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June 25, 2020

*Via e-mail only*

***An open letter to:***

Sunny Dhaliwal  
Assistant Deputy Minister  
Ministry of Citizens Services  
[Sunny.Dhaliwal@gov.bc.ca](mailto:Sunny.Dhaliwal@gov.bc.ca)

Salman Azam  
Assistant Deputy Minister  
Ministry of Attorney General  
[Salman.Azam@gov.bc.ca](mailto:Salman.Azam@gov.bc.ca)

Dear Mr. Dhaliwal and Mr. Azam:

**The Law Courts Inn (Vancouver Courthouse)**

We write to record our opposition to the loss of the Law Courts Inn restaurant to the public and the profession. Also, to put forward our business case as to why the lease ought to be renewed in favour of the Lawyers Inn Society for the continued operation of the space as a public restaurant and function centre, rather than being changed into non-judicial offices as we understand is your current intent. As you know, the Lawyers Inn Society is a not-for-profit society and has been the operator of the Law Courts Inn restaurant since it first opened, in the early 1980s.

**1. The Inn is a viable going concern**

The restaurant employs 12 people on a full-time basis, and another 25 casual employees. In the 3 years to March, 2020, we have held 473 events for the bench, bar and public to enjoy the space, and which are broken down as follows:

- Law – 171 (36%)

- Judicial – 72 (15%)
- Corporate, social, public – 166 (35%)
- Other – 14%

The restaurant provides a valuable public service, not only in hosting numerous corporate, social and public events, but waiving room rental fees for a great number of volunteer and pro bono organizations. Those hosted include:

- Access Pro Bono BC
- the Legal Innovation Forum
- BC Courthouse Libraries Foundation
- the Women Lawyers Forum
- West Coast LEAF
- the Architectural Institute of B.C.
- the BC Teachers' Council
- Kids at Play Foundation
- Latincouver
- the Parkinson Society of BC
- Vancouver Start Up Week
- Vancouver Foundation
- the YWCA

We have compiled a list of the 58 not-for-profit and community groups that have used the restaurant at a reduced or fully waived room rental, discounted prices and other subsidies, over the past 4 years, for your review upon request.

In 2018, our sales were just under \$750,000, and last year they were just over \$860,000. In March, just prior to the closing of the restaurant enforced by the Provincial response to the COVID 19 pandemic, the Lawyers Inn Society had approximately \$320,000 cash in the bank. Our annual accounts are reviewed by Rolfe Benson, Chartered Accountants, and are available for your review upon request.

Throughout the shutdown, and despite the fact that this Government has encouraged commercial landlords to provide rent relief, none has been offered to us, and we have continued to pay the full amount of our rent (\$9,450 per month), without complaint.

We have been able to furlough most of our staff, reduce our other monthly outgoings, and have made a successful demand for coverage under our Business Interruption insurance policy, such that on our current projections, we will be able to resurrect operations and continue as a going concern (and full rent paying tenant), even if the restriction on crowd sizes above 50 remains in place well into 2021 (as it is expected within the restaurant and hospitality industry to do). As matters currently stand, we have 12 functions booked between October and December 2020 (although, as above, they are unlikely to go ahead due to COVID related restrictions). We also

have 15 events booked between February and August, 2021 (12 of which are weddings – our primary income earners).

Of course, there is an outstanding and as yet unresolved issue in relation to rent arrears that were built up between April 1, 2010 and January 2019. Those total \$142,305.75. The reason this rent was not paid at the time, was due to the fact the Inn was unable to operate and therefore put into financial peril as a direct result of construction works that were undertaken immediately outside of the restaurant windows, and a number of subsequent years in which the reflecting pond was left an empty eyesore, collecting goose guano. These caused the Inn to cancel many events, and lose many potential other ones. The construction issues and losses from problems with the pond were regularly brought to the attention of the Society's then landlord representatives, to no avail. The Lawyers Inn Society disputes the rental arrears are properly owing, but have always been willing to discuss the matter and again received no response from your representatives in response to our requests to address this. We would be happy to provide copies of the correspondence where attempts were made by the Society to address the issue of alleged rental arrears, upon request.

As we understand it from our telephone conversation with the landlord representatives on June 12, 2020, your position is that neither the roof garden nor the pond are part of the demised premises and therefore the Society cannot argue for a rental reduction for anything related to their operation (or failure to operate). However, without accepting your position on this, we note that the lease includes the right of quiet enjoyment, and the work undertaken by the landlord, in our respectful view, directly and materially impacted our operations and ability to pay rent.

Happily for all concerned, the reflecting pond has now been operating for some time, allowing the Inn to earn income from functions, and the Society has enjoyed a good working relationship with the facility management team over its operation.

## **2. The space is designed for use by the public**

When the courthouse complex was designed by Arthur Erickson it had, in its centre, a large space devoted to a restaurant overlooking an infinity pond. The space was always intended to be a public one, and with the blessing of the then Provincial government, the Lawyers Inn Society took over operation of the restaurant, on the condition that it be open to the public. Indeed, the government of the day paid the equivalent of \$1 million in today's money to fit the space out for a restaurant.<sup>1</sup>

As we understand it, your current intent (and that of the landlord) is to repurpose the space for offices. This would be an extremely unproductive use of space and is one that was neither intended nor approved from the building's inception.

Of the 6,562 sq.ft. of demised premises, 1,400 sq.ft. is taken up by the restaurant kitchen, and

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<sup>1</sup> The amount, as detailed on the 1984 lease, was \$454,000

another 148 sq.ft. by the 4<sup>th</sup> floor entrance and stairwell.<sup>2</sup> Therefore, even assuming the 5<sup>th</sup> floor entry area is used for office space (not all of it can be, given the need for wheelchair accessibility), only around 5,000 sq.ft. (or around ¾ of the floor area) can actually be used. Furthermore, the ceiling height is 18 feet (5.4 metres). There would be a significant amount of wasted airspace and materially increased build cost for any internal walls, absent plans to install a mezzanine floor (which itself would increase cost and may or may not be feasible) to turn the space into offices. The window walls would require modification also. The below pictures illustrate the unsuitability of the space for offices:



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<sup>2</sup> As detailed in the 1984 lease, among others

The stunning views of the reflecting pond – one of the architect’s (and the Law Courts complex’s) crowning achievements – would no longer be able to be enjoyed by members of the public. Instead, it would be cut off forever, to be enjoyed only by the select few who are lucky enough to occupy what will likely be the most palatial offices for any public servants in the Province:



Finally, the work that would be required to repurpose the space into offices could not easily (or inexpensively) be undone. In effect, this is a **generational decision**, forever changing the public face of the Vancouver Law Courts complex, for a potential short term gain in obtaining some office space. It would reverse the architect’s intent that this beautiful space with its spectacular view should be devoted to public uses, and would erase the 40 years of goodwill that the space has fostered while it has functioned as originally intended. It has been enjoyed by countless members of the public (along with the legal profession). The space both figuratively and literally allows members of the public to connect with the administration of justice in a way that would not be possible without its existence. We can provide client reviews that we have received, also upon request.

### **3. There will be a negative public perception of the intended change**

It is clear from the grand design, including the vanishing edge pond framing the view of the old Provincial courthouse, that the space was intended to be the jewel in the Vancouver Law Courts complex. It is a view that is only available from the balcony and the picture book windows on the north side of the Law Courts Inn restaurant, and nowhere else in the complex. The perception of that view being taken away forever from the taxpayers of this Province, so that an as yet undisclosed group may occupy offices in that space can only result in a negative perception of this Government’s decision to seize the space for its own purposes.

As inferred above, the capital project cost to repurpose the space into offices will also inevitably



be significant, and we question the optics of this Government incurring that cost to create offices, in these strained economic times.

The decision to repurpose the space for offices has been taken by you, as far as we are aware, without any consultation with interested stakeholders.

As we understand it, the first notice to the Judiciary was around the time the Society was informed in May, that the lease would not be renewed. The Arthur Erickson Foundation was never advised of this pivotal decision, as is evident in their letter sent to Mr. Gorman Lee (copy enclosed). We as a Society, aware of the expiry date of the lease, reached out on several occasions to our landlord representatives, starting in December 2019. We followed up in each of January, February, and April. However, other than advice (in January) that the landlord representatives would *“need to discuss this with my team and also likely have a look at the market, as I really don’t know how we go about pricing this sort of space. Let me get back to you.”*, we heard nothing further until a conference call convened by you, on behalf of the landlord in early May. At that time, we were informed that the decision had already been made not to renew the lease and that the matter was not open for discussion. It has also become clear from subsequent conversations with our landlord representatives that the decision had been made much earlier, yet we were not given the courtesy of receiving timely notice, and had no input into the decision. We question the optics of this lack of consultation with stakeholders, given the intended new purpose.

Furthermore, while we do not doubt that the Province or its Ministries require more office space right now, leaving aside all of the above considerations, we question the business case for the landlord’s assertion that it is better to repurpose this space for offices, than to rent elsewhere in the downtown core. In particular, any such business case needs to take into account the fit-out cost, that only around ¾ of the demised square footage is actually usable office space, and the inefficiencies incumbent in changing that space into offices. In addition, there is the anticipated drop in demand for office space as a result of a shift to more working-from-home following the COVID restrictions, coupled with new office space coming on line within the next 12 to 24 months.<sup>3</sup> Respectfully, while prior to the COVID impact, there may have been a business case for focusing exclusively on the rent differential between the current use and the landlord’s planned use, we question whether that still exists.

In closing, we implore you to reconsider and reverse this generational decision, before it is too late.

The Lawyers Inn Society is ready to negotiate a new lease and deal with the rental arrears, so that we may move forward into the next 40 years, as custodians of the restaurant, continuing to improve the space for the public and the legal profession, while rendering rental income to the Province for the privilege of doing so.

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<sup>3</sup> For example; 400 West Georgia St. (2020 - anticipated 2021), 320 Granville St. (2021), 1133 Melville St. (2022), and ‘The Post’ (2023)

We look forward to commencing a dialogue with you on this.

Yours truly,

A handwritten signature in black ink, consisting of a large, stylized capital 'D' followed by a horizontal line that tapers off to the right.

Adam Howden-Duke  
President, The Lawyers Inn Society

*Encl: Letter from the Arthur Erickson Foundation to The Ministry of Citizens Services dated June 24, 2020*

CC:	Anne Kang,	Minister of Citizen's Services
	David Eby QC,	Attorney General
	Michael Lee,	Official Opposition Critic for Attorney General
	Andrew Wilkinson,	Leader of the Official Opposition
	Lorne DeLarge,	Ministry of Citizens' Services
	John Marsh,	Ministry of Citizens' Services
	Philip Boname,	President, the Arthur Erickson Foundation