



REPORT

Council

Meeting Date: September 18, 2023

FROM: Legal Department

DATE: September 5, 2023

SUBJECT: License Agreements for Concession Space at QEPCCC and River Oaks Community Centre – September 18, 2023

LOCATION: 2302 Bridge Road and 2400 Sixth Line

WARD: Wards 1 and 5

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RECOMMENDATION:

1. That license agreements for concession space at Queen Elizabeth Park Community and Cultural Centre (“QEPCCC”) and River Oaks Community Centre (“ROCC”) with Feel Good Foods be approved and executed in accordance with By-law 2013-057.
2. That the Director of Recreation and Culture be authorized to execute renewals and amendments to the license agreements referenced above, subject to such renewals and amendments having been negotiated and prepared to the satisfaction of the Town Solicitor.

KEY FACTS:

The following are key points for consideration with respect to this report:

- Staff released an expression of interest for QEPCCC and ROCC to see if a commercial operator would be interested in operating concession services.
- Two proposals were received for each location and the preferred proposals for both locations were from Feel Good Foods (the “Operator”).
- The Operator is currently operating concession services at Joshua Creek Arenas and Oakville Trafalgar Community Centre and staff have had no concerns with the Operator’s service at these locations to date.
- Staff are recommending entering into license agreements with the Operator for concession space in QEPCCC and ROCC.

BACKGROUND:

The Town has reduced direct delivery of concession services at several locations as it was no longer profitable. Concession services can still be a valuable service to offer in community centres, so expressions of interest were prepared to see if commercial operators would be interested in providing services at QEPCCC and ROCC.

The expressions of interest were posted on the Town's website for 30 days, on Town social media channels, and accompanying hard copies posted at the physical locations in the community centres for the same length of time. Two offers were received for both locations. The proposals from Feel Good Foods were the preferred proposals for both locations.

The Operator's proposals are preferred because of their detailed and informative business plans and the Operator's proven business success at other community centres. The principle of the Operator is an Oakville resident currently operating concession services at Joshua Creek Arenas and Oakville Trafalgar Community Centre. Staff have not had any concerns with the Operator's service to date at these locations. The Operator will offer a variety of healthy food choices while focusing on protein shakes and smoothies as well as a selection of coffee beverages and teas.

COMMENT/OPTIONS:

Copies of the proposed license agreements are available for review in the Legal department. The key terms of the proposed agreements are as follows:

- The license fee will be consistent with the current Council-approved rates and fees for this type of space adjusting each year throughout the term (2023 annual rate is \$24.52 per sq. ft incl. taxes and utilities);
- The premises at QEPCCC are 900.2 sq. ft. resulting in a license fee for the space of \$1,839.41 per month;
- The premises at ROCC are 271 sq. ft. and this results in a license fee for the space of \$533.74 per month;
- The term will run for five years with two renewal options for two years each;
- The Operator will be permitted to occupy the respective premises rent-free until the premises are ready to open, to provide time to install any required fixturing and improvements;
- Both parties will have a termination right on 60 days' notice if the respective arrangements are not working out;
- The Operator will be responsible for providing its own equipment, maintaining, and cleaning the respective premises;
- The Operator will support the town's Environmental Sustainability Policy and Towards Zero Waste Procedure including no sales of bottled water and minimize the use of single use plastics where feasible.

- The Operator will comply with any of the Town's agreement with respect to exclusive food and beverage brand contracts such as the current Pepsi Canada regional agreement; and,
- The Operator will not sell anything offered in the vending machines at the community centre.

Staff believe that Town-run concessions would not be profitable or appropriately available at QEPCCC or ROCC, and that licensing concession services to third parties is the preferred approach. The opportunity was posted publicly for anyone to apply, and staff believe the Operator's proposal was the best of the received responses. Therefore, staff are recommending entering into these license agreements with the Operator to offer concession services at QEPCCC and ROCC.

CONSIDERATIONS:

(A) PUBLIC

Notice of this licensing opportunity was posted on the Town's website, Town social media channels and physically at each location for 30 days, to give other potential operators a chance to express interest. The selection of the Operator for both locations was through a public transparent process.

(B) FINANCIAL

The rent received under the license agreements will be consistent with the Council-approved rates and fees for this type of space. The income generated from the license agreement will be deposited into the individual-named facility rental account.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

The agreements and this report have been developed in consultation with the Recreation and Culture Department.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal to be the most livable town in Canada.

(E) CLIMATE CHANGE/ACTION

N/A

APPENDICES:

None

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