

THE MUNICIPALITY OF LAMBTON SHORES

Report DCS 14-2022

Council Meeting Date: April 26, 2022

TO: Mayor Weber and Members of Council
FROM: Ashley Farr, Director of Community Services
RE: Arena Concession Expression of Interest

RECOMMENDATION:

THAT Report DCS 14-2022 regarding the “Arena Concession Expression of Interest” be received; and

THAT staff be authorized to issue an Expression of Interest to lease the concessions at the Shores Recreation Centre and Legacy Recreation Centre to local community groups.

SUMMARY

This report presents Council with a request to authorize staff to issue an Expression of Interest to lease the concessions at the Shores Recreation Centre and Legacy Recreation Centre to local community groups for the 2022-2023 ice season.

BACKGROUND

The Shores Recreation Centre and Legacy Recreation Centre each contain a concession that provides food and beverage service to arena patrons. Both concessions are operated by the Municipality, however, have been closed for the last two ice seasons due to the COVID-19 pandemic.

When the concessions have been in operation the hours have varied between September to end of March. Hours are generally limited to try to reduce staffing costs, however, both concessions have operated in a deficit position for several years.

Staff would like to propose a one-year pilot program to offer a lease agreement on both concessions to local community groups as a fundraising opportunity. Community groups would have the volunteer base to support the concession operations during key periods, which would allow them to save on costs like staffing.

To lease the space, staff would issue an Expression of Interest for local community groups to submit a proposal for operation of one, or both arena concessions. Local groups would need to provide insurance to the Municipality, as well as a plan for how funds raised would be reinvested in the community. Adherence to Public Health guidelines would be required through the agreement. The successful proponents

would be required to be open for certain key events like tournaments, if so desired by the tournament organizers.

Staff are proposing that the lease agreement is offered at no charge, which is a similar arrangement to the Utter Park Concession lease agreement. At this point, staff is recommending that the lease opportunity is made available only to local community groups. If a local business comes forward with a proposal, staff recommends a lease fee is established.

A subsequent report with a copy of the lease agreement will be presented to Council once proposals have been reviewed.

ALTERNATIVES TO CONSIDER

Council may choose to continue to operate the concessions internally.

RECOMMENDED ACTIONS

Staff are seeking authorization from Council to issue an Expression of Interest (EOI) for local community groups to operate the concessions at the Shores Recreation Centre and the Legacy Recreation Centre for a pilot project during the 2022-2023 ice season. Staff intend to issue two separate EOIs that would allow two community groups to operate one concession each, or one group to operate both concessions, depending on submissions.

FINANCIAL IMPACT

Over the last three years of full operation (2017, 2018 and 2019), both concessions have operated in a deficit position. Even with a significantly reduced menu and reduced hours, staff have still budgeted for a loss in 2022.

If proposals are received by local community groups through the Expression of Interest, the proposed lease would not generate any revenue for the Municipality, however the service would be maintained without an operational deficit.

The cost of utilities would continue to be the responsibility of the Municipality. Utilities for the concessions are not metered separately, and therefore staff are unable to separate the concession operations from the rest of the facilities.

CONSULTATION

Randy Shaw, Manager of Parks and Facilities