

The Tri-Partite Agreement: Restrictions on Rentals

Preamble

The Tri-Partite License Agreement is a legal document, so technically, you should get legal advice when you need to interpret it. Please consider this an educational explanation rather than legally binding advice. It may be subject to change or error, and the City or EFCL may make decisions related to your facilities that disagree with this information – they’re not bound to this interpretation.

This also isn’t an exhaustive resource: it only deals with the provisions of the agreement related to rentals. There are many other requirements in the agreement. League personnel working on facility maintenance, repairs, renovations and use are all strongly advised to be familiar with their Tri-Partite License Agreement.

1. What does the Tri-Partite License Agreement say about who we can rent league facilities to?

League facilities are to be used for ‘Recreation’ purposes, which are defined in the Agreement broadly as “recreational sports, social, community, and cultural facilities and programs.”

League facilities cannot be used for commercial purposes, which are defined as “commercial, retail, business, or merchandising activity or undertaking, profession, trade, occupation, or an activity providing goods or services... by a for-profit entity.”

League facilities cannot be used for anything illegal or in violation of City bylaw, and you must “endeavor at all times to avoid annoyance or inconvenience to residents [near the facility] by reason of public safety concerns, noise, or activities likely to interfere with the quiet enjoyment of their premises by the neighborhood residents.”

There are additional restrictions around sublicenses. If you’re going to have someone occupying the hall in whole or in part on an exclusive, regular, continuous basis, you have to get that arrangement approved by the City before you sign anything.

2. Why are there restrictions?

League facilities are on Municipal Reserve Land, which is regulated by provincial legislation. Use of these spaces for commercial activity isn’t allowed.

3. What does that mean in plain English?

In broad strokes this means you can’t rent the hall out to companies, salespeople, or for-profit service providers for their work – for example, you can’t let a company rent the hall as office space, or use it for a sale or tradeshow. Examples of things that wouldn’t be permitted as rentals are

- Letting a company use the hall as an office

- Letting a company run a call centre, service desk, or other for-profit function out of the hall.
- Hostess sale parties run on behalf of companies, like Tupperware, PartyLite, or Avon
- A professional trade show where you can sign up for a paid service (like a cell phone or a realtor or a construction contractor).

If it's for a "social" purpose (ex. the company is having a staff appreciation BBQ) it might be okay, but you should check first.

It also means that you can't sublicense to for-profit companies. For example, you can't have a private, for-profit playschool as a long term tenant, and you can't convert part of your hall into a for-profit restaurant.

Where it gets complicated is that leagues are allowed to contract private companies to provide the league with services and programs. For example, you can hire a contractor to teach a fitness class for you. It's important that these be treated as programs though, not rentals. That means that money coming in goes to the league, and that the payment to the instructor is arranged for in a service provider contract.

4. What happens if we violate the agreement?

EFCL prefers to support leagues in running their facilities appropriately wherever possible, so when accidental or easily remedied violations occur, we'll work with the league to resolve the matter and put controls in place to prevent the violation from happening in future.

Worst case scenario:

According to the Tri-Partite License Agreement, the EFCL may "enter onto the whole or any part of the site, assume operation of the facilities on the site, and thereafter hold said site and all facilities on the site free from any claims thereto by the league... In such event, any facilities developed by the League shall become the property of the Federation... If the Federation does not take control of the Site within 90 days...then the City may enter onto the Site and any facilities developed by the League on the Site become the absolute property of the City."

This means that EFCL can take over running your facility, and if EFCL doesn't the City can.

If the league disagrees with the decisions EFCL or the City make with respect to the site, there's a dispute resolution mechanism in the agreement. The first step is to try and resolve the dispute through discussion. If that doesn't work, the matter goes to arbitration, which can be quite costly.

5. Can we have a farmer's market/garage sale/concert, etc.?

It depends on who "we" is, and how the event is financially structured. These kinds of things can be quite complicated. The big things to consider are:

- Who the 'renter' is. Is it the league? A non-profit? A company? A person whose sole or primary objective is to make a profit?
- Who is making money? Is it only the league? The league and a charity? The league and a non-profit? Private individuals? Companies?

- What are the products? Is it all second hand? Is it new? Are there other rules we have to be aware of (e.g. health code related to selling food, AGLC rules for alcohol, noise and copyright rules for music, etc.).
- Does it count as 'recreational' (the agreement definition, not the dictionary definition)?

If a company is renting, making a profit, or selling their 'new' product, you're likely in violation of the agreement.

If the event is 100% league fundraiser, you're fine provided the other regulations are followed. Even if the league is paying someone (like a band) to contribute to the event.

If the league is the 'renter' and collecting the money for table rentals, and if none of the tables are rented out to 'commercial' users, it should be fine (emphasis on "should" – it's difficult to write hard and fast rules based on hypothetical examples). It's also a fine idea for a fundraiser! The same goes for farmer's markets, though technically farms are commercial entities, so it might be more complex if the growers are renting tables. With farmer's markets, you also have to mind health code rules related to selling food.

This is one of those situations where it's better to ask for permission than beg for forgiveness. If you're not sure if a particular event will be okay, ask your CRC for advice, or ask other leagues to see what their experience has been.

6. Can we have a Zumba/Karate/Boot Camp, etc.?

You can if it's a league program. If a company is renting your hall as a substitute to studio space, then no.

7. Can we charge admission for events? Can renters?

The league and non-profit organizations renting from the league can charge admission for events. For individuals, the league should assess rentals on a case-by-case basis and/or set a bookings policy that aligns with the requirements of the Tri-Partite License Agreement.