



## Report to Council

Department: Community Services  
Division: Community Services  
Date: August 12, 2024  
Prepared by: Jake Morassut, Director, Community Services  
Report Number: Community Services-2024-31  
Subject: Arena Canteen Lease Agreement  
Number of Pages: 3

### Recommendation(s)

**That** Community Services Report 2024-31 entitled Arena Canteen Lease Agreement prepared by Jake Morassut, Director, Community Services dated August 12, 2024, be received;

**That** the Council approve entering into a lease agreement with M&M Concessions for leased space at 243 McAfee Street in Harrow and 60 Fairview Avenue West in Essex Centre for a three-year term, commencing September 1, 2024, subject to the general terms and conditions as outlined in By-Law 2363; and

**That** By-Law 2363 be read a first, a second and a third time and finally passed on August 12, 2024.

### Purpose

To have Council approve entering into a lease agreement with M&M Concessions at both arena facilities, located at 243 McAfee Street in Harrow and 60 Fairview Avenue West in Essex Centre, for food service and concession operations.

## Background and Discussion

The Town of Essex Community Services Department previously oversaw the operations of the Harrow Arena canteen up to 2011. Since 2012, the Town issued Request for Proposals for third party to operate Town of Essex canteens.

Specific to the Harrow Arena, there have been three different operators since 2012. The Town issued a Request for Proposal for the 2023-24 season in August 2023 for service and operations of the Harrow Canteen. The Town of Essex had no proponents provide submissions during the tendering process. After the tendering process was closed, the proponent submitted to administration that he would be willing to operate the Harrow Arena Canteen for the upcoming 2023-24 season and a proposal was submitted for consideration. M&M Concessions, represented by Tim Stanley, met all requirements of the scope to operate the canteen, and the contract was awarded accordingly.

The Essex Centre Sports Complex opened in September 2008 and the Essex Kinsmen Club operated the canteen at the facility until the club disbanded prior to the 2012-2013 season. M&M Canteen was the successful proponent for a Request for Proposal issued in 2012 and they have been operating the Essex Centre Sports Complex canteen since 2012. M&M Canteens have been an excellent partner and they have worked extremely well with the user **groups. The M&M Canteen's operating agreement** was a five year term, expiring in August 2024.

As the operator is now entered into two different agreements, both of which are up for renewal, Administration recommends the the agreement encompasses both concession operations into one agreement, which will assist in continuity of services at both locations.

While lease agreements, whereby the Town is the lessor, are not specifically identified in the **Town's current procurement by-law 2129**, the Town follows the same general guidelines used for general acquisition. In Section 27.02, the policy allows for the ability for administration to make a recommendation for a defined term, in the absence of an existing contract renewal

**option, if in the Town's best interest to do so. Given the dollar threshold and lack of interest in recent tenders, it is believed a formal bid process would not likely produce significant pricing differences. There is also the potential risk in posting a tender that due to timing and proximity to the ice season, the canteens aren't operational for sometime.**

The existing propinent, M&M Canteen Services has been an excellent partner for the Town in operating the Essex Centre Complex and the Harrow Arena canteen; Administration is recommending extending the lease for an additional four years with the option to extend an additional four years.

Administration has discussed the agreement with the proponent and M&M Concessions will increase their existing rate by the current CPI of 2.7%, which equates to a monthly rate of \$20.54 (plus HST) for the Harrow Canteen, and \$475.41 (plus HST) for the Essex Canteen, totalling \$495.95 (plus HST).

## Financial Impact

The current operating agreement has the proponent paying annual revenues of \$3,703.28 (plus HST) at the Essex Centre Sports Complex (September to April) and \$140.00 (plus HST) at the Harrow Arena (November to March). The new proposed 2024-2025 rate, adjusted for Consumer Price Index increases (CPI) of 2.7% will be \$3,803.28 (plus HST) at the Essex Centre Sports Complex, and \$143.78 (plus HST) at the Harrow Arena, totalling \$3,947.06 (plus HST). These lease rates will continue to provide alternative sources of revenues for their respective cost centres. The rate will be adjusted annually on September 1<sup>st</sup>, by CPI, prior to the start of their operating season.

## Consultations

Kate Giurissevich, Director, Corporate Services/Treasurer

Doug Sweet, Chief Administrative Officer

## Link to Strategic Priorities

- Embrace asset management best practices to build, maintain, and continuously improve our municipally owned infrastructure.
- Leverage our Town's competitive advantages to promote jobs and economic investment.**
- Take care of our natural environment and strengthen the sense of belonging to everyone **who makes Essex "home"**.
- Deliver friendly customer service in an efficient, effective, and transparent manner while providing an exceptional working environment for our employees.
- Build corporate-level and community-level climate resilience through community engagement and partnership and corporate objectives.

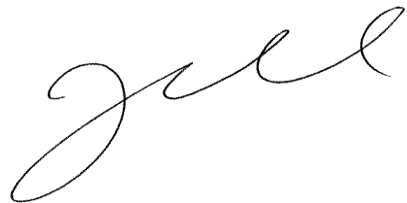
## Report Approval Details

Document Title:	Arena Canteen Lease Renewals - Community Services-2024-31.docx
Attachments:	- By Law 2363 Lease M and M Canteen Essex and Harrow.pdf
Final Approval Date:	Aug 7, 2024

This report and all of its attachments were approved and signed as outlined below:



**Kate Giurissevich, Director, Corporate Services - Aug 7, 2024 - 12:08 PM**



**Joseph Malandrucolo, Director, Legal and Legislative Services/Clerk - Aug 7, 2024 - 12:20 PM**



**Doug Sweet, Chief Administrative Officer - Aug 7, 2024 - 1:38 PM**