

DATE OF MEETING DECEMBER 17, 2018

AUTHORED BY BILL CORSAN, DEPUTY DIRECTOR, COMMUNITY DEVELOPMENT

**SUBJECT NANAIMO EQUESTRIAN ASSOCIATION – APPROVAL OF LEASE
FOR BEBAN PARK EQUESTRIAN GROUNDS**

OVERVIEW

Purpose of Report

To obtain Council approval to grant a ten-year lease to the Nanaimo Equestrian Association for 9,134m² (2.26 acres) of land at the Beban Park Equestrian Centre.

Recommendation

That Council:

1. approve a ten-year lease to the Nanaimo Equestrian Association; and
2. authorize the Mayor and Corporate Officer to execute the lease.

BACKGROUND

The Nanaimo Equestrian Association (NEA) is a non-profit society that manages the Beban Park Equestrian Centre. NEA organizes various equestrian activities and sports throughout the year at Beban Park. During the annual Vancouver Island Exhibition, the equestrian grounds are incorporated into the larger fair grounds.

The equestrian grounds at Beban Park include three outdoor riding rings and the Agriplex, which houses an indoor riding ring. In addition, the NEA manages four barns adjacent to the riding rings. NEA has made investments in the equestrian grounds, including a new rubber crumb footing for the indoor ring, a new footing for the large outdoor sand ring, and various upgrades to the stalls.

The 2015 Beban Park Master Plan identifies the equestrian grounds as a key component of the Beban Park Commons.

The NEA has requested a ten-year lease from the City. The lease area includes the existing Agriplex building and the riding ring adjacent to the building. A licence of occupancy will also be granted to the NEA for the continued use of the main riding ring and horse barns until the remainder of the Beban Park Commons area is redeveloped. A draft lease has been prepared and is presented in this Staff report for Council's consideration (Attachment A). The lease has been prepared in consultation with the other neighbouring tenants.

NEA Lease Agreement: Key Terms

- Address of property: Beban Park, 2300 Bowen Road
- Lessee: Nanaimo Equestrian Association
- Lease Area: 9,134m² (2.26 acres)

- Form of Lease: Unregistered
- Term: Ten years
- Commencement Date of First Term: 2019-JAN-01
- Termination Date: 2028-DEC-31
- Rent for Term: \$1.00 plus GST

NEA Responsibilities:

- Maintenance and repair of the lease area.
- To hold commercial general liability insurance in the amount of not less than \$5,000,000.
- Utilities (water, garbage, sewer rates, etc.).
- Property taxes (unless approved for a property tax exemption bylaw).

OPTIONS

A. That Council:

1. approve a ten-year lease to the Nanaimo Equestrian Association; and
2. authorize the Mayor and Corporate Officer to execute the lease.
 - **Budget Implication:** There are no direct budget implications to the City. The NEA has made their capital improvements within the lease area and have not requested additional City resources.
 - **Legal Implication:** The City's solicitor has prepared the Lease Agreement. Staff have published a Notice of Disposition as required under Sections 24 and 26 of the *Community Charter*.
 - **Policy Implication:** Approval of the lease aligns with the Beban Park Facilities Re-Development Master Plan and the Official Community Plan and is one of Council's Key Capital Projects within the 2016-2019 Strategic Plan.
 - **Engagement Implication:** The Beban Park Master Plan involved extensive consultation with the Beban Park user groups as well as the wider public.
 - **Strategic Priorities Implication:** The redevelopment of Beban Park is one of the five key capital projects identified in the 2016-2019 Strategic Plan.
 - **Political Implication:** Support for the NEA will be well received from the general public and show progress with the overall redevelopment of Beban Park.

B. That Council not approve a ten-year lease to the Nanaimo Equestrian Association.

- **Legal Implication:** Without a lease, Staff will need to either terminate the existing NEA agreement or prepare a new short-term agreement.
- **Engagement Implication:** Considerable time has been spent working with NEA on this lease agreement and the new facility.
- **Strategic Priorities Implication:** Not providing approval to the lease would be inconsistent with the Beban Park Facilities Re-Development Master Plan and the Official Community Plan and as one of Council's Key Capital Projects within the 2016-2019 Strategic Plan.
- **Political Implication:** NEA may be disappointed by Council's decision to not endorse the long-term lease.

SUMMARY POINTS

- The Nanaimo Equestrian Association (NEA) operates the Beban Park Equestrian Grounds. The operations include the Agriplex building, three riding rings and the associated stalls.
- In May of 2015, the Beban Park Master Plan was adopted by Council. The plan sets out a long-term vision for the redevelopment of the park. The current NEA area was identified to remain largely as it is today.
- The NEA has requested a ten-year lease to recognize their existing improvement and to provide certainty for their activities over the next decade.
- The lease has been prepared in consultation with the other neighbouring tenants.
- A Notice of Disposition has been placed in the local newspaper and Council is in a position to approve the lease.

ATTACHMENTS

ATTACHMENT A: NEA Lease Agreement |

Submitted by:

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Concurrence by:

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Director, Community Development |

Submitted by:

Richard Harding
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