

TO: CITY MANAGER DATE: 1999 MAY 06

FROM: DIRECTOR PARKS, RECREATION AND CULTURAL SERVICES

SUBJECT: LEASE AGREEMENT TO OPERATE A COMMERCIAL PRO-SHOP AT BONSOR RECREATION COMPLEX

PURPOSE: To request Council concurrence for a lease agreement between the City of Burnaby and D.B. Perks & Associates for a commercial pro-shop operation at the Bonsor Recreation Complex.

RECOMMENDATION:

1. THAT concurrence be given to a lease agreement between the City of Burnaby and D.B. Perks & Associates for a commercial pro-shop operation at the Bonsor Recreation Complex.

REPORT

At its meeting of 1999 May 05, the Parks and Recreation Commission received the attached staff report on the above subject and adopted the three recommendations contained therein.



KATE FRIARS
DIRECTOR PARKS, RECREATION
AND CULTURAL SERVICES

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Attachment
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cc: Director Finance
City Solicitor

SUBJECT: LEASE AGREEMENT TO OPERATE A COMMERCIAL PRO-SHOP AT BONSOR RECREATION COMPLEX

RECOMMENDATIONS:

1. THAT approval be given for a lease agreement between the City of Burnaby and D.B. Perks & Associates for a commercial pro-shop operation at the Bonsor Recreation Complex
2. THAT Council be requested to concur.
3. THAT a copy of this report be sent to D.B. Perks & Associates

REPORT

BACKGROUND

At its meeting of 1999 April 21, the Commission approved a proposal submitted by D. B. Perks & Associates to operate a commercial pro-shop at the Bonsor Recreation Complex. This proposal was submitted as part of a "Request For Proposal" process conducted by the Finance Department. The next step in the process is to prepare a lease agreement with D.B. Perks & Associates. The proposed lease agreement would include the key points listed below:

SUMMARY OF PROPOSED LEASE AGREEMENT

Length of Term

- 3 year term with an option to renew for a further 3 years.

Financial Agreements:

- Guaranteed monthly lease payments of \$900 per month for 36 months.
(Payable the first business day of each month)
- 5% commission on net sales payable monthly on the 15th day of each month for the previous month.
- The City of Burnaby shall provide and pay the costs of electricity, light, heat, waste removal.
- The lessee must pay for telephone, communication services, and property taxes.

- The lessee must provide monthly sales reports and audited annual statements attesting to revenues, expenses and any other required information with respect to the lessee's operations. Monthly sales reports to be submitted on the 15th day of each month for the previous month.

Location & Leasehold Improvements:

- Approximately 224 square feet of lobby space in the area adjacent to the BonSor Restaurant will be renovated for use as the pro-shop(see attached plan).
- The lessee will pay for all renovations and leasehold improvements; including installation of all telephone and communication services.
- The lessee will comply with all relevant regulations and obtain all necessary permits.
- The renovations will complement the design of the lobby.
- The lessee will be responsible for ensuring the premises are maintained in a clean and hygienic standard as specified in the Health Act.

Insurance and Indemnity:

- The lessee will, at its own cost, be responsible for maintaining all the appropriate insurance for the construction and operation of the pro-shop; in compliance with City standards.
- The lessee shall ensure all City indemnity requirements are met.

Security:

- The lessee is responsible for the security of the space, product inventory, equipment and cash.

Product and Pricing:

- The pro-shop will provide a variety of quality first line sport and fitness products for sale to patrons participating at Bonsor Recreation Complex.
- The City reserves the right to require the lessee to make changes to the product lines offered if deemed to be inappropriate.
- Product pricing shall be subject to approval by the Director.

Hours of Operation:

- The recommended hours of operation are 9:30 am - 8:30 pm on Monday-Friday & Sunday and 9:30 am - 5:30 pm on Saturday. This would be evaluated and adjusted if necessary after the first three months of operation, in consultation with centre staff.

Performance Standards:

- The lessee will meet on an annual basis with the Complex Supervisor to review the operation of the pro-shop. Customer service comments will be referred to the lessee promptly for follow up.

CONCLUSION

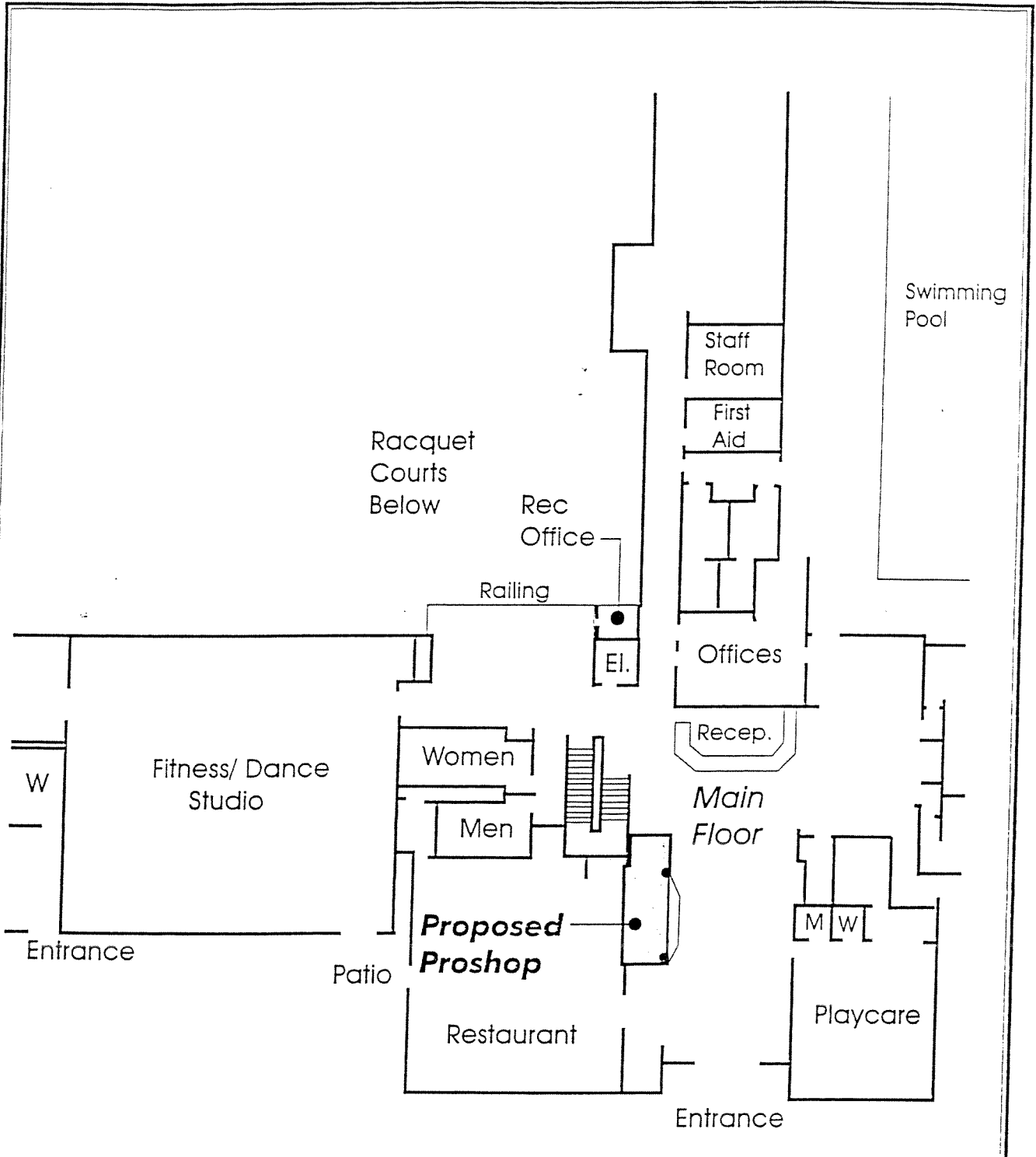
It is recommended that approval be given for a lease between the City of Burnaby and D.B. Perks & Associates and that Council be requested to concur.

GM:NC:DD:mc

Attachment

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cc: Director Finance
City Solicitor



*Bonsor Recreation Complex
Commercial Proshop Location*

Dwg.# O.P. 31-3-116s
Date: Oct. 1998
Scale: nts
Prepared By: HD

D:\Data\ Small Plans\ Bonsor Proshop.cdr

