



**Subject: Vale Health & Wellness Centre – Commercial Food Operations**

**To: Council**

**From: Corporate Services Department**

Report Number: 2023-140

Meeting Date: July 18, 2023

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### **Recommendation:**

That Corporate Services Department Report 2023-140 be received;

That Council provides approval for the Mayor and Clerk to enter into a 5-year lease agreement, attached as Appendix A to Corporate Services Department report 2023-140, with the ownership of The Kennedy Club as the new Commercial Food Vendor at the Vale Health & Wellness Centre.

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### **Purpose:**

This report seeks approval to enter into an agreement for a commercial food vendor at the Vale Health & Wellness Centre (VHWC) effective August 1, 2023.

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### **Background:**

The VHWC was established in 2013. It is a state-of-the-art facility, fully accessible for sport, recreation, health, wellness, entertainment, and commerce – all under one roof and has become a hub of Port Colborne.

Subway Inc. was the first and only commercial food vendor operating within the VHWC since 2013. Subway notified the City of Port Colborne that they will not be renewing their lease which expired on February 28, 2023.

When Subway's non-renewal was identified, staff took direction to seek a commercial food vendor that would provide a variety of quality food and beverage items but not have exclusivity over food and beverages in the facility or on the grounds of Thomas A. Lannan Sports Complex.

A community survey was conducted in December 2022 to determine users' appetite for certain food and beverage offerings in the facility. The survey results are a key component in identifying the suggested items to be sold. The survey is attached as Appendix C.

The Request for Proposal (RFP) for a new Commercial Food and Beverage Vendor was shared on the City of Port Colborne website and social media including Facebook. In addition, the RFP was sent via email to key local partners, food vendors, and businesses. The RFP was also shared with food vendors and the members of the Downtown BIA and Main Street BIA. The RFP is attached as Appendix B.

Interested vendors had the opportunity to view the space and ask questions during the site inspection on March 20, 2023, at 2:00 p.m.

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## **Discussion:**

The Kennedy Club is the only candidate that meets all the requirements included in the Request for Proposal (RFP).

From a branding perspective, The Kennedy Club is an intentional concept that fits well with the community-minded focus of the City of Port Colborne.

Staff have confidence with the proposal given the owners of The Kennedy Club have illustrated extensive experience in the food and beverage industry. One of the partners in The Kennedy Club is the owner of Whiskey & Walleye at Sugarloaf Marina.

The Kennedy Club has agreed to adjust their menu to the desires of customers using the City's questionnaire responses as a starting point. On an annual basis, The Kennedy Club will be required to submit their menu to staff, including pricing for approval. At the time of writing this report the final menu and pricing is being finalized. The contract does identify they will primarily sell sandwiches, french fries, hot dogs and "grab and go" food. As the facility is a 'health and wellness centre', they will emphasize healthy food and beverage options.

The recommended agreement is attached as Appendix A. Staff negotiated this agreement with the owners of The Kennedy Club through the City's solicitors, Sullivan Mahoney.

During negotiations it became apparent both parties could benefit from expanded service opportunities. These include vending machine operations, partnership support with vendors at City events such as Canal Days and the opportunity to sell alcoholic beverages at certain events in restricted areas (i.e. the premises beside the Golden Puck room). The agreement attached provides for these opportunities to be permitted but does not guarantee these opportunities to The Kennedy Club. Any revenue generated from

these opportunities will form part of the revenue calculated determined as a percentage of sales.

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### **Internal Consultations:**

This agreement is the result of a cooperative effort between Recreation (specifically events) and Procurement. Public Works support requirements with respect to facilities.

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### **Financial Implications:**

The Kennedy Club will pay a minimum of \$72,000 per annum for the Leased Premises, plus Sales Taxes, payable in equal monthly installments.

In addition to the annual base rent, The Kennedy Club will pay 7% for the first \$150,000 of aggregate Gross Sales and 10% of aggregate Gross Sales greater than \$150,000 to the City of Port Colborne.

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### **Public Engagement:**

A survey was conducted in December 2022 to get a sense of the what the community would like to see at the VHWC for food and beverage options.

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### **Strategic Plan Alignment:**

The initiative contained within this report supports the following pillars of the strategic plan:

- Attracting Business Investment and Tourists to Port Colborne
  - City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
  - Governance: Communications, Engagement, and Decision-Making
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### **Conclusion:**

That Council provides approval for the Mayor and Clerk to enter into a 5-year lease agreement with the ownership of The Kennedy Club as the new Commercial Food Vendor at the Vale Health & Wellness Centre.

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**Appendices:**

- a. Appendix A - Kennedy Club Lease Agreement
- b. Appendix B - Vale Health and Wellness Centre – Commercial Food Vendor RFP 2023
- c. Appendix C - VHWC Survey Results

Respectfully submitted,

Amy Duffy  
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**Report Approval:**

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.