

May 26, 2021

Mr. Chris Murray
City Manager
City of Toronto
100 Queen St. W. 11 East
Toronto, Ontario M5H 2N2

Re: Casa Loma Corporation 2020 Audited Financial Statements and Annual Report

The Casa Loma Corporation (CLC) Board of Directors is pleased to submit the 2020 Audited Financial Statements as well as comments on the 2020 achievements, current situation 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 2019.

As 2020 opened, LEG began the year planning new programs contributing to their ongoing commitment to build new audiences, expand their events business and continue marketing and public relations activities as well as investing in the property. In mid-March 2020, Casa Loma, like every other museum and tourist attraction was shut down due to COVID-19. As a result, LEG suspended all operations at Casa Loma including all special events, tourist and local visitors and the restaurant. Subsequently when the Province permitted take-out and delivery, the restaurant initiated limited service and has also contributed meals for front line workers. Rent was abated for April and has been suspended since then. LEG has continued to maintain the building and pay all related costs

During 2020, the City completed the design and tender for Phase 10 of the Casa Loma Restoration, which will continue restoration of the west perimeter wall from the corner of Austin Terrace, south down Walmer Road. Additional scope for Phase 10 is the restoration of the flagstone courtyard at the entrance to the castle, and the surface parking lot, including improved public lighting as recommended in the 2019 traffic study. The contractor mobilised on site late in the year. That work is expected to be completed 2021-2022, paid for out of existing reserve funding which is normally replenished by rent from LEG.

The next phase of capital restoration at Casa Loma, Phase 11, will be significant work on the west garden retaining wall. Due to the uncertainty of the rental revenue in 2020 and in an effort to continue with the 10-year capital restoration plan, EDC will include the Phase 11 project with its application for federal infrastructure funding. If this grant is not awarded, Phase 11 will be suspended until rent revenues replenish the capital reserve or alternate funding is identified.

When the terms of the lease agreement for the Main Campus of Casa Loma were approved by City Council in November, 2013, the Board also directed staff to assess alternatives for the future of the North Campus of Casa Loma. Appropriate uses were identified with public consultation and then an RFP process was subsequently undertaken and LEG was selected.

Negotiations related to the North Campus are still on-going as will be the rent arrangements for 2020.

Day to day management of the ongoing programmatic and capital repair relationship with LEG continue to be the responsibility of Economic Development and Culture and the lease responsibility is part of the Corporate Real Estate Management portfolio.

Yours sincerely,

Cheryl Blackman, Chair



Members of the Board

Jo Ann Pynn	Don Boyle
Andrew Flynn	Josie Scioli