

Award of Doc5080239163 to Premier Racquet Clubs Corp. for Operation and Maintenance of Seasonal Sports Bubbles for Tennis and Related Services for Eglinton Flats Park

Date: December 5, 2025

To: General Government Committee

From: General Manager, Parks and Recreation, and the Chief Procurement Officer

Wards: Ward 5 - York South-Weston

SUMMARY

This report seeks authority for the City to enter into a licence agreement with Premier Racquet Clubs Corp. (the “Licensee”), who will be responsible for operating and maintaining seasonal sports bubbles for tennis and related services (e.g. racquet stringing, equipment retail and rental, etc.) at Eglinton Flats Park.

The new agreement was competitively sourced through a negotiated Request for Proposals (nRFP) issued on March 21, 2025. The winning proposal offers significantly improved community access, modernized amenities, and materially higher and more predictable revenue for the City.

The previous licence agreement, which had been in place for more than 15 years, has expired. Under the proposed new agreement, winter tennis capacity will be significantly increased with the installation of a second seasonal sports bubble, effectively doubling the available indoor courts.

The initial term of the proposed licence agreement will cover 10 operating seasons, defined as October through April each year. Pre-season construction activities are scheduled to begin in mid-2026, with the first seasonal sports bubble anticipated to be operational by Fall 2026. Both sports bubbles are expected to be in operation by the 2027 season. The agreement also includes two optional extensions of up to five operating seasons each, exercisable at the sole discretion of the City, provided the Licensee remains in good standing and is not in default under the agreement.

RECOMMENDATIONS

The General Manager, Parks and Recreation and the Chief Procurement Officer, recommend that:

1. City Council authorize the General Manager, Parks and Recreation, to negotiate and execute a licence agreement and any ancillary agreements and documents, and to amend the agreements as required with Premier Racquet Clubs Corp. to undertake site preparation and construction starting in approximately Q2 2026, and to operate and maintain seasonal sports bubbles at Eglinton Flats Park for 10 operating seasons starting on approximately September 24, 2026, with two optional renewal terms of up to five years each, exercisable at the General Manager's sole discretion, substantially on the terms and conditions set out in Attachment 1 of this report, and on such other terms and conditions satisfactory to the General Manager, Parks and Recreation and in a form satisfactory to the City Solicitor.

2. City Council authorize an amendment to the contribution policy and withdrawal policy criteria of the Eglinton Flats Tennis Facility Maintenance Reserve Fund (XR3204) to align with the terms of the new agreement with Premier Racquet Clubs Corp., for the annual contribution of funds for future court resurfacing and maintenance costs.

FINANCIAL IMPACT

The new licence agreement generates significantly higher annual revenues, provides more predictable financial returns, and shifts the some of the capital and operating risk away from the City.

Key Terms	Previous Agreement	New Agreement
Base Licence Fee	\$55,000 per year	*\$200,000 for both bubbles, per season with 3% annual inflationary increase
Percentage Fee	15% of net revenue	6% of gross revenue per month before HST and excluding donations used for charitable community benefit programs (up to \$50,000)
Reserve Fund Contributions for Resurfacing and Maintenance of Courts	Licensee: \$7,500 annual contribution City: None	Licensee: \$33,314 annual contribution for both bubbles City: \$23,795 annual contribution from licence fees for both bubbles

*\$100,000 for each operating sports bubble, with the second sports bubble Base Licence to be applicable in starting in Season 2 of the contract.

City Revenue Over the Term

Under the new agreement, the City will receive substantially higher and escalating base licence fees over the duration of the contract. With two sports bubbles operating by the 2027 season and an annual three per cent inflationary increase, the City is projected to receive approximately \$2.19 million in base licence fees during the initial 10-season term. Should the City exercise the optional extensions, the first five-season renewal option is expected to generate an additional \$1.43 million, and the second renewal term option would generate \$1.65 million, for a total potential base licence revenue of approximately \$5.27 million over a full 20-year period.

In addition to the base licence fees, the City will receive a percentage fee equal to six per cent of the Licensee's gross revenues (before HST and excluding up to \$50,000 in charitable donations). This represents a more stable and transparent revenue model than the previous agreement, which was based on a percentage of net revenue and therefore subject to operational cost variations. Under the new structure, City revenue is tied directly to gross earnings, offering improved predictability and reduced administrative complexity.

The Licensee will be responsible for all applicable utilities and realty taxes in additional fees.

Based on the information above, the City would anticipate receiving base licence fees for these years:

Year	Initial Term	First Renewal Term	Second Renewal Term	Annual Total
2026	\$25,000			\$25,000
2027	\$126,500			\$126,500
2028	\$207,545			\$207,545
2029	\$213,772			\$213,772
2030	\$220,185			\$220,185
2031	\$226,790			\$226,790
2032	\$233,593			\$233,593
2033	\$240,601			\$240,601
2034	\$247,819			\$247,819
2035	\$255,252			\$255,252
2036	\$195,714	\$67,195		\$262,909
2037		\$270,796		\$270,796
2038		\$278,919		\$278,919
2039		\$287,287		\$287,287
2040		\$295,905		\$295,905
2041		\$226,884	\$77,899	\$304,783
2042			\$313,931	\$313,931

2043			\$323,349	\$323,349
2044			\$333,049	\$333,049
2045			\$343,040	\$343,040
2046			\$263,027	\$263,027
Total				\$5,274,048

Reserve Fund Contributions

The Eglinton Flats Tennis Facility Maintenance Reserve Fund (XR3204) will be strengthened through a joint capital contribution model that ensures adequate and sustainable funding for resurfacing, maintenance, and related work over the life of the agreement.

Under the proposed terms, the Licensee will contribute \$33,314 annually, while the City will contribute \$23,795 annually from the licence fee revenue it receives. This results in a combined annual contribution of \$57,109 into the Reserve Fund. The City will retain full discretion and final approval authority regarding the use of these funds, ensuring that capital decisions are aligned with municipal asset-management priorities. This enhanced funding structure reduces future pressure on the operating and capital budgets and provides a proactive approach to lifecycle maintenance.

Capital Obligations and Buyout Provisions

The new agreement places capital responsibility on the Licensee, who will be fully responsible for the purchase of both sports bubbles as well as all associated site servicing, infrastructure upgrades, installation and dismantling work, and ongoing utilities and realty taxes. The Licensee’s total capital investment is estimated at \$4.6 million. The City’s capital obligation is limited to resurfacing the northern court quadrant in 2026 at an estimated cost of \$280,000, which has been included for consideration through the 2026 Operating Budget process. Should the City elect not to extend the agreement beyond the initial or renewal terms, the City will be required to purchase the sports bubbles at predetermined, amortized buyout values. These amounts are established at \$546,727 per bubble at the end of the initial 10-season term and \$251,494 per bubble at the end of the first renewal term. The buyout payment amount for the second sports bubble for the southern quadrant courts shall also include all associated capital expenditures, as negotiated and agreed upon by the General Manager, Parks and Recreation, and the Licensee. The amortized approach ensures that buyout costs decline over time, reflecting the aging of the assets and providing predictable financial exposure should the City choose to resume direct operations in the future.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

EQUITY IMPACT STATEMENT

In addition to highlighting their diverse workforce in the proposal, the Licensee also advances social procurement practices by intentionally partnering with vendors and

service providers that generate positive community impact. The Licensee collaborates with local businesses, social enterprises, and suppliers who champion inclusive hiring practices.

To promote inclusivity, adaptive programming is being introduced at Eglinton Flats. Programs such as wheelchair tennis clinics, wheelchair pickleball, adaptive racquets festivals, and youth adaptive sports outreach programs are offered. Adaptive equipment loan program ensures free access to adaptive racquet, sports wheelchairs, and modified pickleballs for try-it sessions to reduce barriers to participation.

New-to-Game tennis and pickleball pathways are also available through entry-level clinics. The Licensee's Newcomers Welcome Series program also provide free equipment and instruction for new Canadians.

Cultural community tournaments such as Lunar New Year Cup, Caribbean Cup, and Diwali Doubles help celebrate Toronto's diversity and ensure players from various cultures feel welcomed.

To further their goals to encourage active youth, a greener earth, and a healthier lifestyle for people, the Licensee operates a community program that has thus far donated over 1,000 racquets, 1,000 pairs of shoes, 5,000 tennis balls, planted 1,000 trees, and awarded more than 100 tennis scholarships for young players.

DECISION HISTORY

City Council at its meetings of January 27, 28 and 29, 2004 without amendments, adopted the recommendations of the Policy and Finance Committee report titled "Operation and Maintenance of a Winter Tennis Facility Installation of New Tennis Bubble at Eglinton Flats – RFP". City Council Decision of January 27, 28 and 29, 2004, Item 37 EDPC Report No. 1:

<https://www.toronto.ca/legdocs/2004/agendas/council/cc040127/pof1rpt/cl037.pdf>

City Council at its meeting of July 16, 17, 18 and 19, 2007 adopted the Amendment to Licence Agreement with Frist Service Tennis management Inc. to allow the installation of a second tennis bubble to meet high tennis demand.

<https://secure.toronto.ca/council/agenda-item.do?item=2007.GM6.4>

City Council at its meeting of December 1, 2 and 3, 2008 without amendments, adopted the recommendations of the Budget Committee report titled "Transfer of Funds from the Eglinton Flats Reserve Fund (XR3204)".

City Council Decision of December 1, 2, 3, 2008, Item EX26.45:

<https://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-12-01-cc27-dd.pdf>

COMMENTS

Background

On October 1, 1989, the former Municipality of Metropolitan Toronto entered into a licence agreement for the operation and maintenance of a winter tennis facility at Eglinton Flats, which expired in 2004. Following this, a Request for Proposals (RFP) process was undertaken for a 15-year agreement in 2004. Feedback from residents confirmed a high demand for indoor, year-round tennis facilities; however, the service provider was not able to offer more service opportunities as the current operation with only one sports bubble was at capacity with over 1,000 members. City Council approved the amendment to the agreement to support the installation of a second sports tennis bubble to accommodate demand, but the operator did not pursue the second sports bubble due to logistical challenges at the time.

Upon the expiry of the 2004 agreement, Parks and Recreation commenced preparation for a new nRFP (Negotiated Request for Proposals) process, which sought increased service opportunities, improved revenues to the City, and provide access for Parks and Recreation programming and priority non-member public access for winter tennis.

Overview of the Negotiated Request for Proposals Process

Procurement Process

The City issued a non-binding nRFP to select a licensee for the operation of the Eglinton Flats Park Sports Bubbles. The nRFP was designed to allow suppliers the flexibility to present innovative and strategic solutions while ensuring that the City's operational and revenue objectives were met. The City's goal was to competitively source a licensee capable of meeting both current and future requirements for operating seasonal sports bubbles for tennis and related services at Eglinton Flats Park, optimizing tennis opportunities for residents, and providing improved benefits to the community.

This multi-year licensing agreement was strategically planned and sourced using the following approach:

Proposal Submissions

An nRFP was issued to the open market through the City's procurement system (SAP Ariba) on March 21, 2025, and it closed on May 2, 2025. Interested suppliers were invited to attend a pre-bid meeting and site visit to view the licensed area and ask questions related to the nRFP process.

A total of four (4) submissions were received:

1. Premier Racquet Clubs Corp.
2. First Service Tennis Management Inc. (O/A Eglinton Flats Winter Tennis Club)
3. Canadian Tennis Association (Tennis Canada)
4. 2536061 Ontario Inc. (The Supreme Court)

Evaluation Process

A formal selection committee, consisting of staff from Parks and Recreation and Purchasing and Materials Management Division, reviewed and evaluated all submitted proposals in accordance with the nRFP evaluation criteria.

Evaluation Stages

The evaluation process included the following stages:

- Stage 1: Mandatory Submission Requirements
- Stage 2: Mandatory Qualification and Technical Requirements, Qualifications and Capacity Rated Evaluation, and Technical Proposal Rated Evaluations
- Stage 3: Pricing, Financial Proposal, and Rankings
- Stage 4: Contract Negotiations

The proposal from Premier Racquet Clubs Corp. was the top-ranked proposal, meeting all mandatory, technical, and capacity requirements, and successfully completing negotiations resulting in terms and conditions satisfactory and mutually beneficial to the City.

Premier Racquet Clubs Corp.

Premier Racquet Clubs Corp. currently develops and operates three tennis and pickleball sports bubble facilities in Markham, Mississauga, and Brampton, collectively serving more than 4,000 players. Their Markham and Mississauga locations each support between 700 and 900 members, and the organization's leadership team brings extensive industry experience, with key staff possessing between 17 and over 30 years of expertise in racquet sport operations and bubble facility management. All coaching staff are certified through the Tennis Professionals Association (TPA), trained in first aid, and hold High Five certification through Parks and Recreation Ontario. Premier Racquet Clubs Corp. was recognized with the TPA's Seasonal Facility Excellence Award in 2022 for its Markham operation, reflecting its strong performance and service quality within the sector.

Proposal Highlights and Improvements

In preparation for operations beginning in Fall 2026, the Licensee will undertake site reviews and feasibility assessments, secure all necessary permits, complete foundational works, install required infrastructure, and implement all mandated safety measures. Each season, the Licensee will deliver and install the sports bubble(s), set up and maintain trailer facilities, and operate the sports bubble(s) from October through April to provide daily tennis and related activities.

The new proposal offers several key benefits to the City, including but not limited to:

- Increased revenues to the City
- A second sports bubble, doubling winter tennis opportunities, to be operational no later than October 2027

- Addition of new racquet sport programs, such as indoor pickleball programming, upon the operation of the second sports bubble
- Adaptive programming to improve access for individuals with disabilities
- Opportunities for City of Toronto Parks and Recreation programming on courts for negotiated designated times
- 12 or 24 hours per week (dependent on number of bubbles operating) of public priority access for non-members on three courts
- Extended operating hours with programming and service from approximately 5:30 a.m. until 12 midnight

Impact to Community

To facilitate installation of a second bubble, site preparation and construction may temporarily limit public access to the tennis courts during summer and fall 2026. One small, non-regulation practice court adjacent to the southern quadrant courts will be removed to accommodate structural requirements for the second bubble. This addition will enable indoor use of six more tennis courts during the winter months for the term of the agreement. Operation of the second bubble will affect free public access to the southern courts in winter; however, historical use during this period has been minimal due to snow and weather conditions. City staff will work closely with the Licensee to minimize disruptions and maximize opportunities for tennis play.

Conclusion and Next Steps

Staff recommend awarding the licence agreement to Premier Racquet Clubs Corp. Upon award, Parks and Recreation Division will collaborate with the Licensee to ensure all preparations are completed for launch of the new service in Fall 2026.

CONTACT

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SIGNATURE

Terry Ricketts
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ATTACHMENTS

Attachment 1: Major Terms and Conditions, Licence Area, Pricing

Attachment 2: Eglinton Flats Tennis Facility Maintenance Reserve Fund (XR3204)