



REPORT

Council

Meeting Date: October 21, 2024

FROM: Legal Department

DATE: October 8, 2024

SUBJECT: Wallace Park Tennis Club License Agreement

LOCATION: 245 Reynolds Street

WARD: Ward 3

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RECOMMENDATION:

1. That staff be authorized to renew the license agreement with the Wallace Park Tennis Club for an additional ten years on the terms set out in this report.
2. That the license renewal agreement be executed in accordance with By-law 2013-057 and the Town Solicitor be authorized to enter into any minor amendments, as required.

KEY FACTS:

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

- The Wallace Park Tennis Club (the “**Club**”) licenses 5 tennis courts and a clubhouse from the Town in Wallace Park at 245 Reynolds Street.
- The Club’s license agreement will expire on December 31, 2024 and they are seeking a renewal.
- Staff are recommending renewing the license agreement for a further ten years with the license fee to remain at a nominal amount.

BACKGROUND:

The Town owns the lands known as Wallace Park at 245 Reynolds Street. The Wallace Park Tennis Club has operated a not-for-profit tennis club in Wallace Park for over 50 years. The Club has almost 700 members and provides lessons and camps for all ages. Members get access to competitive leagues with other clubs in Halton and the GTA as well as in-house round robins, tournaments and house leagues.

The space licensed to the Club includes 5 tennis courts and a clubhouse (the **Premises**) as well as storage space in the adjacent Town washroom building. One of the courts is a public court that always remains open to the public except for a limited number of Club events like the competitive tournaments.

The previous license ran for twenty years and in 2023 Council authorized a short-term two-year extension that expires on December 31, 2024. Typically, the Town provides longer-term commitments for these types of club licenses, so the club has security to make long-term plans for the site. However, in this case there were a few reasons to delay the long-term commitment and have a short two-year bridge extension.

First, the Town was in the early stages of completing a Parks, Recreation and Library Master Plan that would better inform the current status of tennis and Club tennis. This plan is more advanced at this stage and the final plan is expected to be presented to Council in November 2024. The plan does not recommend any changes to advanced tennis play being provided by the various Clubs.

Second, the Club had made some recent changes to its governance, policies and structures and staff wanted to ensure the implementation of those changes was successful and stable before considering entering into a long-term agreement. It appears the governance changes have been successful since there have been no material concerns or issues raised to staff during this interim period.

Third, the Town was in the process of making improvements to Wallace Park and by the end of the two-year term staff would have a finalized improvements plan needed for the Premises. The courts are in poor condition, the public court requires relocation to be a fully fenced court accessible to the public, fencing is in disrepair, and grading improvements are necessary for accessibility. The work is budgeted for 2025 and if approved would begin in fall 2025.

With the two-year interim renewal coming to an end, the Club would like to renew its license for a ten-year period to have the longer-term certainty to make long-term plans for the operation of the site.

COMMENT/OPTIONS:

Staff are supportive of renewing the license agreement with the Club for a further ten years. The Club has been a good tenant over the history of this relationship, and they provide a valuable service to the community. The new agreement will be on similar terms as the prior agreement but updated to reflect the current Town standard terms for these types of club licenses such as a demolition fund for the clubhouse and membership residency requirements.

The current rent is nominal and staff are recommending keeping the rent at a nominal rate. Pursuant to the report from the Legal Department dated January 3, 2018 titled "Town Club Leases/License" staff are required to provide a formal rationalization or streamlined business case for recommending a tenant pay a nominal rent instead of market rent. Staff have considered the following questions as set out in the January 3, 2018 report:

- Is the tenant providing an additional or supplemental service/program that the Town would otherwise consider offering to the community at Town expense?
 - Yes, the Town only offers basic introductory tennis lessons. The Club offers a place for more advanced levels of tennis play including participation in tournaments, leagues, lessons and camps.
- What is the potential cost to the Town if the Town had to provide the programs/services?
 - The costs would be very significant as the Town does not have the resources to offer advanced tennis lessons, camps and leagues.
- What are the benefits provided to the community from the tenant's programs/services?
 - Health, wellness and youth engagement are some of the benefits provided to the community. The Club offers social events throughout the year, including family friendly events targeted at children and youth.
- Is there a gap/need/demand for the programs/services in the community?
 - Yes, there is a demand for advanced tennis beyond the introductory courses offered by the Town programs. Other than Wallace Park and two other not for profit tennis clubs in the Town, the only other opportunity to obtain this level of tennis would be at a private club.
- Is the service/program open to the general public, and if the club has a limited number of membership spots available, what percentage will be made up of Oakville residents?
 - The Club maintains a public court that is open to the public to use. There is a limited number of memberships available and currently the Club estimates 95% are made up of Oakville residents. New memberships will only be offered to Oakville residents while there is a waiting list.
- Are there alternative uses/needs for the Town facility?
 - The current state of the facility would only support tennis. Staff are nearing completion of the Parks, Recreation and Library Master Plan

and there is no contemplation noted in the Plan to alter or amend the current usage of the site.

- Is the Tenant part of the Town's CORE membership program?
 - Yes
- Is the tenant the main provider of the programs/services in the community or are there other providers that need to be consulted or offered the chance to bid on the space?
 - There are two other tennis clubs in Oakville who have license agreements with the Town, Bronte Tennis Club and Lawson Park Tennis Club. Wallace Park Tennis Club has been operating from this location for over 50 years.
- Is the tenant a not-for-profit organization in good standing?
 - Yes
- Are there appropriate controls in place to ensure financial capability and sustainability and good governance of the tenant?
 - The proposed agreement will require the Club to provide the Town with unaudited financial statements each year and copies of the minutes from all of its BOD and AGM meetings. The Club will also be required to create and adhere to a code of conduct in accordance with the Town's RZone policy that will include a dispute resolution process for complaints.

A copy of the proposed ten-year license agreement is available in the legal department for review.

CONSIDERATIONS:

(A) PUBLIC

The public will be aware of the license renewal through public notification of the council agenda. Approval of this license renewal agreement will provide for continued use of these lands in accordance with the current use.

(B) FINANCIAL

Staff recommend that the renewal term continue at nominal rent. The Town should not have any additional costs in respect of the Property during the term as the Club will be responsible for all the ongoing costs and maintenance of the Property. However, the Town is responsible for the capital reconstruction and resurfacing of the courts as well as rehabilitation of fencing and lighting.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

This report was prepared together with the Parks and Open Space department.

(D) COUNCIL STRATEGIC PRIORITIES

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

(E) CLIMATE CHANGE/ACTION

N/A

APPENDICES:

Appendix A – Location Map

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