



Corporate Report

2005

NO: R253

COUNCIL DATE: November 7,

REGULAR COUNCIL

TO: Mayor & Council DATE: November 4, 2005

FROM: General Manager, Planning and Development
General Manager, Parks, Recreation and Culture

SUBJECT: Operating Agreement for the Cloverdale Fairgrounds for 2006

RECOMMENDATION

It is recommended that Council:

1. Receive this report as information;
2. Authorize staff to take all necessary actions to enter into an Operating Agreement with the Lower Fraser Valley Exhibition Association (the "Association") that would allow the Association to continue operating and maintaining the Cloverdale Fairgrounds and Millennium Amphitheatre for the year 2006 on a similar basis to the current operation; and
3. Authorize staff to take all necessary actions to terminate, at the end of 2005, the current Lease Agreement between the City and the Association, including any necessary actions to address sub-leases and/or tenants on the Fairgrounds site.

INTENT

The intent of this report is to seek Council authority to prepare an Operating Agreement that, if approved, will allow the Association to operate and maintain the Cloverdale Fairgrounds and Millennium Amphitheatre through the year 2006. The current Lease Agreement between the City and the Association expires at the end of 2005.

BACKGROUND

The City owns an area of land amounting to 136.5± acres east of 176 Street, between 60 and 64 Avenues. This property contains the Fraser Downs Race Track & Casino, the Millennium Amphitheatre, the Curling Rink, the Ice Arena and the Fairgrounds.

The Fairgrounds occupy an area of 92.6± acres that is presently under lease by the City to the Association. The Lease with the Association, which expires on December 31, 2005, was approved by Council under the Lower Fraser Valley Exhibition Association Land Leasing By-law, 1981, No. 6566 and has been renewed several times over the years.

The Association operates and maintains several facilities within the leased area, including the Stetson Bowl, the Agriplex, the Showbarn, the Alice MacKay Building and Shannon Hall. During the course of an average year, the Cloverdale Rodeo, animal shows, trade fairs and many other events are held on the site. The Association also administers several sub-leases for commercial and non-profit operations within the Fairgrounds.

Under an Operating Agreement that is separate from the Lease, the Association has booked the Millennium Amphitheatre for community events for several years and has taken responsibility for some aspects of maintenance at the Amphitheatre site.

City staff is currently working on a master strategy for the Cloverdale Fairgrounds that will result in recommendations for capital improvements, such as new community recreation facilities, a trade and consumer show complex and other amenities, and other recommendations regarding how the operation of the enhanced Fairgrounds should be managed. This work is not yet complete, but a Corporate Report will be forwarded to Council for consideration in the next few months that will seek Council approval of a proposed master strategy.

Based on the fact that significant new facilities are expected to be constructed on the site and to leave sufficient flexibility relative to Council's consideration of options on how best to manage the site and the new facilities on the site, the current Lease Agreement between the City and the Association should not be renewed. Therefore, in accordance with the provisions of the Lease, the City served notice to the Association that the Lease will not be renewed when it expires on December 31, 2005.

DISCUSSION

Current Lease and Agreements with the Association

Lease surrender documents need to be produced to legally terminate the current Lease and all other agreements that exist between the City, the Association and its tenants and sub-lessees. Appropriate by-laws to accomplish this will be brought forward to Council before the end of 2005.

Proposed Fairgrounds Operating Model for 2006

To ensure that events can continue to be held on the Fairgrounds while the master strategy for the Fairgrounds is being finalized, it is recommended that the City enter into an Operating Agreement with the Association to continue to maintain and operate the site through 2006. A aerial photograph illustrating the area to be covered under the Operating Agreement is attached as Appendix I. This recommendation is based on the Association's availability and their expertise in operating and maintaining the Fairgrounds.

It is recommended that a single Operating Agreement be drafted with the Association that runs from January 1, 2006 to December 31, 2006, that allows for the ongoing operation of the site on a similar basis to the current operation. The Operating Agreement would be a contract, which would act in place of the existing Lease. Subject to Council approval of the recommendations of this report, staff will immediately commence the process of drafting the Agreement with the Association.

Legal Services staff has reviewed this report and has no concerns.

CONCLUSION

Based on the above discussion, it is recommended that Council:

- Authorize staff to take all necessary actions to enter into an Operating Agreement with the Association that would allow the Association to continue operating and maintaining the Cloverdale Fairgrounds and Millennium Amphitheatre for the year 2006 on a similar basis to the current operation; and
- Authorize staff to take all necessary actions to terminate, at the end of 2005, the current Lease Agreement between the City and Association, including any necessary actions to address sub-leases and/or tenants on the Fairgrounds site.



Laurie Cavan
General Manager,
Parks, Recreation and Culture

Murray Dinwoodie
General Manager,
Planning and Development

OC:saw

Attachment

Appendix I – Aerial Photograph

j:\park-rec\wpcentre\corprpts\cloverdale fairgrounds - report to council nov 2005.doc
SAW 11/7/05 10:04 AM

Appendix I

j:\park-rec\wpcentre\corprpts\cloverdale fairgrounds - report to council nov 2005.doc
SAW 11/7/05 10:04 AM