
CITY OF KELOWNA

MEMORANDUM

Date: July 5, 2006
File No.: 0870-20
To: City Manager
From: Cultural Services Facilities Manager
Subject: Guisachan Restaurant Lease (Cameron House) follow up report

RECOMMENDATION:

THAT the information provided in the July 5, 2006 supplementary report from the Cultural Services Facilities Manager and from Mr. Georg Rieder, operator of Guisachan House Restaurant, be received for information of Council;

AND THAT Council approve a five year lease of the Cameron House in Guisachan Park to "Strongwave Investment and Business Consulting Ltd." , based on the criteria attached to the Cultural Services Facilities Manager's report of June 7, 2006;

AND THAT the Mayor and City Clerk be authorized to execute the lease;

AND THAT the 2006 Financial Plan be amended to reflect the revenue associated with the lease.

BACKGROUND

June 12, 2006 staff presented a report with the above recommendation to council for approval. Council considered the request and deferred the decision pending further clarification.

Staff have discussed Council's request with the business owner who provided the requested statistics.

1996	10 Afternoon Events	54 Evening Events	64 Events total
1999	14 Afternoon Events	45 Evening Events	59 Events total
2001	15 Afternoon Events	50 Evening Events	65 Events total
2005	9 Afternoon Events	45 Evening Events	54 Events total
2006	2 Afternoon Events	34 Evening Events	36 Events total (More bookings may occur)

The owner has also provided a letter from the Liquor Control and Licensing Branch which indicates his right to serve liquor stops at midnight. The Liquor Control and Licensing Branch letter also indicates that since the issuance of the liquor license there has been no enforcement action taken with respect to the manner in which he is operating. This letter is attached.

The majority of the neighbours' noise concerns stem from the past few years. In the past few years two things have occurred which may have resulted in neighbours' concerns. The first issue is the construction of the butterfly walkway and the second is the ban on indoor smoking in a public space.

In the past few years the Central Okanagan Heritage Society developed the "Butterfly Walkway". The walkway provides an attractive path to vehicles from the restaurant. However, the walkway takes people closer to the neighbours' properties. To further reduce the noise from people exiting the restaurant, the owner has put up signs as well as a barricade which encourages patrons to exit to the east of the restaurant.

The indoor smoking ban causes the patrons to leave the restaurant to smoke. Often people going outdoors to smoke wander through the gardens while doing so. To counteract this, the owner now sets up a specific smoking area on the east side of the restaurant complete with a pop-up style tent as far away from the neighbours as possible. The owner also provides signage to direct guests to that area.

In addition, the lease has been adjusted to indicate that all outdoor wedding ceremonies be concluded by 7:30 pm and that amplified music can only be played outdoors by the owner immediately before, during and immediately after the ceremonies. If music is being played inside the restaurant the volume will be reduced at 11 pm. The security guard will ensure the music volume level is kept within City bylaw regulations.

Working with the business owner and security service it is anticipated that the level of disturbances for the neighbours will be reduced. The security patrol will also provide some level of security for the property owners when events are being held.

September 9 - 13, 2005 staff interviewed residents whose properties border the park. The comments are attached. In addition, staff has had contact with four of the property owners in the past two weeks and their comments are not significantly different from when they were surveyed before. The business owner recently surveyed a more extensive list of neighbours and his survey information is attached to this report.

The Parks Management expressed strong support for this type of operation in the park. There has never been damage to the park or the building as a result of the operation of the restaurant in the park. The level of activity brought to the park by the restaurant actually makes the park safer and reduces the transient use of the space. The restaurant owner frequently gets transients to move from the park as well as the "Avenue of Cedars" when he departs for the evening.

The restaurant owner has also:

- written a letter
- provided a copy of a letter from a resident written to Council June 24th
- provided copies of all the survey responses he conducted in the past three weeks
- provided a map showing where all of the respondents to the survey.

Ron Forbes
Cultural Services Facilities Manager

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

**Base Terms of Lease Agreement for Strongwave Investment and Business Consulting Ltd.
for Cameron House in Guisachan Park**

Term: 5 year (June 1, 2006 – May 31, 2011)

Area: 3,325 sq. ft (excluding the basement)

Rate: Base lease – See chart below

Triple Net: Paid by tenant (property operations & taxes to be determined)

**Tenant
Improvements:** By tenant

Financial Summary

3,325 sq.ft.	Per foot	Per year
Lease income		
2006 (6 months)	\$10.50	\$17,456
2007	\$10.50	\$34,913
2008	\$10.50	\$34,913
2009	\$10.50	\$34,913
2010	\$10.50	\$34,913
2011 (6 months)	\$10.50	\$17,456
Lease Total		\$174,560

Comments from residents whose properties border the Guisachan Park

Comments collected September 2005

Resident #1

Has no problems with noise, maintenance or transients and owns property Resident #3 resides in.
Likes the music.

Resident #2

Has no problem with noise but major concerns about transients in the lane

Resident #3

see comments of Resident #1

Resident #4

Has major concerns about the noise. Would be happy if there was never another wedding.
Noise has become progressively worse
Has never heard such foul language
Has glasses, bottles etc. thrown over the fence
Lots of screaming
Loves the park the rest of the time.
If you walk through the gardens during weddings you are asked to leave as it's a private party.
Would like to know if security comes right through the park or just circles through the parking lot.
It will be worse with development of the field for noise and general use of the park.

Resident #4

Noise has become worse since 1996
Concerned about transients in the lane.
Has been broken into from the back.

Resident #5

No real noise concerns
Some irritation with early morning noise and lights from cars leaving,

Resident #6 – does not actually boarder the site.

Screaming and yelling this year has been terrible
Each year it has become worse since 1995
Language is terrible.