
TO: Electoral Area 'A' Parks, Recreation and Culture Commission **MEETING:** June 20, 2018

FROM: Hannah King
Superintendent, Recreation Program Services

SUBJECT: Lease and Site License Agreement with Cedar School and Community Enhancement Society for the Management of Cedar Heritage Centre (2019-2020)

RECOMMENDATION

That the Lease and Site License Agreement with Cedar School and Community Enhancement Society (CSCES) commencing the 1st of January 2019 ending the 31st of March 2020 be approved.

SUMMARY

The Cedar School and Community Enhancement Society (CSCES) has provided a valued service managing the daily operations of the Cedar Heritage Centre (CHC) for the past sixteen years. The RDN's five year financial plan includes the annual payments to CSCES associated with the recommended Lease and Site License Agreement (Attachment 1). The term of this renewed contract with CSCES will allow time for negotiations between the Regional District and School District 68 - Nanaimo-Ladysmith regarding the current lease of the land the building (Cedar Heritage Centre) is situated on. The land lease between the Regional District and School District 68 expires June 30, 2020.

BACKGROUND

In 2000 School District 68 - Nanaimo-Ladysmith and the Regional District of Nanaimo entered into a twenty year agreement in which the Regional District of Nanaimo would lease the lands for the building known as the Cedar Heritage Centre located at 1644 MacMillan Road, Nanaimo. This Agreement is set to expire June 30, 2020.

In October of 2000 the Regional District of Nanaimo and CSCES entered into a five year Lease and Site License Agreement for the management of the Cedar Heritage Centre. CSCES is a nonprofit society which has been involved in Cedar and area recreation and community initiatives since 1997. The intent of the original Agreement was that the Society was to manage the Cedar Heritage Centre as a community centre. This intention continues today and is reflected in the attached agreement as well as past CHC agreements between CSCES and the RDN. Over the years changes have been made to renewal agreements and include; no cost office space for RDN staff, free meeting space for RDN meetings and the inclusion of an annual management fee to CSCES.

At the end of 2015 a one year extension to the Agreement was granted which ended December 31, 2016. The one year term was in response to the Commission's goal of exploring facility options that had

come available within the Electoral Area following school closures in 2014. A further two year extension Agreement was secured in 2016, the term of which is set to expire December 31, 2018.

ALTERNATIVES

- 1) That a Lease and Site License Agreement with Cedar School and Community Enhancement Society (CSCES) for a term of the 1st day of January 2019 and ending the 31st day of March, 2020 be approved.
- 2) That a new Lease and Site License Agreement with CSCES not be completed and staff look at alternatives for the daily maintenance and operation of the Cedar Heritage Centre.
- 3) That a new Lease and Site License Agreement with CSCES not be completed and an alternative direction be provided.

FINANCIAL IMPLICATIONS

For the 2019/2020 term of the Agreement CSCES has requested an increase of \$2000 in the annual management fee to cover the cost of an annual heat pump maintenance package and spring landscaping cleanup. There has not been an increase in the current \$6,000 management fee since 2013. The Electoral Area 'A' Recreation and Culture service function provides the funding for both capital and operational costs of the Cedar Heritage Centre. The annual management fee is contained within this RDN service function and the \$2000 increase if approved would be budgeted for starting in 2019. It should be noted that the EA 'A' Parks Service is a separate function within RDN Financial Plan.

If the Commission moves to recommend the second alternative the management fee currently budgeted for would be maintained at the current level of \$6000 to provide funding for a new facility operation provider. There would also be some incidental costs associated with reviewing alternative service options for CHC which can be absorbed within the exiting five year financial plan.

If the Commission moves to support the third alternative the funds budgeted for the management fee would be used to cover the cost of any management fees incurred in the use of a property management firm and/or those of a facility booking contractor hired during the interim until the new direction is implemented.

STRATEGIC PLAN IMPLICATIONS

Agreements such as the one referred to within speak to the Board's strategic goal to continue to develop and encourage meaningful relationships with community partners.

The effective and efficient operations of the building as a community gathering space supports the Board's strategic goal of recognizing recreational amenities as core services.



Hannah King
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June 1, 2018

Reviewed by:

- D. Banman, Acting General Manager, Recreation and Parks Services
- P. Carlyle, Chief Administrative Officer

Attachment

1. Cedar Community School and Enhancement Society Lease and Site License Agreement Cedar Heritage Centre 2019 - 2020