



[Back to Politicos back Tuggs' lease](#)

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An agreement giving a private restaurant in Woodbine Beach Park the right to operate for another 20 years should proceed, a Toronto committee says, although staff say they lack enough financial information to assess the proposed deal with due diligence.

A city staff report says that Tuggs Inc., which runs the Boardwalk Pub, has yet to provide the city with:

Financial forecasts, including sales projections.

A financing plan for \$2.15 million in proposed upgrades and expansion.

A marketing plan showing how the restaurant will generate higher revenues to support higher rent due to the city.

Plans for projected sponsorship revenue.

Senior city staff members who signed the latest report – including chief financial officer Joseph Pennachetti – warn they're still not sure the Tuggs deal is the "best possible value."

The terms "seem to be a positive development for the city," the report says, but more information is needed "to conduct the due diligence required to ensure that the Tuggs proposal is achievable."

City council voted in September to give Tuggs, which has run the restaurant since the 1980s, a new 20-year lease without seeking other bids.

City staff had recommended seeking competing bids. But councillors argued that Tuggs is a "mom and pop" operation with a good track record, and shouldn't be exposed to the risk of losing the business to a well-financed restaurant chain.

George Foulidis, whose family owns Tuggs, appeared before the committee Tuesday, but councillors didn't ask him why the company hasn't submitted the financial information that staff need. He told reporters afterward that he will supply it.

Foulidis said the business, which includes concession stands at Donald D. Summerville Pool and Kew Gardens, had \$1.8 million in sales last year. It employs 15 to 20 people year-round, plus another 50 to 60 summer staff, he said.

A tentative deal worked out between the two sides, now being drafted into a final agreement, will boost the city's base rent to \$250,000 in 2008, up from \$210,000 in 2007. The base rent will rise to \$275,000 in 2013. Starting in 2018, it will be recalculated at "fair market rent" at five-year intervals.

As well as the base rents, the city will receive a minimum \$25,000 yearly in "sponsorship revenue" from special events. Tuggs must invest \$2.15 million for building repairs and upgrades.

Councillor Sandra Bussin (Ward 32, Beaches-East York) said renewing the agreement with Tuggs is a good idea because the firm is well known in the community and has a good track record.

"A bird in the hand is worth two in the bush," she said.

But Councillor Doug Holyday (Ward 3, Etobicoke Centre) says the deal "sets a dangerous precedent for taxpayers in the city" and denies other deserving businesses the chance to bid.

"We don't have the luxury of selecting someone just because we like them, or because they might have done a good job," Holyday said.

The city is reviewing its policy on competitive bidding, and the parks committee recommends that no further deals should be awarded without

open bidding until the review process has been completed.