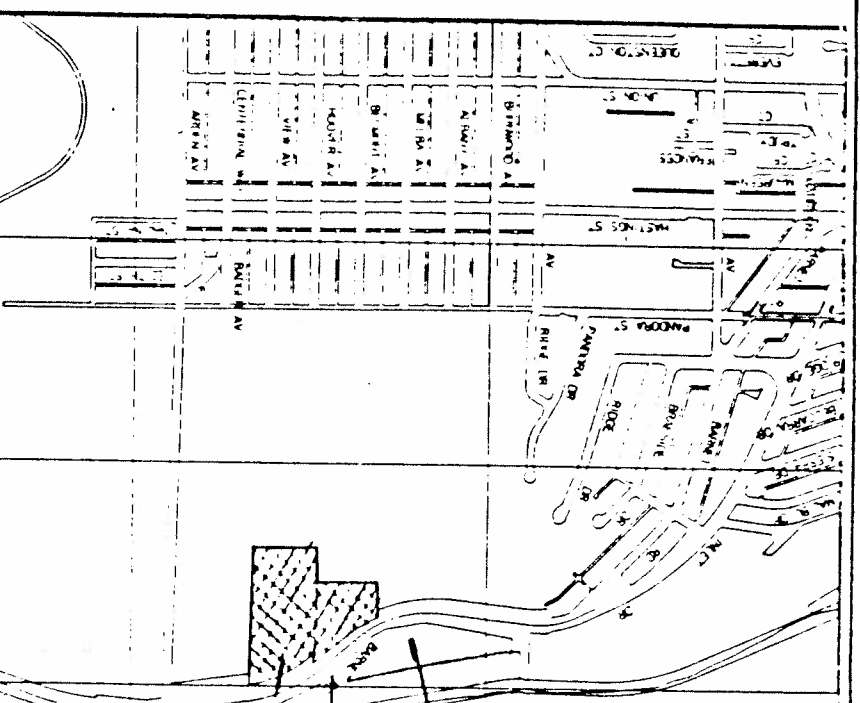
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BARNET
 PARK
 TRAFFIC
 PARK

BURRARD
 INLET

SUBJECT
 PROPERTIES

KASK BROS.



PROJECT

PROPOSED
 VELODROME
 LOCATION

DESIGNED BY
 DRAWN BY
 CHECKED BY
 DATE 88/09
 SCALE 1:116

BURNABY
 parks & recreation
 department

DRAWING NO.
 0215-1-465
 REV.