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# CITY OF KELOWNA

## MEMORANDUM

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**Date:** May 24, 2006  
**File No.:** 0870-20  
**To:** City Manager  
**From:** Cultural Services Facilities Manager  
**Subject:** Guisachan Park Memorandum of Understanding

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### **RECOMMENDATION**

THAT City Council instructs Staff to finalize an operating agreement with the Central Okanagan Heritage Society based on the terms in the attached Memorandum of Understanding;

AND THAT the Civic Properties Manager be authorized to approve the agreement.

### **BACKGROUND**

In the 1990's the City purchased the Cameron House and various out buildings located on what is now known as the Guisachan Park. The City then leased the house and property to the Central Okanagan Heritage Society. The Society restored the Cameron House, various outbuildings as well as the gardens to reflect the historical setting 80 years ago. The Society then leased out the Cameron House to Strongwave Investments and the Guisachan House Restaurant developed. The Society presently has a lease with Strongwave Investments which is in Overholding pending approval of this Memorandum of Understanding.

Staff have now completed negotiating a Memorandum of Understanding with the Central Okanagan Heritage Society regarding the Guisachan site.

Provisions in the Memorandum of Understanding include;

- the City assuming responsibility for the Restaurant,
- the City negotiating a lease for the Restaurant that includes maintaining the heritage characteristics of the building;
- working with COHS to reach an agreement regarding landscape maintenance;
- COHS retaining a tenant in the McDougall House;
- Specifying future dates for the annual garden show.

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Ron Forbes  
Cultural Services Facilities Manager

cc: Director of Parks and Leisure Services  
Director of Finance  
Parks Manager

MEMORANDUM OF UNDERSTANDING is made the \_\_\_\_ day of April 2006

BETWEEN

CITY OF KELOWNA  
1435 Water Street  
Kelowna, BC V1Y 1J4

(the "City")

AND

CENTRAL OKANAGAN HERITAGE SOCIETY (COHS)  
10-2055 Ethel Street  
Kelowna, B.C. V1Y 2Z6

WHEREAS:

COHS has been leasing the Guisachan Park and associated buildings from the City. This lease has expired and is now in over-holding. Both COHS and the City now wish to terminate this over-holding and enter into a revised agreement with the City in relation to this Park. Whereby the new agreement will see the responsibility for the Restaurant turned back to the City, the COHS wishes to reach an agreement with the City for the COHS to provide the continued care and maintenance of the landscaped grounds and all outbuildings. The City is in agreement in principal with this proposal. The parties have agreed to seek the required approvals from their respective governing/managing bodies with the intent to bring about a formal agreement based on the following:

1. The City will assume responsibility for the Restaurant and negotiate a lease agreement with a restaurant operator for its continued operation.
  - a. Currently the Heritage designation of the site protects the exterior of the restaurant building. The City will include, as part of this lease, a provision that any leasehold improvements to the interior of the building must maintain the heritage character of the building and proceed only with written City approval. The City will request input from COHS prior to approving leasehold improvements.
  - b. The City acknowledges that there are chattels (i.e. furniture, etc.) in the restaurant building that belong to COHS. The City and COHS will inventory these items and identify them in the restaurant lease agreement. Insurance to cover these items will be the sole responsibility of COHS.
2. The City will work with COHS to reach an agreement that will allow the COHS to maintain the landscaping, associated out-buildings (Milk Shed, Garden Shed and Greenhouse) and the McDougall House in the Park and be fairly compensated.
  - a. The City desires that COHS retain a tenant in McDougall House to provide eyes on the park. COHS is to include a clause in any residential tenancy agreement requiring that the tenant report any disturbances in the Park to the Parks Division.
  - b. COHS must at all times maintain liability and WCB insurance to cover work activities on the site, and sufficient property insurance to cover the replacement value of the McDougall House.

3. The Annual Garden Show is a benefit to the park and the COHS is encouraged to keep putting this annual event on. COHS is requested host the events on the following days:
  - 2006 – July 7 – 9
  - 2007 – July 6 – 8
  - 2008 – July 4 – 6
  - 2009 – July 3 – 5
  - 2010 – July 2 – 4
  - 2011 – July 8 - 10
4. All agreements with the City are subject to Council approval.

THEREFORE - the parties agree to bring this Memorandum forward to their respective governing/managing bodies with all reasonable haste to ensure an agreement can be reached without undue delay.

NO LEGAL OBLIGATIONS - This Memorandum of Understanding is not legally binding and creates no legal obligations on the City or on the COHS. It does however, express the intentions of the parties as herein set out.

CITY OF KELOWNA

By: \_\_\_\_\_  
David Graham

CENTRAL OKANAGAN HERITAGE SOCIETY (COHS)

By: \_\_\_\_\_  
Marguerite Berry