



STAFF REPORT TO COMMISSION

DATE OF REPORT April 17, 2023
MEETING TYPE & DATE Cowichan Community Centre Commission of May 11, 2023
FROM: Cowichan Community Centre Division
Community Services Department
SUBJECT: License of Use Agreement – Concession Services 2023 – 2025
FILE: 0870-30

PURPOSE/INTRODUCTION

The purpose of this report is to seek approval to award the Cowichan Community Centre (CCC) concession agreement to Island Capitals Sports and Entertainment Group Ltd.

RECOMMENDED RESOLUTION

That it be recommended to the Board that the CVRD enter into a 2-year License of Use Agreement, based on the terms and conditions as outlined in the attached draft Agreement to the staff report dated April 17, 2023, with Island Capitals Sports and Entertainment Group Ltd. for concession services at the Cowichan Community Centre effective July 1, 2023 to June 31, 2025.

BACKGROUND

On May 22, 2022 the CVRD entered into a 3-year License of Use Agreement with Fresh Kenny's Ventures Inc. (FKV) for the operation of concession service at the CCC. Due to unforeseen circumstances, FKV was forced to suspend operations and request a cancellation of the agreement on March 21, 2023. The main contributing factors for the cancellation include challenges with staffing and an inability to generate sufficient revenue during operating hours.

Cancellation of the agreement was not unexpected, as CCC staff had been in contact with FKV leading up to the final decision as the service had deteriorated and rent payments had fallen behind.

ANALYSIS

FKV was awarded the agreement for concession services as they were the top scoring submission through a formal public Request for Expressions of Interest (RFEOI). The Cowichan Capitals Hockey Club (aka. the Capitals) was the only other submission through this process.

The Capitals have recently gone through an ownership change. The new owners, Island Sports and Entertainment Ltd. recently expressed interest in also operating the concession service. CVRD Procurement gave authorization to consider the proposal as the Capitals were the only other submission through the RFEOI process. If the Capitals' proposal was not satisfactory, then the CVRD would conduct another public competition for a concession operator. CCC staff requested a written proposal from the Capitals' new ownership in consideration of possibly taking over operation of the concession service.

CCC staff have reviewed the Capitals proposal which is a partnership with Pace Management Solutions (PMS) (Attachment A). In summary, the proposal appears solid with PMS providing the direct service delivery of concession services. PMS is well established in the Cowichan region with over 20 years of food services experience operating four Lee's Famous Recipe Chicken franchises as well as the Genoa Bay Café. The proposed operating hours meet facility expectations and the menu is tailored towards expected target markets during weekdays and

expanded for events and Capitals games. The proponents did also highlight their understanding of the previous operating challenges for this service at the CCC which is accounted for in their financial projections. It was noted that a key objective of taking this service on, is to not only service the CCC broadly, but have direct control over food services at Capitals games in the hopes of improving the visitor experience.

In terms of the proposed License of Use Agreement, the Capitals are requesting a 2-year agreement with a possible 2-year extension. They have suggested a monthly rent amount of \$750.00, which is the same amount as the previous concession provider.

Staff recommend moving ahead with this proposal using the previous License of Use Agreement template with one minor change, revising the termination with cause from 60 to 30 days written notice (Attachment B).

FINANCIAL CONSIDERATIONS

The draft License of Use Agreement outlines a monthly rent amount of \$750.00 plus applicable taxes. There is also language outlining an annual inflationary increase based on the previous 12 months Consumer Price Index (CPI) percentage increase. The base rent, excluding taxes and CPI will generate \$9,000 in revenue annually for Function 420 – Events & Services.

A security deposit equivalent to one months' rent is required upon execution of the agreement.

COMMUNICATION CONSIDERATIONS

N/A

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

N/A

GENERAL MANAGER COMMENTS


☐ Not Applicable

Referred to (upon completion):

- ☐ Community Services (*Arts & Culture, Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Facilities & Transit*)
- ☐ Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services*)
- ☐ Operations (*Parks & Trails, Recycling & Waste Management, Utilities*)
- ☐ Land Use Services (*Building Inspection & Bylaw Enforcement, Community Planning, Development Services, Strategic Initiatives*)
- ☐ Strategic Services (*Communications & Engagement, Economic Development, Emergency Management, Environmental Services*)

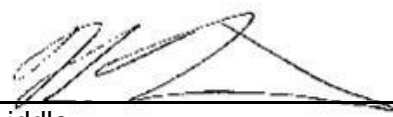
Prepared by:

Reviewed by:



Rob Williams, M.Sc.
Manager

Not Applicable
Not Applicable



Kim Liddle
A/General Manager

Reviewed for form and content and approved for submission to the Committee:

Resolution:

Financial Considerations:

☒ Corporate Officer

☒ Chief Financial Officer

ATTACHMENTS:

Attachment A – Capitals Concession Services Proposal

Attachment B – Draft License of Use Agreement