

## Attachment 1 - Major Terms and Conditions to be Included for Agreement

Supplier	Thistle Golf Ltd.
Locations	<p>5 City-owned golf courses at:</p> <ul style="list-style-type: none"> <li>• Dentonia Park, 781 Victoria Park, Scarborough</li> <li>• Don Valley, 4200 Yong St. Toronto</li> <li>• Humber Valley, 40 Beattie Ave., Toronto</li> <li>• Scarlett Woods, 1000 Jane St., York</li> <li>• Tam O'Shanter, 2481 Birchmount Rd, Scarborough</li> </ul>
Summary of Deliverables	The Supplier will deliver a high-quality customer experience at the City golf courses, through the professional management of play, pro shops, programming, and food and beverage.
Agreement Type	Management Agreement
Term Length	Ten (10) years, starting December 1, 2023 with an option exercisable by the GM of PFR at their sole discretion, to extend the Agreement on the same terms and conditions for two separate additional terms of five (5) years each.
<p>Overview of Financial Terms</p> <p>(Abbreviated Terms)</p>	<p>Through this management agreement, the City will receive, barring any exceptional circumstances such as force majeure or circumstances outside of the Supplier's or the City's control, the greater of the total funds from the Percentage Revenue Share Model or \$6.2 million dollars annually.</p> <p>The Percentage Revenue Share Model is:</p> <ul style="list-style-type: none"> <li>• 84% of Green Fees Gross Revenue Before HST</li> <li>• 20% of Golf Cart Rental Gross Revenue Before HST exceeding \$1 million dollars</li> <li>• 2% of Retail Gross Revenue Before HST exceeding \$1 million dollars</li> <li>• 2% of Food, Beverage, and Ancillary Gross Revenue Before HST exceeding \$2.5 million dollars</li> </ul> <p>The remaining funds will be retained by the Supplier as a management fee.</p> <p>Guaranteed Revenue in 2024 (Year 1) is set at \$6.2 million dollars. This amount will increase annually as follows:</p> <ul style="list-style-type: none"> <li>• 1% increase for each of the years between 2025-2028 (Years 2, 3, 4, 5)</li> <li>• 1.5% increase in 2029-2030 (Year 6-7)</li> </ul>

	<p>2% increase for each of the years starting 2031 (Year 8, 9,10) and beyond. The expectation of any renewal term is 2% every year.</p> <p>If the City does not have an approved green fee increase greater than or equal to the planned annual increase, the annual increase will not be applied in that year.</p> <p>For years of exceptional circumstances (such as force majeure) where the Supplier’s ability to meet Guaranteed Revenue is affected, the City will pause the annual increase or receive Percentage Revenue Share Model. If the rounds of golf fall below 190,000, in lieu of the Guaranteed Minimum, the City will receive 87% of Green Fees Gross Revenue, 20% of Golf Cart Gross Revenue exceeding \$1 million dollars, 2% of Retail Gross Revenue before \$1 million dollars, and 2% of Food, Beverage and Ancillary Gross Revenue exceeding \$2.5 million dollars.</p>
<p>Overview of Service to be Provided</p>	<p>The Supplier is responsible for:</p> <ol style="list-style-type: none"> <li>1. Golf Play Management, including: <ul style="list-style-type: none"> <li>• Collection of Green Fees, in accordance with fees approved by City Council.</li> <li>• Reservation System with the capability to take and manage reservations by phone, in-person, and online with online payment capabilities.</li> <li>• Staffing, available onsite to facilitate golf play to support and take walk-in, phone, and online reservations.</li> <li>• No Shows management and optimization of Golf Play</li> </ul> </li> <li>2. Golf Cart and Pull Cart Rentals: <ul style="list-style-type: none"> <li>• Golf Cart and Pull Cart Rental Service, with the maintenance and provision of 150 powered golf carts. The Supplier commits to transition to electric golf carts as soon as possible within the first term and when infrastructure allows.</li> </ul> </li> <li>3. Programming: <ul style="list-style-type: none"> <li>• Annual programming plan submitted in advance.</li> <li>• Programming for juniors, seniors, women and all ability players, including six (6) free clinics per season at minimum at every golf course (2 for women, 2 for seniors, 2 for juniors), with commitment to offer additional clinics for beginners to help grow the golf game.</li> <li>• Lessons and instructional opportunities made available to the public.</li> </ul> </li> </ol>

- Camps for juniors for July and August to be offered at all golf courses.
- Tournaments with provisions to ensure public access to tee times are not significantly impacted and tournaments for underserved markets are incorporated into the schedule.
- Programming partnerships in place to help grow the golf game and serve non-traditional demographics.
- Support for existing leagues, as identified by the City.

#### 4. Pro Shop and Retail

- Pro Shops to be operated at all five (5) golf courses to provide sale and rental of equipment and merchandise related to golf and other activities and services offered at the golf course. The Supplier will seek approval from the GM of PFR for any City of Toronto or Golf Course branded items.

#### 5. Food and Beverage

- Food and Beverage services, to be provided at five (5) golf courses.
- High-quality and customer focused food and beverage strategy, to maximize the value of clubhouse, patios, and on course food and beverage opportunities.
- Liquor license, acquired and maintained for the operation of term.
- Equipment for food and beverage services, appropriately obtained and maintained to provide proposed upgraded food menus.
- Beverage and Snack Carts, to be available during the hours of operation of the golf course, providing service generally in holes 3-7. These carts will be equipped with point of sale to take orders and for credit card payment. "Service Everywhere" concept is to be promoted at all golf courses.
- The GM, PFR reserves the right to review menu and request reasonable adjustments to be made by the Supplier to ensure appropriately priced, affordable menu options available for food and beverage offerings at golf courses.

#### 6. Winter Activities

- Complementary programming, to support and help facilitate winter activities on the golf course. This can include but are not limited to community

	<p>events and providing food and beverage services to support winter activities.</p> <ul style="list-style-type: none"> <li>• Simulators are to be installed as an off-course activity.</li> <li>• Support for existing winter activities and snow trail loops.</li> </ul> <p>6. Community Events</p> <ul style="list-style-type: none"> <li>• A minimum of six (6) all ages community events for non-golfers and golfers at each of the golf courses per year.</li> <li>• Events are to be free or kept at a nominal cost for local residents to participate.</li> <li>• A minimum total spend of \$50,000 per year on community engagement. Additional funding to achieve benchmarks and to achieve community benefit outcomes without barriers to participation may be contributed by Supplier from time to time.</li> <li>• Two (2) separate Open House events at each of the golf courses for the community.</li> </ul> <p>7. Indigenous Economic Opportunities</p> <ul style="list-style-type: none"> <li>• Supports for Indigenous economic opportunities, by: demonstrating preferred purchasing efforts with Indigenous suppliers, pursuing initiatives to grow Indigenous participation in golf, implementing employment initiatives focused on members of Indigenous communities, and working collaboratively with the City to allow for reconciliation activities, sites, or ceremony, where applicable and identified by the City, as the City works through the implementation of the Reconciliation Action Plan.</li> </ul> <p>8. Communication and Marketing</p> <ul style="list-style-type: none"> <li>• Communication to the public, develop digital content, marketing plan and signage to abide by City by-laws and guidelines and subject to GM's approval.</li> <li>• Website, to be hosted to feature programs, services, and events of the five (5) golf courses with access to the reservation system.</li> </ul>
<p>Collection, Tracking, and Access to Data</p>	<ul style="list-style-type: none"> <li>• Supplier to provide the City access to its systems for revenue reconciliation purposes.</li> <li>• Supplier to provide ways to accept complaints and for customers to provide feedback.</li> <li>• All data collected must abide by all privacy policies and legislation, the City's Data for Equity Strategy,</li> </ul>

	<p>and shared with the City, to the extent possible. Supplier will work with the City to appropriately capture data and information ideally within the same technology system of choice to allow the public to book golf services to ensure user-friendliness. The City shall have direct data access through APIs or secure FTP data transfer to inform analysis and shape decision making for the future of golf management policy.</p>
<p>Maintenance</p>	<ul style="list-style-type: none"> <li>• Supplier to: <ul style="list-style-type: none"> <li>• provide and maintain all equipment, materials and supplies required to operate the pro shops, clubhouses, golf carts, and food and beverage facilities successfully.</li> <li>• maintain the pro shop and food and beverage concessions (including food preparation areas, storage, sale, dining, patio areas) to provide a high-quality customer experience, and to ensure all areas are clean and uphold health, safety and public health standards.</li> </ul> </li>   <li>• City to: <ul style="list-style-type: none"> <li>• provide janitorial services for all common areas, including the washrooms, entrances, lobbies, locker rooms, building maintenance and maintenance of greens, tees, fairways and any other outside areas or infrastructure associated with the golf courses.</li> <li>• maintain parkland and provide related services including mowing the lawn, landscaping, and snow removal.</li> </ul> </li> </ul>
<p>Capital Investments and Equipment</p>	<p>\$768,000 for first five years of the Term, and \$100,000 per year during any renewal terms if the agreement is renewed.</p> <p>All capital improvements will be subject to the review and approval of Parks, Forestry, and Recreation. All capital improvements must comply with legislative requirements and City Policy and Procedures, including compliance with the City’s fair wage policy and Labour Trades Obligations in the Construction Industry.</p> <p>A detailed capital investment plan will be submitted by the supplier to the City prior to contract start date of December 1, 2023. The City expects that over 80% of the capital investments in the first term are made within the first three years, as indicated in the Supplier’s proposal.</p>

Governance

The City and Thistle Golf Ltd. will establish:

**1) Liaison Committee**

Membership will consist of an equal number of senior staff from the City and Thistle Golf Ltd. including Thistle Golf Ltd. President, program executives, and director-level management staff from City of Toronto.

Meeting Requirements: 3 Meetings Minimum Per Year, or more frequently as required

Mandate:

The Liaison Committee will advance collaboration between City and Supplier. It will take a strategic approach to ensure that contract and policy requirements are being met, that the opportunities on the courses are being maximized, and will work toward shared success for the Supplier and City. For matters impacting public access and equity, safety, property, and public funds, final decision-making authority still rests with the City as owner of the Golf Centres, to ensure public interests are protected

Specifically, this committee will be responsible for:

- Developing strategic-level proposals that may impact resources, policy, pricing, financial decisions, capital investments or long-term planning.
- Implementing steps to advance standing City Council directions, including considering recommendations from the Golf Steering Committee as they arise.
- Tabling of adjustments to the fee structure to be considered by the City for recommendation to City Council if required, including new membership models, dynamic pricing, and any required new fees.
- Ensuring annual plans for program offerings, service levels, tournaments, marketing, merchandising, and events adhere to contract terms, City and Policy objectives (such as maintaining equitable access).
- Consideration of new leagues, additional tournaments, and major events that benefit the community without significantly impacting access for golf play.

	<ul style="list-style-type: none"> <li>• Conflict resolution as major issues or incidents arise through golf course operations or contract terms.</li> </ul> <p><b>2) Operations Working Group</b></p> <p>Membership:</p> <ul style="list-style-type: none"> <li>• Management staff from City of Toronto Parks and Thistle Golf Ltd. responsible for operations of the Golf Course.</li> </ul> <p>Meeting Requirements: Formal meetings pre-, during, and post- golf season, with additional regular meetings to manage day-to-day-operations.</p> <p>Mandate: To ensure ongoing collaboration and coordination of operational teams to plan, execute, and problem solve ongoing operations of the golf courses with the objective of ensuring successful operations of all lines of business, and a positive customer and public experience</p> <p>A terms of reference will be developed to outline the roles and responsibilities of this operations working group, but can include:</p> <ul style="list-style-type: none"> <li>• Operational scheduling and timing of daily activities.</li> <li>• Managing day-to-day matters, resolving and mitigating operational issues</li> <li>• Information related to turf condition quality and state of facilities</li> <li>• Marketing strategy planning</li> <li>• Reviewing annual state of good repair plans and future year capital plans.</li> <li>• Customer experience and improvements</li> <li>• Winter programming</li> <li>• Revenue reporting and forecasting</li> <li>• Seasonal debriefing</li> <li>• Monthly performance measurement / KPI review</li> <li>• Preparation for season opening and closing</li> <li>• Community event coordination</li> </ul>
Performance Measures	<p>Key Performance Indicators (KPIs) and measures shall include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Utilization rates for activities: rounds of golf, fling golf, and attendance for events and other activities.</li> </ul>

	<ul style="list-style-type: none"> <li>• Sales for each revenue stream (e.g. green fees (tickets and memberships), cart rental, food and beverage, pro shop merchandise, etc.)</li> <li>• No-show trend analysis</li> <li>• Customer satisfaction and feedback</li> <li>• Community event participation</li> </ul> <p>From time to time, the City may require additional KPIs be tracked and monitored. Supplier is to adhere to KPI requirements. The requests will be brought to Liaison Committee for discussion.</p> <p>The Supplier will provide key performance indicator results and outcomes in formats and frequency as established by the GM and Supplier through the Liaison Committee.</p> <p>An annual report is to be provided by the Supplier addressing KPI results and action plans to address unmet targets to support future improvements.</p> <p>Failure to meet agreed upon key performance indicators, targets, and outcomes can result in penalties or termination of the agreement.</p>
Fees	<p>Green fees and user fees are subject to Council approval and shall be included in the City of Toronto Municipal Code Chapter 441, Fees and Charges. Other fees, inclusive of cart fees and any future fees associated with new lines of business (e.g. golf simulator), are subject to review and approval by the Liaison Committee.</p>