

Date: May 10, 2022	Originator's files:
To: Chair and Members of General Committee	
From: Jodi Robillos, Commissioner of Community Services	Meeting date: June 1, 2022

Subject

Proposal for Indoor Tennis and Pickleball Facility at Churchill Meadows Sports Park

Recommendation

1. That the Commissioner of Community Services be authorized to execute a Memorandum of Agreement ('MOA') with Premier Racquet Clubs Corp. ('Premier') to construct and operate an indoor tennis and pickleball facility at Churchill Meadows Sports Parks, as outlined in the Corporate Report dated May 10, 2022, from the Commissioner of Community Services, in form and content satisfactory to the City Solicitor.
2. That the Commissioner of Community Services be authorized to negotiate and execute a commercial lease agreement with Premier based on the terms of the MOA and the City's standard form commercial lease, in form and content satisfactory to the City Solicitor.
3. That the Chief Procurement Officer or designate be authorized to execute a single source contract and all ancillary documents with John George Associates Inc. ('JGA') for design consulting services for Park 459 Phase 2 development in accordance with the City's Procurement By-law 0013-2022, for an estimated cost of \$770,000 including a contingency amount of \$100,000 all exclusive of taxes funded from PN 22323 Churchill Meadows CC Sports Park – Phase 2B Park Development, as detailed in the Corporate Report dated May 10, 2022, from the Commissioner of Community Services.
4. That all necessary by-laws be authorized and enacted.

Executive Summary

- The City of Mississauga ('City') received an unsolicited proposal from Premier to partner on an indoor tennis and pickleball facility to service the community. This proposal was brought forward to Council in February 2021, where Council gave the City authority to negotiate an agreement with Premier to construct and operate an indoor tennis and pickleball facility at Churchill Meadows Sports Park.

- The proposed Mississauga Premier Racquet Club is envisioned to be a community-based, self-sustaining, winterized year-round tennis and pickleball facility. The facility will serve the needs of recreational and competitive players in the community and also provide opportunities for hosting provincial, national and international events that will bring visitors to showcase talent in Mississauga.
- The proposal enhances the original planned tennis courts at Churchill Meadows Sports Park from two unlit outdoor courts to six lit tennis courts with an air-supported structure.
- A MOA will be executed between the City and Premier, to detail the terms under which the parties will construct and operate an indoor tennis and pickleball facility at Churchill Meadows Sports Park. A commercial lease agreement will thereafter be executed to incorporate the terms of the MOA, to include, but not limited to: a 20-year lease term, with the option to renew; monthly basic rent, including taxes and utilities; and a license to the City for public use and City-hosted events.
- The total project capital cost is \$4.31 million. Premier will fund the \$2.65 million incremental cost to enhance the proposed tennis and pickleball facility. Funding for the City's portion of \$1.66 million is approved in PN 22325.
- As part of the Churchill Meadows Sports Park Phase 2 development project, the proposed tennis facility will be included as part of the full park design. City staff recommend to include all detail design, approvals and construction administration for both the tennis facility and Park 459 Churchill Meadows Sports Park – Phase 2 and issue a contract to JGA. This recommendation is made in accordance with Schedule "A" of the Purchasing By-law 0013-2022.
- The proposed partnership with Premier will serve the year-round needs of recreational and competitive players in the community to benefit the City, community partners and residents.

Background

The sport of tennis is experiencing its most significant growth since the 1970's, bolstered by the international success of Canadian tennis players including Mississauga's Bianca Andreescu. Tennis is becoming a leading sport in Canada: According to Tennis Canada, roughly 6.5 million Canadians participated in the Sport in 2019, with a 36% increase in frequent players between 2017 and 2019¹. Additionally, the sport of pickleball – a hybrid of tennis, badminton and ping-pong – is considered to be one of the fastest growing sports in North America².

¹ Source: Tennis Canada's Municipal Tennis Facilities Strategy & Partnership Framework 2019

² Source: Sports & Fitness Industry Association 2022 Sports, Fitness & Leisure Activities Topline Participation Report

The pandemic has also fueled more recent resident interest to stay physically and socially active through non-contact sports throughout the year. These factors have resulted in growing local demand for year-round access to tennis courts³.

The City currently provides a mix of public access tennis courts and club courts in conjunction with 18 non-profit community groups, in accordance with the City's Community Group Registry Program (Policy 08-01-01) and through established Management & Operations Agreements. Of the 150 public access tennis courts and club courts across the city, all are outdoor, non-covered facilities, limiting the opportunity for year-round play. The primary local tennis facilities that offer opportunities for year-round play include the following private and membership-based organizations:

- Ontario Racquets Club: Fifteen hard-surface courts, including six indoor courts and nine outdoor courts that are covered in the winter months;
- One Health Club: Two indoor courts; and
- The Tennis School: Five Tennis courts that are covered in the winter months.

These 22 covered courts pose challenges for broad community access. In addition, Mississauga's provision level of covered tennis courts is the lowest in comparison to Ontario municipalities with 10+ covered courts⁴, with approximately one covered court per approximately 32,600 population.

Table 1: Ontario Municipal Provision Level of Covered Courts, 2021

Municipality	Number of Covered Courts	2021 Provision Level
Toronto	137	1: 20,400
Ottawa	40	1: 25,400
Markham	25	1: 13,500
Mississauga	22	1: 32,600
Burlington	21	1: 8,900
London	15	1: 28,200
Richmond Hill	15	1: 13,500
Vaughan	14	1: 23,100
Waterloo	13	1: 9,300
Guelph	10	1: 14,400

Source: Tennis Canada's Municipal Tennis Facilities Strategy & Partnership Framework 2019, and Statistics Canada, 2021 Census of Population

³ The City is increasingly lining tennis courts for pickleball use. As of March 2022, 29% of public access and club courts across Mississauga were lined for both tennis and pickleball.

⁴ Inclusive of public access, community and private courts.

The Future Directions 2019 Recreation Master Plan identified the need for the City to add additional tennis courts by the year 2028, ideally in growth areas such as the Ninth Line area. A number of residents and tennis clubs have contacted the City to encourage investment in air-supported structures over tennis courts, in order to allow for year-round play.

The City received an unsolicited proposal from Karl Hale, Owner and Operator of Premier Racquet Clubs, to partner on an indoor tennis and pickleball facility. Karl Hale is currently Tournament Director for the Rogers Cup (the largest one-week professional tennis event in the world), President of the Professional Tennis Registry, and a former Davis Cup and Fed Cup coach. The proposed Mississauga Premier Racquet Club is envisioned to be a community-based, self-sustaining, winterized year-round tennis facility in Mississauga, improving and utilizing the planned municipal-owned tennis facility at Churchill Meadows Sports Park.

The proposed tennis and pickleball facility is supported by Tennis Canada, the national governing body for tennis. The plan calls for a number of Tennis Canada sanctioned tournaments, which aligns with the City's Sport Tourism Strategy and will have an economic impact from a tourism perspective. The facility will serve the needs of recreational and competitive players in the community and also provide opportunities for hosting provincial, national and international events that will bring visitors to showcase talent in Mississauga.

In February 2022, the City of Markham announced a partnership with Premier to open the winter club, Premier Racquet Club Markham. This facility is intended to bring year-round tennis to promote the sport for youth, adults, seniors, persons with disabilities, including Markham and York region residents.

Present Status

The proposed facility will be operated as a year-round tennis and pickleball centre. The new facility will offer a variety of affordable, competitive and recreational programs that will serve tennis enthusiasts and attract new players from all social and economic backgrounds. Proposed programming includes lessons, leagues and tournaments at an accessible rate. It is expected that this facility would service 800 to 1,000 frequent players, as well as thousands of other participants through school programs, tournaments, clinics and special events.

Through a combination of membership dues, user and programming fees, there will be no requirement for annual City subsidies for this tennis facility.

The location for the proposed tennis facility was to be included with the planned municipal-owned tennis facility at Churchill Meadows Sports Park as part of the remaining Phase 2 park development. While Phase 1 of the Park officially opened in October 2021, Phase 2 of the park is approved in the 2022-2031 Capital Budget with a plan to commence detail design and approvals in 2022/2023.

Initial plans for the site included the City funding two unlit outdoor courts for public use. The Mississauga Premier Racquet Club proposal enhances this design concept, to include six lit tennis courts with an air-supported structure. The City has a long history of partnering with community tennis clubs to operate tennis courts. These partnerships typically require City capital investment with operation and basic maintenance provided by the tennis clubs. The proposal would address related incremental capital costs and ongoing operating costs to deliver such a facility.

In February 2021, Council gave the City authority to negotiate an agreement with Premier to construct and operate an indoor tennis and pickleball facility at Churchill Meadows Sports Park. Furthermore, City staff were directed to engage the tennis community to receive feedback on the proposal.

Comments

Memorandum of Agreement

A MOA will be executed between the City and Premier, to detail the terms under which the parties will construct and operate an indoor tennis and pickleball facility at Churchill Meadows Sports Park. Among other matters, the MOA will provide for, but not be limited to, the following:

- The total project budget is \$4.31 million: Premier will contribute \$2.65 million, and the City will contribute \$1.66 million;
- Premier will be responsible for day-to-day maintenance and ongoing operations of the proposed tennis and pickleball facility;
- Premier will be required to make periodic progress payments towards the construction of the facility;
- Premier will allocate a designated number of hours per week to the public on a pay-as-you-go basis; and
- Construction for the proposed tennis and pickleball facility is expected to be completed by Fall 2023.

Lease Agreement

A commercial lease agreement ('lease') will thereafter be executed to incorporate the terms of the MOA, and will include, but not be limited to, the following:

- The lease term will be 20 years, with an option to renew;
- Premier will be charged monthly basic rent, including taxes and utilities;
- No additions, modifications or alterations are to be made by Premier without the prior written consent of the City; and
- The City and public shall have the right to use the facility during negotiated times for drop-in public use and City-hosted events to facilitate use by the City's sports groups.

Single Source Procurement for Design Consulting Services

As part of the Churchill Meadows Sports Park Phase 2 development project, the proposed tennis facility will be included as part of the full park design and construction. To eliminate the need for two separate design & construction procurements and timelines, it will be more efficient and cost-effective to include the air-supported covered tennis facility within the development timeline for Park 459 Phase 2 park design and construction. To meet the time requirements of the MOA to open the tennis facility by the fall of 2023 and Park 459 Phase 2 development by the fall of 2024, it is recommended to include all detail design, approvals and construction administration for both the tennis facility and Park 459 Churchill Meadows Sports Park – Phase 2 in one contract with JGA.

JGA were the sub-consultant sports specialist for the Phase 1 park development, and are well qualified to take on the scope of this project with a track record for quality and reliability. JGA have a working knowledge of all project-related background studies and approvals required for the Park 459 property and are well informed to make any necessary amendments to these studies without the necessity of recommencing the work.

Combining the construction of both the Phase 2 park development & the air-supported tennis facility under one Consulting team for design and approvals leverages efficiencies for all civil/structural engineering, servicing requirements and incoming infrastructure under one construction project for the entire Phase 2 property. This approach thereby eliminates the need for separate approvals, requirements for two tender processes, and ultimately meets the requirements under the Construction Act for awarding to one Constructor. This approach also provides the potential for greater economies of scale in market tender pricing. JGA propose the same fee structure as used in the 2017/2018 Consulting contract for Phase 1 Sports Park with no increases at 3.95% of construction costs. Based on recent 2021 tender pricing received from the market for park consulting services ranging on average from 7.2% to 19.4% of project construction costs, this represents a significant savings to the project and the completion of Park 459 Phase 2 development.

This recommendation is in accordance with Schedule “A” of the Procurement By-law 0013-2022, item 1 (h) (ii), which states that a Single/Sole Source procurement method may be applied when, “For additional Goods and/or Services from the original Supplier that were not included in the original Procurement, if the change of Supplier for such additional Goods and/or Services would cause significant inconvenience or substantial duplication of costs for the City.”

Engagement and Consultation

The City is committed to meaningful engagement with community stakeholders to guide planning, implementation and continuous improvement to support the growth of tennis and pickleball. As part of the direction from Council, in April 2022, the City engaged partner non-profit community tennis and pickleball clubs (‘community clubs’) to receive feedback on the proposal (see Appendix 1 for the presentation that was shared with the community clubs).

The proposal was generally well received by the community clubs. Between 2019 and 2021, the community clubs experienced a collective average membership growth rate of 68%, and a number of these community clubs identified challenges managing capacity due to increased demand. As an example, Meadowvale West Tennis Club recently reported approximately 200 people on their waitlist and similarly, Whiteoaks Park Tennis Club reported nearly 80 people. While some other clubs currently do not have a waitlist, they have expressed challenges with managing capacity due to increased demand from users

The addition of a publically-accessible indoor tennis and pickleball facility was recognized as beneficial to supporting growing local interest, by providing the infrastructure and programming to support local demand, allowing more local players the opportunity to experience the physical, social and mental health benefits of the sports. Key themes that emerged from the conversation included seasonality, affordability and public access:

- **Seasonality:** The proposed tennis and pickleball facility was generally viewed as advantageous in addressing a local gap of year-round, publically-accessible play, particularly throughout the winter months. Since the facility will be bubbled year-round, the proposed tennis and pickleball facility was viewed by most clubs as not being in direct competition with the outdoor courts delivered by the community clubs. The Shoreline- Jack Darling Tennis Club felt that the courts should not be bubbled in the summer as the air-conditioned facility may provide Premier with an unfair competitive advantage and removes public access tennis courts from the overall inventory of assets. Furthermore, it was indicated that the proposal poses an opportunity for collaboration across the community clubs and the proposed tennis and pickleball facility to support broad community access to the sports year-round. Ongoing conversations with the community clubs, particularly as it relates to collaboration over the summer months, will facilitate such community-wide benefits.
- **Affordability and Public Access:** Additional comments highlighted the importance of affordability and public access. Premier emphasized the recognition of public access and affordability being at the core of the proposed tennis and pickleball facility's business model. These aspects will be taken into consideration through affordable membership dues and allocation of court time for community and recreational play.

Overall, feedback from the community clubs indicated general support for the proposal.

Financial Impact

The total project capital cost is \$4.31 million. This amount is approved in the Parks Capital Forecast, cashflowed over 2022 and 2023, based on \$1.66 million City funding and proposed \$2.65 million recovery from Premier. Premier will fund the incremental cost to enhance the facility from two to six courts, added lighting and an air-supported structure.

Funding for the City's portion of \$1.66 million is approved in PN 22325.

Ongoing operating costs will be addressed by Premier under a long-term ground lease. The City will be receiving rental income from Premier based on the terms of the finalized lease agreement.

The contract for design consulting services with JGA is estimated to cost \$770,000, including a contingency amount of \$100,000, exclusive of taxes. Funding for this project will be drawn from PN 22323 Churchill Meadows CC Sports Park – Phase 2B Park Development.

Conclusion

Tennis and pickleball are both growing sports in Canada and demand locally is increasing for publically-accessible indoor facilities. A partnership between the City and Premier to construct and operate an indoor tennis and pickleball facility at Churchill Meadows Sports Park will serve the year-round needs of recreational and competitive players in the community to benefit the City, community partners and residents. A single source contract award to John George Associates Inc. is recommended as it is cost effective and efficient to meet the project requirements & timelines.

Attachments

Appendix 1: Mississauga Premier Racquet Club Proposal – Community Clubs Engagement Session Presentation



Jodi Robillos, Commissioner of Community Services

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