



REPORT

Council

Meeting Date: August 13, 2024

FROM: Economic Development Department

DATE: July 30, 2024

SUBJECT: **Bronte Harbour Banquet and Conference Centre Second Floor Lease**

LOCATION: 2340 Ontario Street

WARD: Ward 1

Page 1

RECOMMENDATION:

That staff be authorized to enter into an agreement with Catch Hospitality Group for the operation of an event space on the second floor of the Bronte Harbour Banquet and Conference Centre, located at 2340 Ontario Street, on terms satisfactory to the CAO and Town Solicitor.

KEY FACTS:

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

- There is a companion confidential report listed on the confidential agenda of the August 13, 2024 Council meeting that provides the terms of a potential lease agreement with Catch Hospitality Group. It is expected that there may be minor provisions still to be determined for the agreement and staff will work with Catch Hospitality to finalize these details.
- In 2019, Council authorized staff to enter into an agreement with Catch Hospitality Group for the operation of a seasonal restaurant and patio on the first floor of the Bronte Harbour Banquet and Conference Center, known as “The Bronte Boathouse”. This has been a successful venture.
- Staff have discussed the possibility of a short-term events space with Catch Hospitality Group on the second floor of the Bronte Harbour Banquet and Conference Centre. Catch Hospitality Group has provided a proposal to the town which has been outlined in this report.
- The Town hired a third-party restaurant consultant who worked on the initial restaurant proposal to review this proposal.

BACKGROUND:

The Bronte Harbour Banquet and Conference Centre (the “Centre”) is located at 2340 Ontario Street on the Outer Harbour of Bronte Village. The Centre opened in 2002 and in the past has operated as a centre for hospitality including convention/banquet spaces, meeting rooms and a seasonal restaurant. The building and location is, and will continue to be, an integral part of developing Bronte Village as a waterfront destination for Oakville residents and visitors.

The Town of Oakville took control of the building in April 2018 and currently the first floor of the Centre is used by Halton Police, Visit Oakville, Town harbour staff and Catch Hospitality Group (“**Catch**”), with Catch operating the Bronte Boathouse restaurant and Duckies Ice Cream Shop. Bronte Boathouse and Duckies Ice Cream Shop are both seasonal restaurants, and not open to the public during the winter months. Since January of 2019, the second floor has remained vacant.

The current uses are all short-term agreements as the Town does not own the underlying lands. The Town leases the land and surrounding harbour lands from the Federal Government on a short-term five-year lease. The current lease expires on April 15, 2028. The Town has been in discussions with the Federal Government to acquire the lands since 2019, but a resolution does not appear imminent. A long-term vision for the Centre has not been developed, and material long-term oriented improvements to the Centre should not be undertaken, until the Town acquires the underlying lands.

This report provides a short-term plan to make productive use of the second floor of the Centre while the Town pursues ownership of the underlying lands, rather than leave it vacant during this time. The confidential companion report from the Legal Department titled “Confidential Staff Report- Bronte Conference Centre Second Floor Lease” on this agenda contains the proposed terms for a lease of the second floor, to commence this fall.

COMMENT/OPTIONS:

As noted above, the long-term vision for the Centre has not been developed while the Town continues the discussions on acquiring the lands from the Federal Government. In this interim period, staff have looked at options to animate the second floor of the building and bring in additional revenue to reduce Town costs of operating the building while working within the limitations of short-term agreements, building layout and requirements to bring the second floor into a state of good repair.

Given the success of the Bronte Boathouse restaurant and Duckies Ice Cream Shop, Town staff discussed with Catch Hospitality Group the possibility of using the second floor and requested that Catch provide a proposal to the town outlining their

use for the space. In addition to Bronte Boathouse and Duckies, Catch also operates a number of restaurants in Oakville, including Firehall Cool Bar Hot Grill, Cucci Ristorante, Plank Restobar, and Por Vida Mezcal and Mexican and is a proven restaurant operator in Oakville and the Bronte area.

Catch provided the Town with a proposal for short-term event space. They would create a warm and inviting event venue that would focus on weddings and corporate functions. This venue would operate year-round, whereas their current operation in the Centre is seasonal. The event space would not be used daily, and so the space would also act as overflow space for the Bronte Restaurant when needed in the summer months. The confidential companion report contains proposed terms for a partnership between the Town and Catch Hospitality Group to bring this plan to fruition. Staff believe that the Catch proposal, and success with Bronte Boathouse, demonstrate that the company has the experience, capacity, access to equipment and financial resources needed to succeed.

Normally, the Town would hire a broker or undertake a Request for Proposals (RFP) process to ensure market exposure. There are a number of operational issues and risks for a prospective tenant associated with operating an events space within this Centre which have led staff to pursue a sole source proposal from Catch Hospitality. The Procurement Policy by-law allows for single source procurement of services when rationalized by a sound business case. The operational issues and risks in this case include:

1. The layout of the building makes it difficult to separate operations. The second floor is open to a portion of the first floor and Catch currently utilizes this space on the first floor for back-of-house operations for the Bronte Boathouse restaurant. This would create a challenge for a different tenant to run an events business within this space.
2. Event venues also need to provide certainty to their clients of venue availability, often months to years in advance, and the limited short-term nature of this agreement provides a financial and reputational risk to a potential events operator
3. The town's current lease with the Federal Government also provides some uncertainty which has been outlined in more detail in the confidential report.

For these reasons, staff recommend that Catch Hospitality operate the second floor of the Centre during this interim period as they have already established Bronte Boathouse on the first floor and have proven their ability to operate a successful establishment from this location.

There are structural and accessibility repairs/upgrades required before the second floor can be occupied. These repairs/upgrades are typical landlord repairs and so will be at the Town's cost. This includes upgrades/repairs to the elevator, upgrading

the washrooms to make them accessible, accessible doors, and structural reinforcement to the existing north and south patios. As the long-term use of the Centre has not yet been determined, staff have considered only those upgrades required to bring the building to state-of-good-repair. Costs have been outlined within the confidential report.

In order to ensure that there are no bonusing issues, the Town engaged a restaurant consultant to provide a third-party review of the Catch proposal. This is the same consultant that reviewed the proposal for the Bronte Boathouse restaurant in 2019. He concluded that this proposal is fair and reasonable, given the circumstances.

While the long-term vision of the Centre has not been determined, the interim goals are to provide a community attraction to the Bronte waterfront and reduce Town costs of operating the building. In addition to this, allowing Catch Hospitality to utilize the second floor of the building also provides an opportunity for the Town to gauge the viability for a destination waterfront restaurant and event space while considering the long-term planning for the building.

CONSIDERATIONS:

(A) PUBLIC

The proposed use of the second floor as an events space and overflow for the Bronte Boathouse would provide a hospitality service for the community and animate the Centre year-round.

(B) FINANCIAL

Expenditures related to this project have been noted in the confidential companion report. It is recommended that the expenditures be funded from the capital reserve.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Facilities, legal, relate estate and economic development staff would be involved in coordinating various aspects of the proposed second floor use.

(D) COUNCIL STRATEGIC PRIORITIES

This report addresses Council's strategic priority/priorities: Growth Management, Community Belonging and Accountable Government.

(E) CLIMATE CHANGE/ACTION

N/A

APPENDICES:

Prepared by:
Rebekah Diec Stormes
Director Economic Development

Ryan Maynard
Assistant Town Solicitor

Recommended and Submitted by:
Nancy Sully
Commissioner Corporate Services and Treasurer