

REPORT

Parks and Recreation Department

To: Mayor Cote and Members of Council **Date:** March 28, 2022

From: Dean Gibson **File:** 2050028
Director of Parks & Recreation

Item #: 2022-216

Subject: Arts Council of New Westminister License Agreement Renewal

RECOMMENDATION

THAT the Mayor and Corporate Office be authorized to execute the Arts Council License Agreement for the use of a portion of Centennial Lodge (as per Attachment “A”), subject to required public notification.

PURPOSE

The purpose of this report is to seek authorization to renew the license agreement with the Arts Council of New Westminister for the use of a portion of Centennial Lodge.

BACKGROUND

Centennial Lodge has been the home for the Arts Council of New Westminister since 1985. The existing agreement with the Arts Council includes space that is exclusively available to the Arts Council, and its members, for their operations as well as shared use of the main hall and kitchen. The current license agreement with the Arts Council has lapsed and a new draft agreement has been developed (see Attachment “A”).

EXISTING POLICY

The City holds numerous leases for the use of City facilities with a variety of community organizations such as the Vagabond Players and the New Westminister Tennis Club. In each case a unique license agreement is developed to meet the respective needs of the City and the organization.

The *Community Charter* permits the City to enter into an exclusive lease agreement with the non-profit community organizations without making the opportunity available to other

potential interested parties. In such cases public notification of the City's intention to enter into such an agreement is required.

As the cumulative value of the draft License Agreement with the Arts Council, over its full Term, exceeds \$5,000, Council authorization to execute the agreement is required.

ANALYSIS

The draft license agreement for the use of a portion of Centennial Lodge, included as Attachment "A", has been developed in consultation with the Arts Council and is based on the terms of the most recent license agreement. Key aspects of the agreement include:

- **Purpose** – to promote arts and cultural services directly through the Arts Council, and indirectly, through the Arts Council membership and community;
- **License Area** – includes dedicated Arts Council gallery and meeting space in Centennial Lodge with access to the Main Hall and kitchen during designated days and times;
- **Term** – a five year term is proposed commencing November 1, 2022;
- **Fees** – the Arts Council will continue to pay a monthly rental fee set at a rate to recover a proportionate share of the Lodge's utility charges. The monthly rental fee of \$365 is below commercial market rates and will increase 3% annually to off-set inflationary utility cost increases; and
- **Arts Council Income** – the Arts Council is permitted to rent parts of the license Area to its members on a short-term, hourly basis.

FINANCIAL IMPACT

Although the Arts Council is charged a monthly rental fee, this fee is solely designed to recover their portion of utility charges for water, sewer, solid waste, electricity, garbage, etc.). The 2022 annual utility charges are \$4,380, however, the Arts Council has the ability to sublet the Centennial Lodge main hall to its membership, which generates approximate \$7,000 annually, meaning the license agreement enables net revenue generation for the Arts Council to support its ongoing operations and services.

OPTIONS

Option 1 – Authorize the Mayor and Corporate Office to execute the Arts Council License Agreement for the use of a portion of Centennial Lodge (as per Attachment "A"), subject to required public notification; or

Option 2 - Provide other direction to staff.

Staff recommend Option 1.

ATTACHMENTS

Attachment A – Arts Council of New Westminster License Agreement

APPROVALS

This report was prepared by:
Jason Haight, Manager of Business Operations

This report was approved by:
Dean Gibson, Director of Parks & Recreation
Lisa Spitale, Chief Administrative Officer