Options for the Development of the Joy Oil Station

<table>
<thead>
<tr>
<th>Date:</th>
<th>August 5, 2010</th>
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<td>To:</td>
<td>Government Management Committee</td>
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<tr>
<td>From:</td>
<td>General Manager, Parks, Forestry and Recreation</td>
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<td>Wards:</td>
<td>Ward 13 – Parkdale-High Park</td>
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<td>Reference Number:</td>
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**SUMMARY**

In 2007, the Joy Oil Station, a Heritage Property, was relocated into Sir Casimir Gzowski Park. In the new location adjacent to Lakeshore Blvd., the Joy Oil Station is one of an ensemble of heritage buildings in the Western Beaches along with Sunnyside Pavilion and the Palais Royale. Since its relocation, the Joy Oil Station has remained fenced off from the public and the interior has not been renovated. It is therefore important to the Parks, Forestry and Recreation Division to find a use for this heritage building.

The City sought a proposal from 505707 Ontario Ltd., also known as the Grenadier Group (the “Operator”), who has exclusive food and beverage vending rights in the Western Beaches, to retrofit the interior of the Joy Oil Station at its own expense and operate it as a snack bar. The Operator responded with a broader unsolicited proposal that included a new, year-round restaurant and additional improvements to the Sunnyside Pavilion and the concessions in High Park in exchange for an extension of 15 years to all three of the Operator's agreements with the City, which is not in compliance with City policies.

The City cannot issue a Request for Proposals (RFP) for food and beverage vending rights as the Operator has exclusive food and beverage vending rights in both High Park and the Western Beaches until May 9, 2016. These rights prohibit the City from entering into food and beverage contracts with any other operators during the term of the agreement with the Operator. The Operator would have to waive these rights in order to proceed with a “Swiss Challenge” and they have declined to waive their right of exclusivity.

Staff considered the options available for the development of the Joy Oil Station and recommend that the General Manager of Parks, Forestry and Recreation (the "General
Manager”) issue an RFP for the operation of the Joy Oil Station for use other than food and beverage sales until May 2016. This option is compliant with City Procurement policies.

Staff believe that an RFP that excludes food and beverage sales for a five year term will have limited success. If the RFP is not successful, staff is seeking authority to negotiate with the Operator for a 15 year extension of the Western Beaches Concession License only, that would include the operation and use of the Joy Oil Station, increased base fees, food and beverage sales rights, the development of the Sunnyside Pavilion, and the construction of a new, year-round restaurant in Sir Casimir Gzowski Park. The terms of this arrangement would be reported back to Council in 2011.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation recommends that:

1. City Council grant the General Manager, in conjunction with the Purchasing and Materials Management Division, the authority to issue a Request For Proposals for the operation of the Joy Oil Station until May 9, 2016 for uses other than food and beverage sales;

2. If the RFP for the operation of the Joy Oil Station, as set out in Recommendation 1 above, is not successful, City Council authorize the General Manager of Parks, Forestry and Recreation to request 505707 Ontario Ltd. to submit a new proposal and negotiate with the Operator for a 15 year extension of the Western Beaches Concession License only, that would include the operation and use of the Joy Oil Station, increased base fees, food and beverage sales rights, the development of the Sunnyside Pavilion, and the construction of a new, year-round restaurant in Sir Casimir Gzowski Park, such extension to be subject to amending the Official Plan, if required; and the successful completion of the City’s disposal process through the Real Estate Services Division; and

3. Should the RFP as set out in Recommendation 1 above not be successful, and Council grant authority to the General Manager, as set out in Recommendation 2 above, then subject to the receipt and review of a detailed business plan, including financial forecasts, evidence of financing, a marketing plan, and a partnership plan between the City and 505707 Ontario Ltd., to the satisfaction of the Deputy City Manager and Chief Financial Officer, and the General Manager, that the General Manager report back to the appropriate Committee and Council on the proposed terms of an amending agreement.
Financial Impact

There is no financial impact at this time. The City will issue an RFP for the operation of the Joy Oil Station for uses other than food and beverage sales until May 9, 2016. The results of the RFP and related financial implications will be reported back to Council through the appropriate Standing Committee.

If the RFP is not successful, the Operator will be requested to submit a new proposal based only on the extension of the Western Beaches Concession Agreement. Staff will report back to Council through the appropriate Standing Committee in 2011 on the terms of the revised proposal and its financial implications.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On July 22, 23 and 24, 2003, City Council adopted Report No. 6, Clause 5, of the Economic Development and Parks Committee entitled, “Concession Services in High Park and Western Beaches – Additional Capital Improvements and Amendments to Contracts Between the City and 505707 Ontario Ltd. Operating as The Grenadier Group (Ward 13 and 14 Parkdale-High Park).” This report exercised the City's option provisions to extend the agreements to May 2016. This extension was granted on the basis that the “agreement between the City of Toronto and the Grenadier Group for the operation of the Western Beaches Concessions be adjusted to provide for a base rent of $157,500 per annum, plus 15 percent of gross sales of both food and alcohol over a threshold of $600,000 per year, effective January 2004, and be subject to a rent review process conducted by the Commissioner of Economic Development, Culture and Tourism every five years thereafter.” The rent has not been adjusted during the proposal review process. It further required The Grenadier Group to make additional capital investment of a minimum of $1.5 million to replace the former Number 3 concession and add public washroom and support facilities in High Park, and improvements to the washrooms, concessions and support facilities on the Western Beaches by the end of 2005.


On September 25, 26 and 27, 2006, City Council adopted Report No. 7, Clause 79, of the Policy and Finance Committee entitled, “To Confirm Funding for the Relocation and Stabilization of the Joy Oil Station Located at 1978 Lake Shore Boulevard West (Ward 13 – Parkdale-High Park),” in which $396,000 was to be re-allocated, subject to Council approval to relocate the Joy Oil Station to Sir Casimir Gzowski Park.


On September 25, 26 and 27, 2006, City Council adopted Report No. 7, Clause 47, of the Etobicoke York Community Council entitled, “Alterations to a Building Designated
under Part IV of the Ontario Heritage Act; 1978 Lake Shore Boulevard West (Ward 13 – Parkdale-High Park”), which addressed the relocation and related conservation requirements.


At its meeting of July 6, 7, 8, 2010, City Council adopted Item EX45.13 entitled, "Authorization to receive donations from the Toronto Canadian Navy Centennial Committee," establishing a reserve account to accept cash donations from the Committee in order to enhance Sir Casimir Gzowski Park. The Toronto Canadian Navy Centennial Committee wishes to fundraise up to $2,000,000.00 to make enhancements, which include the development of a Navy-themed splash pad and playground adjacent to the Joy Oil Station.


High Park Grenadier Restaurant

In April 1982, the former City of Toronto approved an assignment of an existing contract issued in 1978 and held by the Grenadier Restaurant Inc. to the Operator.

In May 1996, the former City of Toronto issued a Request for Proposals for the Grenadier Restaurant which called for a ten-year term until 2006 with an option for the City to renew the contract for two successive five-year terms to expire in 2016, on conditions to be agreed between the Operator and the City.

In November 1996, the former City of Toronto Board of Management adopted a report, which recommended the proposal from the Operator for the operation of the Grenadier Restaurant under the conditions and terms described in the Request for Proposals. The agreement was subject to the Operator substantially completing the renovations as submitted in their Request for Proposal. These capital renovations were completed in 1998 at a cost of over $830,000.

At its meeting held on July 22, 23 and 24, 2003, City Council exercised its option to extend the Grenadier Restaurant Agreement to May 9, 2016.

Snack Bars/Mobile Vending in High Park

In January 1992, a Request for Proposals was issued and awarded to the Operator at the former City of Toronto’s City Council meeting on March 23, 1992. The contract was awarded on a seasonal basis from April 1 to October 31 for the years 1992 and 1993, and the contract was subsequently extended until 1996 to have the same expiry date as the Grenadier Restaurant.

In July 1995, the contract was extended for an additional ten years to May 9, 2006. Various conditions were applied to this extension, including the renovations on two of the
three snack bars totally at the Operator’s expense. In keeping with the agreement, significant capital upgrades have been completed to two of the three concession locations within High Park. The third concession was demolished by the City in September 2002, for reasons outlined below.

At its meeting held on July 22, 23 and 24, 2003, City Council exercised its option to extend the High Park Concessions Agreement to May 9, 2016.

**The Western Beaches and Sunnyside Café**

In January 1992, the former City of Toronto issued a Request for Proposals for the operation of the snack bars and the development of a café facility at the Sunnyside Bathing Pavilion. After a selection process, the City awarded the contract to the Operator. The City of Toronto Tender Committee approved this contract on August 6, 1992. The fee was agreed at 30% of annual gross sales plus 8% of gross amount of sale of alcoholic beverages.

The Western Beaches and Sunnyside Contract was extended by the former City of Toronto’s City Council at its meeting of November 27, 1995, for a further four years to October 31, 2005, to enable the Operator to recover the cost of construction of the new Sunnyside Café. The fees conditions continued from the 1992 agreement. The new café opened in July 1996.

At its meeting held on July 22, 23 and 24, 2003, City Council exercised its option to extend the Western Beaches Concessions Agreement to May 9, 2016.

**ISSUE BACKGROUND**

**Joy Oil Station**

The Joy Oil Station is the last of at least sixteen similar stations built in Toronto in the late 1930’s for the Joy Oil Company Limited. Distinctive in an imaginative miniature version of the Chateau style, the circular tower with a high conical roof, a prominent part of each station, became a landmark in many neighbourhoods of the City. This building was listed by City Council in the City’s Inventory of Heritage Properties on March 9 and 10, 1989. Council designated this property under Part IV of the Heritage Act by By-Law No. 415-89 passed June 15, 1989.

In 2007, the Joy Oil Station was relocated into Sir Casimir Gzowski Park. The new location of the Joy Oil Station, prominently positioned adjacent to Lakeshore Blvd., supports a range of potential park-related uses and could serve as one of an ensemble of heritage buildings in the Western Beaches along with Sunnyside Pavilion and the Palais Royale.

The City paid all costs to relocate and restore the exterior of the building to its heritage standard. Funding was not available for any interior renovations. At that time, the City
sought a proposal from the Operator to consider retrofitting the interior of the station, at its own expense, and to operate it as a snack bar. This snack bar would replace the existing Royal Burger that is adjacent to the station. It was determined that the station was too small to contain a snack bar equal to the Royal Burger. The Operator responded with the 2010 unsolicited proposal that included a new, year-round restaurant and additional improvements to the Sunnyside Pavilion and the concessions in High Park in exchange for an extension of 15 years to all three of the Operator's agreements with the City.

Since its relocation, the Joy Oil Station has remained fenced off from the public and the interior has not been renovated. It is therefore important to the Division to find a use for this heritage building.

**COMMENTS**

**The Unsolicited Proposal**

The following sections highlight the unsolicited proposal received from the Operator. (The proposal details are provided in Appendix A, attached):

**Financial Summary:**

Over the term of the amended agreement, the Operator proposes to pay $6,318,582 in concession and permit fees, $3 million in capital improvements on City land and $1,050,000 for social and recreational programming, for a total of $10,368,582.

<table>
<thead>
<tr>
<th></th>
<th>Concession &amp; Permit Fees (Western Beaches and Grenadier Restaurant)</th>
<th>Capital Investment</th>
<th>Programming</th>
<th>Total</th>
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<td><strong>$3,000,000</strong></td>
<td><strong>$1,050,000</strong></td>
<td><strong>$10,368,582</strong></td>
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**Fee Structure:**

The current fee structure for the Western Beaches is $157,500 minimum rent on sales up to $600,000, $9,000 in permit fees, plus 15% of gross sales on food and alcohol over $600,000. The Operator proposes minimum rent and permit fees to increase by 5% beginning in 2010 and another 8% beginning in 2020.

The current fee structure of the High Park Concession is $95,600 per year, to be reviewed every five years. This fee is also proposed to increase by 5% beginning in 2010 and another 8% in 2020.

The projected revenues in the proposal over the extended term are $6,318,582. The existing agreements expire on May 9, 2016.
<table>
<thead>
<tr>
<th>Term (per year)</th>
<th>Venue</th>
<th>Concessions fee</th>
<th>Permit Fee</th>
<th>Sub-Total</th>
<th>Total</th>
<th>% of gross sales above $600,000</th>
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**Capital Investment:**

The Operator proposes to invest $3.0 million (in addition to the capital investments in the current agreements) for the construction of a new, year-round restaurant in Sir Casimir Gzowski Park, and renovations to the All Star Café (Concession #2) and the Grenadier Restaurant in High Park and the Sunnyside Pavilion in the Western Beaches, all of which are assets owned by the City. The Operator proposes to add additional amenities such as play areas, splash pads, gazebos and landscaping to Sir Casimir Gzowski Park and would co-ordinate the installation of these amenities with the City and with the Toronto Canadian Navy Centennial Committee who has authorization from Council to fundraise on behalf of the City and raise up to $2,000,000.00 in donations in order to develop a Navy-themed splash pad and playground in the Sir Casimir Gzowski Park.

The added investment would enable significant improvements to the public realm, which would otherwise not take place, notably: the heritage conservation of the Joy Oil Station and Sunnyside Pavilion, the construction of a LEED-certified concession (a first within city-owned properties), a significant improvement to washrooms and public facilities, and the inclusion of programming that will extend the use of the park into the winter months, evenings and weekdays.

**Programming:**
The Operator proposes to invest a minimum of $50,000 per year over the amended term for programming in High Park and the Western Beaches. The General Manager of Parks, Forestry and Recreation would determine how the money is spent each year.
Year-round use:

The Operator proposes to construct a new, year-round restaurant in the Western Beaches.

The Joy Oil Station:

The Operator proposes to incorporate the Joy Oil Station as a highlight of the new restaurant and renovate the interior for use as a public seating area and tourist information site. The historical building would be part of the new, year-round restaurant facility to be used as a tourist information centre and small snack area for users of the Western Beaches.

Length of Term:

The Grenadier Group has already had a number of extensions under similar circumstances in which they have offered capital improvements to the facilities. This agreement would give them exclusive rights for a total of 35 years.

Official Plan Amendment:

The proposal would require a 15 year extension to the Agreements, which would take the term of the agreements past 21 years less a day.

A “parkland” lease of less than 21 years is allowed by the Official Plan, but:

(i) all leases of park lands in excess of 21 years are prohibited by the Official Plan.

(ii) the proposed extension to the concession agreements would convert the agreement into a disposition in excess of 21 years. Therefore the Official Plan must first be amended, on a site specific basis, to remove the Official Plan prohibition against the sale/disposition of the site specific parkland.

The Official Plan Amendment process could take up to a year.

The land would also be declared surplus through the Real Estate Division disposal process.

Public Consultation:

As part of the process of developing the 2010 Proposal, the Operator has retained a planning and urban design consultant (Office for Urbanism) and engaged in a series of consultations and meetings with City staff, the local councillor, area residents, the Western Waterfront Master Plan Committee and a broad array of stakeholders over the past three years. These consultations have provided the basis for the overall vision,
principles and objectives, to receive and document feedback, to identify constraints and opportunities, and to develop design concepts.

**Evaluation of the Unsolicited Proposal:**

The City of Toronto has had a longstanding relationship with the Operator. Their three agreements include: 1) the operation of concession facilities, including Sunnyside Café, in the Western Beaches; 2) the operation of the Grenadier Restaurant in High Park; and 3) the snack bars and mobile vending within High Park. It should be noted that the terms of the City of Toronto acquisition of High Park prevent these concessions located within High Park from acquiring a liquor license. All three agreements have an expiry date of May 9, 2016.

As previously noted, after the relocation of the historic Joy Oil Station building, Parks, Forestry and Recreation requested a proposal from the Operator, to manage, use and conserve the historic building.

The Operator has brought a more comprehensive proposal to Parks, Forestry and Recreation that included the extension of all three of their existing agreements from May 9, 2016 to May 8, 2031.

Under the Unsolicited Proposal Policy, the proposal for the use of the Joy Oil Station is not an unsolicited proposal. However, the 2010 Proposal submitted, as it relates to and incorporates the other two agreements (High Park Concessions and Grenadier Restaurant) with the Operator can be considered an unsolicited proposal. The Unsolicited Proposal Policy adopted by the City allows the City to accept unsolicited proposals under certain conditions. If the City accepts an unsolicited proposal, an RFP is then issued, and the proponent is allowed to better the selected submission. In this circumstance, it must be made clear that an RFP cannot be issued for food and beverage vending rights as the Operator has exclusive food and beverage vending rights in both High Park and the Western Beaches until May 9, 2016. These rights prohibit the City from entering into food and beverage contracts with any other operators during the term of the agreement with the Operator. The Operator would have to waive these rights in order to proceed with a “Swiss Challenge” and they have declined to waive their right of exclusivity.

Without the benefit of an RFP process it is difficult to determine if the Grenadier Group’s proposal provides the best option for the City. However, due to the Operator’s existing exclusive rights to the sale of food and beverages in High Park and the Western Beaches, the City cannot issue an RFP for these concessions until 2016.

As a result, staff reviewed the proposal and determined that the only option in compliance with the City’s Procurement Policies is to issue an RFP for the use of the Joy Oil Station until May 2016 for use other than food and beverage vending. Examples of possible uses would include bicycle rentals or water sports equipment rentals. When the Grenadier Group’s agreements expire in May 2016, an RFP would then be issued for the Western Beaches and High Park that would include a new, year-round restaurant and continued use of the Joy Oil Station.
Based on previous experience, staff believe the interest in a non-food and non-beverage use will be very limited. The five year term will make it difficult for a proponent to recover their investment to renovate the interior of the Joy Oil Building.

If the RFP is not successful, in the interest of making Joy Oil available to the community, the General Manager of Parks, Forestry and Recreation would negotiate with the Operator for a 15 year extension of the Western Beaches Concession License only, that would include the operation and use of the Joy Oil Station, increased base fees, food and beverage sales rights, the development of the Sunnyside Pavilion, and the construction of a new, year-round restaurant in Sir Casimir Gzowski Park. The financial terms of the negotiated agreement would be reported back to Council in 2011. Any extension of the term would require an Official Plan Amendment for the Western Beaches parklands that could take up to a year and the land would need to be declared surplus through the Real Estate Division disposal process.

CONTACT

Terry Webber, Manager, Business Services, Parks, Forestry and Recreation, Tel: 416-392-8578, Fax: 416-392-3355, Email: twebberl@toronto.ca

Ann Ulusoy, Director, Management Business Services, Parks, Forestry and Recreation, Tel: 416-392-8190, Fax: 416-397-4899, Email: aulusoy@toronto.ca

SIGNATURE

______________________________
Brenda Patterson
General Manager, Parks, Forestry and Recreation

ATTACHMENTS

Schedule A – The Grenadier Group Proposal
As part of the process of developing the 2010 Proposal, the Operator has retained a planning and urban design consultant (Office for Urbanism) and engaged in a consultation process with City staff, the local councillor, area residents and a broad array of stakeholders. These consultations have provided an initial opportunity to create an overall vision, principles and objectives, to receive and document feedback, to identify constraints and opportunities, and to develop design concepts. Input received will be further used to refine the vision and the development of a concept plan.

Consultation events held to date include:

**City staff meetings** – between representatives of Parks, Forestry and Recreation, Business Services, Strategic Services, and the High Park Parks Supervisor.

**Local Councillor** – has been consulted throughout the process to date.

**High Park Community Advisory Council (HPCAC), September, 2005, December, 2005, March, 2006** – The consultant, in conjunction with the Operator, hosted presentations of the Operator's concept plan, design goals and proposed improvements to the concessions.

**Open House, October 3, 2005** – held at the Grenadier Restaurant, and open to the general public. This event brought together residents, park users and representatives of local resident associations to develop key principles and objectives.

**Residents Association meetings – November 8, 2005** – meeting hosted by the High Park Residents Associations to expand community involvement and feedback.

**Open House, July 24, 2007** – open house hosted by Councillor Saundercook, presented the overall concepts and focused on the conservation of the Joy Oil Station and the design of a linked concession.


**Western Waterfront Master Plan Community Advisory Group Charette # 2 – May 31, 2008.**

**Western Waterfront Master Plan Educational Seminar 1 – February 13, 2008.**

**Western Waterfront Master Plan Council Approval – August 5, 2009.**
In order to ensure the Grenadier Group makes the best use of the resources invested, they have committed to continue the planning and design exercise, which seeks to:

- Reach a common set of design principles;
- Identify options and preferred concepts for each concession; and
- Explore and identify/balance both short and long-term priorities.

**Principles:**

Based on the idea of extensions to the existing agreements, the Operator has begun the consultation process to establish the key principles that ought to direct the additional investment. These key principles, developed with public participation, point at the true potential of an enhanced vision for High Park and Sunnyside. Some of the emerging goals include:

1. **Publicly accessible**
   The prime principle is to continue full public access to facilities and features.

2. **Year-round use**
   Currently the parks are best used during the daytime, weekends and summer months, with the potential for enhanced use during evenings, weekdays and the winter. The Operator proposes to adapt and enhance spaces/uses/programming so that they are well used at all times, and during all seasons.

3. **Respect for the natural environment**
   All developments will be completed in such a way as to preserve and enhance the parks natural environment.

4. **Safety**
   Design will take into account both public and staff safety.

5. **Connect High Park to the Waterfront, to Neighbourhoods and to the City**
   High Park and the Waterfront are perceived as being separate, when in fact, they are adjacent to one another. Current pedestrian connections across the Queensway and train tracks are limited and unpleasant. There is, however, a clear potential for an enhanced system of trails, wayfinding and signalization, and enhanced physical and visual connections.

6. **Diversify different spaces for different people**
   The renovation and enhancement of park concessions will be all inclusive in design and will reflect the diversity of the parks patrons.

7. **Complete a destination**
   Renovating and enhancing the concession facilities will be done in such a way as to improve their role as one of the destinations in the park. Consistency in design and look will add to identification and wayfinding.
8. **History**

   There is strong sense of history attached to the landscapes and some of the concession areas, particularly with Sunnyside Pavilion and the Joy Oil Station, which should be celebrated and conserved.

9. **Increased value for the City, for residents and for businesses**

   City properties are under utilized and deteriorating. Significant investments will be made to City-owned buildings, resulting in an increased number of visitors. The Grenadier Group realizes that transportation will be a concern and are looking at promoting and increasing TTC and community pedestrian traffic.

**Programming:**

Within the framework of the current lease, there are no financial provisions allocated to programming. An extended lease will provide the Grenadier Group the financial certainty to invest in both capital expenditures ($3 million) and programming ($50 thousand per year) throughout the term of the lease. Increases in programming will encourage park use during non-peak periods (i.e. evenings, weekdays and the winter) in order to fully utilize the existing proposed enhancements. An extended lease for the Grenadier Group will give the City, its taxpayers and park users, enhanced services and increased available programming. The Grenadier Group in the past provided the following programs: Movies Under the Stars, 12 Days of Christmas, Harvest Festival (a HPCAC project), Halloween Festival, and Canada Day and Labour Day Festivals (Western Beaches). Current programming initiatives include: Harvest Festival (a HPCAC project), Art Show & Doors Open (a collaborative initiative together with Heritage Toronto, Art Initiatives and The Grenadier Group during the City’s annual “Doors Open” weekend), Fall Fair & Pumpkin Festival (High Park), Micro Brewery and Food Pairing Festival, (Sunnyside Pavilion), PRIDE Aqua Festival, (Sunnyside Pavilion), Paddle Boats & Kayak Show (Sunnyside Pavilion), Salsa on the Beach (Sunnyside Pavilion), Fall Art Show (Sunnyside Pavilion), Grenadier Pond Fishing with the Ministry of Parks (High Park). Under an extended lease term, the Grenadier Group proposes, combined with the above events, additional initiatives (but is not limited to) such as: Sunnyside Earth day Festival, Garlic Festival 2011 (Sunnyside Pavilion), Chocolate & Cheese Festival (Sunnyside Pavilion), Aboriginal Festival (Sunnyside Pavilion), Children’s Puppet Festival (High Park), Art in the Park (High Park), High Park Craft & Antique Show, Winter Festival of Lights (High Park), Health and Nutrition & Health and Cooking seminars (both locations), and other Children’s Festivals.

**Improvements to Concessions:**

Upgrades being considered for the concessions, and affirmed through consultation, include:

**Sunnyside Pavilion**

- Current License
  - Maintained as a seasonal destination
Renewal of front terrace, interior courtyard and washrooms

Extended License
- Converts Sunnyside Pavilion into a year-round destination (by enclosing parts of the 1st and 2nd floors), in keeping with the recommendations and policies of the Western Waterfront Master Plan. Any such improvement will require approval from Heritage Preservation Services.
- Completely renew front terrace and washrooms
- Maximize use of courtyard
- Enhance programming
- The introduction of variety (food stand – cafeteria – restaurant)
- Landscape surrounding context

The Joy Oil Station
Extended License
- Construction of a new LEED-certified (i.e. Leadership in Energy and Environmental Design), year-round restaurant facility that incorporates the Joy Oil Station as a tourist information centre, in keeping with the recommendations and policies of the Western Waterfront Master Plan
- Heritage conservation of the Joy Oil Station
- Include landscaping and play areas
- Year-round use
- Construct new public washrooms

The Grenadier Restaurant
Current License
- General maintenance
- Complete renovation of interiors (already done)

Extended License
- Enhancing the shoulder-season use of the Restaurant
- An improved patio area integrated into the existing mature treed landscape
- Increased pedestrian connections to the new and existing patio
- Enhancing the servicing for the Restaurant with relocated integrated storage facilities
- Improving the appearance and accessibility of the back area of the building

The All Star Café (Concession #2)
Current License
- Maintain existing Café (seasonal use)

Extended License
- Renovate Café
- Landscape around it with outdoor terrace
• Considers a proposed “doggy patio” in parallel to a more traditional outdoor sitting area

Fees and Capital Investments

505707 Ontario Ltd./The Grenadier Group, the “Operator”, is committed by the existing agreement to invest $1,500,000.

The Operator, will make an additional capital investment of a minimum of $3 million on top of the $1.5 million to reconstruct the All Star Café (Concession #2) in High Park; renovate the Grenadier Restaurant; construct a new, year-round restaurant facility that incorporates the Joy Oil Station in the Western Beaches; and the renovation of the Sunnyside Pavilion, all of which are assets owned by the City, in exchange for a fifteen year extension of the existing agreements to 2031 and increased fees to the City.

The Operator is responsible for paying all capital and operating costs, utilities and property taxes associated with these concessions.

The current license fee structure for the Western Beaches is $157,500 minimum fee on sales up to $600,000, plus 15% of gross sales on food and alcohol (above $600,000), plus a permit fee of $9,000 per year for the use of the courtyard at Sunnyside Pavilion. The total estimated base license fee is $166,500 per year. The Operator proposes a 5% increase to the base license fee beginning in 2010 and 8% increase to the base license fee beginning 2020.

The current license fee structure of the High Park is $95,600 per year. The Operator has also proposed a 5% increase beginning in 2010 and 8% increase to the base fee beginning 2020.

All of the existing agreements expire on May 9, 2016. If the 2010 Proposal is accepted, the extended agreements will expire on May 8, 2031, and will provide the City with projected revenue of $6,318,582 plus $3 million in capital improvements on City land.

The Operator will also invest $50,000 per year (minimum) over the term for social and recreational programming and community facilities in High Park and the Western Beaches, which translates into an additional $1,050,000 investment to the community. Examples of these investments may include programs at play areas, splash pads, gazebos, landscaping and community events. The allocation of these funds will be done in conjunction with 505707 Ontario Ltd., with the General Manager having final approval.

The added investment will enable significant improvements to the public realm, which would otherwise not take place, notably: the heritage conservation of the Joy Oil Station and Sunnyside Pavilion, the construction of a LEED-certified concession (a first within city-owned properties), a significant improvement to washrooms and public facilities, and the inclusion of programming that will extend the use of the park into the winter months, evenings and weekdays.
The Operator is demonstrably committed to working with City staff to ensure that the improvements to the concession and programming coincide with the mandate of Parks, Forestry and Recreation and with the spirit and intent of the City’s Western Waterfront Master Plan.