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Town of Aurora  
**Committee of the Whole Report**  
No. CMS24-017

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**Subject:** Aurora Community Centre Liquor License – Pilot Program Results

**Prepared by:** John Firman, Manager, Business Support

**Department:** Community Services

**Date:** May 7, 2024

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## Recommendation

1. That Report No. CMS24-017 be received for information.

## Executive Summary

The purpose of this report is to report back to Council on the results of the pilot program, selling alcohol at Aurora Tigers Jr. A games. The purpose of this pilot program was to evaluate the feasibility of obtaining a permanent liquor license for the Aurora Community Centre (ACC) McAlpine Ford Arena.

- Council directed staff to conduct a pilot program to evaluate the potential of obtaining a permanent liquor license for the ACC.
- Staff contracted the Rotary Club of Aurora to conduct the pilot program.
- A survey of spectators was conducted at all three games.
- Sales and expenses were tracked for the purpose of projecting future revenue potential.
- While the pilot was generally successful, the sales volume does not provide for a sustainable business model.

## Background

**Council directed staff to conduct a pilot program to evaluate the potential of obtaining a permanent liquor license for the ACC.**

At the February 21, 2023 Council Meeting the following Motion was passed:

1. Now Therefore Be It Hereby Resolved That staff be directed to investigate and report back to Council on the feasibility of a permanent liquor license at the Aurora Community Centre arena; and
2. Be It Further Resolved That staff report back with the recommended amendments to the Municipal Alcohol Policy that would need updating to facilitate this opportunity.

Staff prepared report CMS23-048 Feasibility of a Permanent Liquor License at the Aurora Community Centre, and at the November 28, 2023 Council Meeting staff were directed to run a pilot program to assess the feasibility of proceeding with a permanent liquor license.

As discussed in report CMS23-048 the Aurora Tigers Jr. A Hockey Club was the only ACC user group that expressed interest in having alcohol for sale during their permit times. For that reason, the pilot program recommendation was for Tigers games only. All other user groups expressed either no interest in having alcohol available or specifically requested it not be available during their permit times.

## Analysis

**Staff contracted the Rotary Club of Aurora to conduct the pilot program.**

Partnering with the Rotary Club allowed us to keep expenses at a minimum while also engaging experienced volunteers who have conducted alcohol sales at similar events. The Rotary Club provided all the required materials, acquired the Special Occasion Permit, and conducted all operations of the alcohol sales.

The Manager of Business Support attended all three games to oversee the operations and observe the response from spectators. The combined attendance for all three games was approximately 487, including approximately 142 youth (29 per cent) and approximately 345 people (71 per cent) of legal drinking age. This is an overall average

of 162 spectators per game, just slightly higher than the average of 100 to 150 per game as reported by the Aurora Tigers Jr. A Hockey Club.

Table 1 provides attendance details by game.

**Table 1**

<b>Date</b>	<b>Total Attendance</b>	<b>Youth #</b>	<b>Youth %</b>
Sat. February 10, 2024	100	25	25%
Sat. February 17, 2024	170	40	24%
Sat. February 24, 2024	217	77	35%
<b>Total:</b>	<b>487</b>	<b>142</b>	<b>29%</b>
<b>Average:</b>	<b>162</b>	<b>47</b>	<b>29%</b>

Throughout all three games, staff were monitoring the arena for any concerning behaviours resulting from alcohol consumption. There were no incidents of intoxication or inappropriate behaviour observed, and the overall response to the alcohol sales was positive.

**A survey of spectators was conducted at all three games.**

Town staff were present at all three games to conduct a survey of spectators and obtain feedback from those in attendance at the game. Of the approximately 345 spectators of legal drinking age 139 surveys were conducted. As many of the spectators attended two out of the three games, staff are confident that 80 to 90 per cent of the eligible spectators completed the survey, with a minimal number of them declining.

The survey results are summarized as follows:

- Of the 139 people surveyed, 126 (91 per cent) either strongly or somewhat supported having alcohol for sale during the games.
- Of the 126 people who supported alcohol sales, only 77 (61 per cent) indicated they would actually purchase alcohol. This is 55 per cent of all who were surveyed.
- Of the 139 people surveyed, 95 (68 per cent) indicated they were more likely or somewhat more likely to purchase food from the snack bar if they purchased alcohol during the game.

- Of the 139 people surveyed, 68 (49 per cent) indicated they would be more likely or somewhat more likely to come to a Tigers game if alcohol was available.

While we did receive some negative feedback or concerns, including increased drinking and driving or risk of unruly behaviour, the vast majority of people were supportive of having alcohol available for sale. However, many people (51 per cent) also indicated that this would not impact their decision to come to a game or not.

### **Sales and expenses were tracked for the purpose of projecting future revenue potential.**

In order to help assess the financial viability of moving forward with a liquor license we tracked the sales and expense for all three nights.

Table 2 shows the sales volume (number of beverages sold) compared to attendance for each of the three nights.

**Table 2**

<b>Date</b>	<b>Attendance</b>	<b># of Customers</b>	<b>Customers as % of Attendance</b>	<b>Sales Volume</b>
Sat. February 10, 2024	100	28	28%	34
Sat. February 17, 2024	170	30	18%	48
Sat. February 24, 2024	217	40	18%	53
<b>Total</b>	<b>487</b>	<b>98</b>	<b>20%</b>	<b>135</b>
<b>Average</b>	<b>162</b>	<b>33</b>	<b>20%</b>	<b>45</b>

The total net revenue generation for all three games, after product costs was \$745.67. This amount assumes that there were no incremental costs incurred by the Rotary Club for this pilot program; and that the Town paid the \$450 fee for the Special Occasion permits. If the SOP fee is considered, the net revenue generation from the pilot would be \$295.67 or an average of \$98.56 per night.

A permanent liquor license would cost less, at approximately \$1,400 for a four-year license. Depending on the number of events per year, this would average out to as little as \$14 to \$20 per game and would be the only incremental expense for this service.

**While the pilot was generally successful, the sales volume does not provide for a sustainable business model.**

Allowing for the fact that this was a pilot project and therefore most people would not have been aware of this until they arrived at the game, staff wanted to evaluate the sustainability based a higher rate of attendance and sales. To that end, staff posed the following question to four organizations; two non-profit service clubs and two for-profit businesses: "If the attendance and sales were triple what we experienced during the pilot program, would you be interested in providing the alcohol sales at the ACC on a contract basis?"

All four organizations stated they would not be interested, as the operation would be unsustainable. The non-profit service clubs indicated the following barriers:

- Insufficient volunteer resources to commit to 20+ weekend events per year.
- The net profits for the entire year can be achieved at one large event such as Ribfest.

The for-profit businesses indicated the following barriers:

- Insufficient sales to cover costs, such as staffing, insurance, product storage, etc.
- Procuring refrigeration and finding storage onsite. (Note: using Town equipment would prevent use of same equipment by other groups who may rent the Auditorium.)
- Hiring staff and having staff Smart Serve certified.

The most cost-effective option would be to incorporate alcohol sales in the existing concession as they already have staff in place and would not require use of the Auditorium, which would otherwise also result in lost revenue to the Town. This was discussed with our existing concession operator, who has experience selling alcohol in similar sport and recreation venues. They indicated that there would be insufficient revenue to make it worthwhile. For example, changing their insurance from the existing level up to the level required for serving alcohol would increase their insurance premiums by approximately 500 per cent.

## **Advisory Committee Review**

None

## Legal Considerations

As mentioned in Report No. CMS23-048, allowing alcohol consumption in municipal spaces exposes the Town to additional legal liability risks. Under the *Occupier's Liability Act*, the Town owes a duty of care to all patrons utilizing the Town's amenities. Anyone involved in the service of alcohol can potentially be held liable for damages or injuries where alcohol is deemed to have been a contributing factor.

In cases where alcohol is served, liability does not only extend to incidents that occur on the premises where alcohol is being served; liability can extend to incidents that occur off premises. For example, if someone leaves a hockey game after being served alcohol in a Town arena and gets into an accident, the Town could face liability for any injuries or damages sustained, if the alcohol served to the person is deemed to be a factor in the causation.

The Town could mitigate its risk by having the facility user obtain the liquor license with the Alcohol and Gaming Commission of Ontario to make the user responsible for the service of the alcohol. The Town could also require the facility user to provide insurance covering the Town and enter into an agreement to waive claims against the Town and indemnify the Town. Having the license in the name of the facility user and an agreement in place would minimize the Town's risk.

Alternatively, if the Town were to take out a permanent liquor license, it could enter into waiver and indemnification agreements and require insurance coverage from the alcohol vendor. Although such an approach may shield the Town from some liability in the event of a claim, the Town could still face liability as the Town would hold the liquor license and may be held responsible for the actions of the vendor.

## Financial Implications

All Town costs for this pilot principally being the SOP fee of \$450 and staff's time were funded from the Town's existing approved operating budget.

## Communications Considerations

There are no communications considerations resulting from this report.

## Climate Change Considerations

The recommendations from this report do not impact greenhouse gas emissions or impact climate change adaptation.

## Link to Strategic Plan

Providing additional services to attract more spectators supports the Strategic Plan goal of *Enabling a diverse, creative and resilient economy* in its accomplishment in satisfying requirements in the following key objective within this goal statement: *Supporting small business and encouraging a more sustainable business environment.*

## Alternative(s) to the Recommendation

1. Council may provide further direction.

## Conclusions

That Council receive this report for information. Based on all of the information gathered through the pilot project and the concerns raised by possible future bar operators, the results demonstrate a permanent liquor license at the ACC would not be a feasible endeavour at this time.

## Attachments

None

## Previous Reports

CMS23-048, Feasibility of a Permanent Liquor License at the Aurora Community Centre, November 7, 2023

## Pre-submission Review

Agenda Management Team review on April 18, 2024

## Approvals

Approved by Robin McDougall, Director, Community Services

**Approved by Doug Nadorozny, Chief Administrative Officer**