

2001 DECEMBER 13

**TO:** CITY MANAGER

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

**SUBJECT: AGREEMENT BETWEEN BURNABY AND PARSONS CATERING LTD.  
FOR THE OPERATION OF THE RIVERWAY CAFÉ**

**PURPOSE:** To request Council's approval for a new agreement with Parsons Catering Ltd. to operate the Riverway Café at the Riverway Golf Course.

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**RECOMMENDATION:**

1. THAT approval be given for a new agreement with Parsons Catering Ltd. to operate the Riverway Café at the Riverway Golf Course, with terms and conditions as outlined in the attached report.

**REPORT**

At its meeting of 2001 December 12, the Parks, Recreation and Culture Commission received the above noted report 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: AGREEMENT BETWEEN BURNABY AND PARSONS CATERING LTD.,  
FOR THE OPERATION OF THE RIVERWAY CAFÉ**

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**RECOMMENDATIONS:**

1. THAT approval be given for a new agreement with Parsons Catering Ltd., to operate the Riverway Café at the Riverway Golf Course, with terms and conditions as outlined in the report.
2. THAT Council be requested to concur.
3. THAT a copy of this report be sent to Mr. Steve Parsons, President of Parsons Catering Ltd.

**REPORT**

**INTRODUCTION:**

The City owns and operates the Riverway Public Golf Course located at 9001 Riverway Place. The Golf Course complex includes a 45 seat cafeteria which provides food and beverage service to the public.

In March of 1997, the City entered into an agreement with Parsons Catering Ltd. to operate the cafeteria. This agreement expired on 2001 November 12. Parsons Catering Ltd. has requested that a new agreement be negotiated and staff have been engaged in these discussions in recent weeks.

Staff and Parsons Catering Ltd. have completed negotiations. This report proposes a new agreement, and outlines the terms and conditions for the consideration of the Commission.

**TERMS AND CONDITIONS FOR NEW AGREEMENT:**

The following summarizes the changes which are proposed for inclusion in the new agreement. All have been discussed in detail with Parsons Catering Ltd., who are in agreement.

1. Length of Term
  - 3 years and one option to renew for a further 3 years
  - to be effective 2002 January 01

2. Payments to the City

- Increase in base rent from \$2,600 per month to \$3,250 per month
- Taxes now to be paid by Parsons Catering Ltd. (approximately \$4,500 annually)
- Percentage paid to Burnaby of gross annual revenue over \$200,000 decreases from 21% to 19.5% to reflect transfer of property tax burden from Burnaby to Parsons
- Percentage paid to Burnaby of gross annual revenue above \$500,000 will be 2.5%

3. Potential for renovations to the Golf Course complex

- The agreement includes a provision that should the City decide to renovate the Golf Course complex (pro shop, cafeteria facilities), the agreement can be terminated on three months written notice.

The new agreement will continue to ensure that:

1. The Caterer shall not increase prices without the prior written approval of the City;
2. The Caterer will provide up-to-date financial information, upon request, and be open to audit at any and all times;
3. The Caterer shall indemnify the City against loss and damage, and carry the appropriate level of insurance;
4. The Caterer shall operate the coffee shop diligently and as a first class operation at all times. The City can conduct performance standard evaluations at random without prior notification;
5. The City provides light, power, waste removal, fixtures and furniture in the coffee shop.

**SUMMARY:**

The new agreement represents a fair and reasonable increase in payments to the City over the term of the agreement, in consideration of market and inflation forecasts. The new agreement is also structured in such a way that motivates the operator to build the business, which will result in mutual benefit to the City and Parsons Catering. The City has had a good relationship with the operator, and the agreement will see the relationship continue over the next three to six years. It is important to note that the City retains the right to approve price increases and other aspects of the service provided at the Riverway Café. It is for these reasons that staff recommend approval of the new agreement, to commence on 2002 January 01.

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cc: Director Finance  
City Solicitor

