



Economic Development & Culture

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Mike Williams
General Manager

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June 5, 2018

Ms. Giuliana Carbone
Acting City Manager
City of Toronto
100 Queen Street West, 11th Floor, East Tower
Toronto, Ontario
M5H 2N2

Dear Ms Carbone:

Re: Casa Loma Corporation 2017 Audited Financial Statements and Annual Report

The Casa Loma Corporation (CLC) Board of Directors is pleased to submit the 2017 Audited Financial Statements, 2017 achievements and future plans.

The Board was created by City Council in July, 2011 for the purpose of managing the operations of Casa Loma on an interim basis until its future ownership and management direction could be determined. In addition to the day-to-day operations, the Board was charged with evaluating future options for Casa Loma.

The Board successfully operated Casa Loma as a heritage attraction and events venue until January, 2014 when with City Council approval and following a REOI process, the Liberty Entertainment Group (LEG) assumed responsibility for site operations on the basis of a 20-year lease that was negotiated for the improvement and operation of the property. Rent payments commenced in July, 2014 and have, consistent with the terms of the lease agreement, continued throughout 2017.

Since assuming operational responsibility in 2014, LEG has demonstrated an ongoing commitment to enhancing programming at the site, building new audiences, expanding their events business and continuing marketing and public relations activities as well as investing in the property. A new restaurant at the property opened its doors to the public in 2017.

The active operation of the site has resulted in some issues in the neighbourhood related to traffic, parking and noise. In 2018, a parking and traffic study of the area around Casa Loma will be carried out in collaboration with Transportation Services and other issues are being addressed as they arise.

From a capital investment perspective, in 2017, Economic Development and Culture staff continued to oversee capital work related to the structural restoration of Casa Loma. Major capital projects will continue to be undertaken to rehabilitate the site in 2018 and beyond. In 2018, the perimeter wall around the property will be restored.

When the terms of the lease agreement for the Main Campus of Casa Loma were approved by City Council in November, 2013, the Board was also directed to assess alternatives for the future of the North Campus of Casa Loma. Consistent with this direction, a public meeting was held in February, 2015 and a REOI process was conducted. One submission from the Liberty Entertainment Group qualified through the evaluation process which was overseen by a Fairness Monitor.

Negotiations related to the North Campus were begun in 2015, but were suspended temporarily given the need for LEG to prioritize the ongoing work at the main building. Negotiations resumed in early 2017 but have not yet been concluded. Discussions are ongoing. Once they have been concluded, a report will be presented to Council with recommendations related to the future of the property.

Day to day management of the ongoing relationship with LEG in 2017 continued to be the responsibility of the Director of Museums and Heritage Services, Economic Development and Culture, Mr. Larry Ostola, a member of the Board of the Casa Loma Corporation.

Sincerely,

A handwritten signature in black ink that reads "Mike Williams". The signature is written in a cursive style with a small flourish at the end.

Mike Williams
General Manager

cc: Larry Ostola, Member of the Board of the Casa Loma Corporation
Michael St. Amant, Member of the Board of the Casa Loma Corporation
Josie Scioli, Member of the Board of the Casa Loma Corporation
Dianne Young, Member of the Board of the Casa Loma Corporation

Encl: Casa Loma Corporation 2017 Audited Financial Statements
Casa Loma Corporation 2017 Annual Report