



Council Report

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Date: February 11, 2025
To: Anthony Haddad, City Manager
From: Sheri Raposo, Land Administrator
Address: 3885 South Main Street and 185 Lakeshore Drive West
Subject: Request for Proposal: Skaha East and Peach Concessions

File No: 4320-80

Staff Recommendation

THAT Council refer the Request for Proposal to the Parks and Recreation Advisory Committee for their review and recommendation, for the use of two (2) City food concessions located at 3885 South Main Street, (Skaha East Concession) and 185 Lakeshore Drive West (Peach Concession) for the purpose of seeking an operator for a food concession for a three (3) to five (5) year term.

Strategic priority objective

Vision: Penticton is a connected, resilient and healthy waterfront city focused on safety, livability and vibrancy.

Property Description

Skaha East Concession is located at 3885 South Main Street. The building includes a ±250 sq. f.t concession area. Public washrooms are located on the north, north-east and south of the building and do not form part of the Licensed Area, with the City being responsible for the maintenance of the washrooms.

The Peach Concession is located at 185 Lakeshore Drive West.
The building includes a 221 sq. ft. concession area.

Background

There are currently a total of four operational beach concession buildings in Penticton:

NAME	EXPIRY
Sudbury Beach Concession	September 30, 2028
Skaha Main Concession	September 30, 2028
Skaha East Concession	April 30, 2025
Peach Concession	April 30, 2025

Vallarta Fiesta Grill is the most recent operator of the Skaha East Concession and has had a License to Use Agreement for the past three years. The current agreement expires on April 30, 2025.

Family Squeezed Lemonade Inc. is the most recent operator of the Peach Concession and has had a License to Use Agreement for three years. The current agreement expires on April 30, 2025.

Both of these operators were selected through a competitive Request for Proposal (RFP) process.

License to Use Summary

The proposed three (3) to five (5) year term of the License to Use Agreement for each of the concessions will be from May 1, 2025, to September 30, 2028.

The operators will be responsible for utilities, day-to-day upkeep, safety and security of the building. Wherein the City will continue to be responsible for the major maintenance of the building, surrounding grounds and adjoining washrooms.

Financial implication

Market rates in the anticipated proposals are expected to be similar to the former agreements. The estimated cost to the City for each concession is approximately \$2,500 per year, covering maintenance, repair of the building's exterior, HVAC, and City-owned equipment.

Park Land Protection and Use Policy References

As the land where the concession buildings are located, is dedicated parkland, the Park Land Protection and Use Policy requires new agreements or renewal of agreements within our parkland follow the procedure outlined below:

- Step 1: Application to renew submitted to City staff
- Step 2: Proposal brought forward to Open Council meeting
- Step 3: Circulation of application to City Departments and Parks and Recreation Advisory Committee
- Step 4: City staff conduct License Review to confirm conditions of license met and license in good standing
- Step 5: City staff review finding with Parks and Recreation Advisory Committee
- Step 6: Parks and Recreation Advisory Committee review application and feedback from Staff
- Step 7: Parks and Recreation Advisory Committee would then make a recommendation to Council to approve or deny the renewal

If directed by Council, staff will present a report to the Parks and Recreation Advisory Committee at their next available meeting to seek their recommendation for the use of the concessions on parkland. Staff will then will provide Council with the Committee's recommendation, at the next available Council meeting.

Request for Proposal Process (RFP)

An RFP is used when the City seeks proposals to provide a product or service. The New West Partnership Trade Agreement does not require issuance of an RFP for revenue generating opportunities such as this. It is an

appropriate solution to seek a future operator through a competitive process. The last public offering for these two concessions was in 2022.

Should Council wish to seek a competitive process for use of these concessions, the process would need to commence immediately in order to have a proponent secured for the 2025 season; A three-year time period for a Licence to Use Agreement is outlined in the Park Land Protection and Use Policy, however depending upon the proposals that may come forward a longer time period may be considered appropriate, up to, in staff's review, a maximum of five years. These terms have been encouraged and supported by the PRAC Committee, including the more recent RFP process used to secure the operators of the Sudbury Beach and Skaha Main Concessions in 2024. Should the RFP process be supported by Council, after review by the Committee, staff will commence this process immediately.

Analysis

Strategically located concession stands at our parks and beaches offer locals and visitors convenient refreshment options during the summer, enhancing the vibrancy of our community.

To ensure an open competitive environment, the City's practice is to issue a Request for Proposal (RFP) for concession operators. The intent is for the RFP to be issued and awarded in time for the operators to commence operations by May 1, 2025. City staff will bring the recommendations of the Parks and Recreation Advisory Committee back to Council for their endorsement prior to issuing the RFP.

Attachments

Attachment A – Aerial View of Buildings and Locations of the Skaha East and Peach Concessions

Attachment B - Park Land Protection and Use Policy

Respectfully submitted,

Sheri Raposo
Land Administrator

Concurrence

Director of Finance & Administration AMC	General Manager of Infrastructure KD	Director of Community Services KJ	City Manager AH
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ATTACHMENT A

3885 South Main Street – Skaha East Concession



185 Lakeshore Drive West – Peach Concession

