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# HALDIMAND COUNTY

## Report CDP-14-2019 Hagersville Memorial Arena Concession Operations For Consideration by Council on September 3, 2019

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### OBJECTIVE:

To seek Council approval to award the operation of the Concession in Hagersville Memorial Arena for a two-year period.

### RECOMMENDATIONS:

1. THAT Report CDP-14-2019 Hagersville Memorial Arena Concession Operations be received;
2. AND THAT the Lease Agreement for the Concession operations in the Hagersville Memorial Arena be awarded to Dobro Jesti Inc., operating as Good Eats Concession, Caledonia, ON, for a period of two years (24 month), for the submitted annual rate of \$3,300 plus applicable taxes under the terms and conditions outlined in Lease Agreement attached to this report;
3. AND THAT the annual rate will be adjusted annually on the anniversary date by the percentage change, year over year, using the July annual CPI increase, during the preceding year as recorded in Statistics Canada, Consumer Price Index, Table 18-10-0004-13, by product group monthly not seasonally adjusted, Canada, provinces, Whitehorse, Yellowknife and Iqaluit, - Ontario – All-Items.;
4. AND THAT the Mayor and Clerk be authorized to execute all necessary documents.

**Respectfully submitted:** Katrina Schmitz, Community Partnership Liaison

**Approved:** Craig Manley, MCIP, RPP, Chief Administrative Officer

### EXECUTIVE SUMMARY:

For more than forty years, the concession and vending services at the Hagersville Memorial Arena were operated by the St. Andrew's Presbyterian Church and Knox Presbyterian Church. The partners most recently entered into an agreement with Haldimand County in 2016 to provide the services until 2019. Earlier this summer, the Churches confirmed to the County that, due to declining volunteer resources, they would no longer be able to operate the concessions.

Since then, staff have undertaken a process to find a new operator of the concession and, possibly, one vending machine. At this time, staff are recommending that the County enter into a two-year agreement with Dobro Jesti Inc., doing business as Good Eats Concession, at an annual rental rate of \$3,300.

### BACKGROUND:

Haldimand County has existing contractors with operators in all four Arenas to provide concession and vending services. In 2016, following a request for proposal process, three-year contracts—with the option of a two-year extension—were entered into with six operators (two each in Caledonia and Dunnville for concession and vending; one operator each in Cayuga and Hagersville for concession and vending combined).

In Caledonia, Cayuga and Dunnville the current operators have chosen to continue providing the services; however, in Hagersville the partnership of St. Andrew's Presbyterian Church and Knox Presbyterian Church expressed their desire to end the relationship with Haldimand County due to declining volunteer resources. The existing anticipated revenue to the County under the current lease arrangement is \$8,300 annually.

Staff worked through a variety of options to ensure a concession operator was in place in time for the fall 2019 Arena season. At this time, staff recommend the County enters into the proposed Lease Agreement (Attachment 1) with Dobro Jesti Inc.—doing business as Good Eats Concession—at an annual lease rate of \$3,300.

## **ANALYSIS:**

For more than forty years St. Andrew's Presbyterian Church and Knox Presbyterian Church have provided excellent concession operation service to the community. Unfortunately the Churches indicated they would no longer be able to continue operating the services, due to reduced volunteer resources.

Staff worked with the Churches to determine if there were options which might allow them to continue to provide the services (e.g. a reduced annual lease rate), given the long-term relationship and the quality of service provided to Arena users. Unfortunately, the Churches did not feel this was an option.

Staff next approached the user groups at the Hagersville to determine if any would be interested in operating the concession. (In Cayuga, the concession and vending is managed by the Cayuga Minor Hockey Association.) Again, none of the groups felt they had the capacity to take on this responsibility.

The County then approached the operator of the concession at the Haldimand County Caledonia Centre—Dobro Jesti Inc., doing business as Good Eats Concession—who agreed to take on the operation of the Hagersville Memorial Arena concession for a two-year period (to align with the terms of the other Arena concession operators) at a rate of \$3,300 per year. The amount proposed by Dobro Jesti Inc. reflects the level of activity at the Arena as well as the available food preparation and cooking amenities in the concession. The proposed concession revenue is less than the current budget and thus requires Council approval and a budget amendment.

At this time, staff recommend the County enters into the proposed Lease Agreement (Attachment 1), which reflects the details of the new arrangement and which will ensure that this service continues to be delivered at the Hagersville Arena.

## **FINANCIAL/LEGAL IMPLICATIONS:**

The 2019 Tax Supported Operating Budget included revenue from the Hagersville Memorial Arena concession/vending of \$8,300. If staff's recommendation to accept the proposal by Dobro Jesti Inc. (doing business as Good Eats Concession) at an annual lease rate of \$3,300 is approved, the shortfall for 2019 will form a part of the overall 2019 operating variance. The 2020 and 2021 Tax Supported Operating Budget will require an increase in the tax levy to accommodate the \$5,000 revenue shortfall, adjusted annually based upon the Statistics Canada, Consumer Price Index adjustments.

## **STAKEHOLDER IMPACTS:**

Amending the lease including the revenue changes will allow the concession service to be available for arena users. Concerns were raised by the community that the service is desirable to be maintained.

**REPORT IMPACTS:**

Agreement: Yes

By-law: Yes

Budget Amendment: Yes

Policy: No

**ATTACHMENTS:**

1. Proposed Lease Agreement.