

**TO:** CITY MANAGER 1999 November 09

**FROM:** DIRECTOR PARKS, RECREATION AND CULTURAL SERVICES

**SUBJECT: AMENDMENT TO LEASE AGREEMENT BETWEEN THE CITY AND B.C. VOLLEYBALL ASSOCIATION FOR OPERATION OF HARRY JEROME SPORTS CENTRE**

**PURPOSE:** To request Council's approval for an amendment to the lease agreement between the City and B.C. Volleyball Association for operation of Harry Jerome Sports Centre.

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**RECOMMENDATION:**

1. THAT an amendment to the lease agreement between the City and B.C. Volleyball Association for operation of Harry Jerome Sports Centre on the two points as outlined in the attached report, to be effective 1999 November 01, for the remainder of the initial term which ends 2001 December 31.

**REPORT**

At its meeting of 1999 November 03, the Parks and Recreation Commission received the attached staff report on the above subject and adopted the two recommendations contained therein.



Kate Friars, Director  
PARKS, RECREATION  
AND CULTURAL SERVICES

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Attachment  
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cc: Director Finance  
Acting City Solicitor  
Deputy City Manager - Corporate Labour Relations

**SUBJECT: AMENDMENT TO LEASE AGREEMENT BETWEEN THE CITY AND B.C. VOLLEYBALL ASSOCIATION FOR OPERATION OF HARRY JEROME SPORTS CENTRE**

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**RECOMMENDATIONS:**

1. THAT approval be given for an amendment to the lease on the two points as outlined in the report, to be effective 1999 November 01, for the remainder of the initial term which ends 2001 December 31.
2. THAT Council be requested to concur.

**REPORT**

In January 1997, a lease agreement was entered into between the City and B.C. Volleyball Association for the operation of the Harry Jerome Sports Centre. The major points of the agreement are noted in an earlier report which is attached (Attachment #1).

At the time B.C. Volleyball entered into the lease agreement with the City, there was a substantial cash outlay in order to complete the building. The other extenuating factor has been the astronomical utility costs for the building. Staff have held several discussions with B.C. Volleyball, and both remain committed to have the facility used by both volleyball and track cycling.

At this time, B.C. Volleyball is experiencing difficulty in meeting their commitments and have requested some temporary relief. There are a number of long range plans to promote this facility and develop more use which we feel will make this a viable operation in the near future.

At this time, an amendment to the agreement is recommended on two points:

1. Lease Payments:

Lease payments of \$2,500 per month or \$30,000 per year have been paid since 1998. It is recommended that the lease payments be amended to \$1 per year for the years 2000 and 2001, with no lease payment being required in November and December 1999.

2. Payment of Utilities:

The Lessee is currently responsible for all utility payments, as well as any other services, insurance coverage, business tax and licence fees. It is recommended that effective 1999 November 01, the City be responsible for 50% of utility costs to a maximum value of \$30,000 for the period of 1999 November 01 to 2000 December 31.

**SUMMARY:**

This amendment, if approved, will provide the temporary financial relief requested and permit B.C. Volleyball to continue as the operator of the Harry Jerome Sports Centre.

Staff will work with the Association to ensure the long range viability of the facility.

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cc: Director Finance  
Acting City Solicitor  
Deputy City Manager - Corporate Labour Relations

**SUBJECT: LEASE AGREEMENT BETWEEN CITY AND B.C. VOLLEYBALL  
ASSOCIATION FOR HARRY JEROME SPORTS CENTRE**

ATTACHMENT #1

**RECOMMENDATION:**

1. THAT approval be given for the City to enter into a lease with the B.C. Volleyball Association for the operation of the Harry Jerome Sports Centre.

**REPORT**

Agreement has been reached with the B.C. Volleyball Association regarding terms of a lease for the operation of the Harry Jerome Sports Centre.

The major components of the lease are summarized as follows:

1. There is to be one initial five year term, with three renewal terms of five years each.
2. There is an obligation to complete construction of the facility and commence operation on or prior to 1997 May 31.
3. During the first ten years of the agreement, repayment of B.C. Volleyball's initial capital investment of \$160,000 will be prorated should the City exercise its right to not renew the lease.
4. Excluding the first year of the agreement, the City will receive a total of \$30,000 per year in lease payments from B.C. Volleyball, for the duration of the initial five year term.
5. The Parks and Recreation Commission retains the exclusive right to access the entire facility up to four times a year for special events, usually on weekends and for a period not to exceed three full days for any one event, at no cost to the City.
6. The Sports Centre is to be operated and maintained exclusively by B.C. Volleyball Association, at no cost to the City.
7. All user fees charged by the Lessee are subject to the approval of the Director Recreation and Cultural Services.
8. The Lessee is responsible for payment of all utilities and services, insurance coverage, business tax, licence fees and property tax, where appropriate.

It is the City's understanding that the Board of Directors of the B.C. Volleyball Association are in agreement with the terms of the draft lease.

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THE RECOMMENDATION OF THIS REPORT WAS APPROVED BY TELEPHONE POLL  
ON 1996 DECEMBER 10.

RATIFICATION BY MOTION IS REQUIRED.