

APPENDIX “C”

**DRAFT TERMS TO BE INCLUDED IN THE CASA LOMA
REQUEST FOR PROPOSAL (“RFP”)**

Opportunity:	The City of Toronto is seeking qualified proponents to lease, upgrade and operate Casa Loma as a heritage attraction and special events venue. Submissions to this Request for Proposal may cover the entire Casa Loma complex but must, at a minimum, include the Castle, parkade and grounds located at 1 Austin Terrace.
City of Toronto Objectives:	<p>By entering into a lease agreement for Casa Loma, the City of Toronto expects that:</p> <ul style="list-style-type: none"> • Casa Loma will be maintained as a heritage attraction and special events venue; • Overall year-round usage of Casa Loma by visitors to and residents of Toronto will be increased; and • A revenue stream (“rent”) sufficient, at a minimum, to support ongoing capital requirements for Casa Loma building exteriors as well as Casa Loma grounds will be generated for the City. <p>Ultimately, the City of Toronto’s objective in leasing Casa Loma is to ensure the preservation, public access and ongoing use of this unique heritage asset over the long term.</p>
Scope of Operation:	<p>Casa Loma has operated as one of Toronto’s premiere tourist attractions for more than 70 years in addition to serving as a hotel, nightclub/supper club and a venue for a variety of social and business events. The tenancy contemplated by the City of Toronto through this RFP will maintain and expand on these uses as follows:</p> <ul style="list-style-type: none"> • Heritage attraction—Casa Loma’s current focus is on the life and times of its builder, Sir Henry Pellatt. The City expects this focus to continue but that the scope could be broadened to include other historical features of the period (early 1900s) including the history of Toronto itself. Significant additional space is available within Casa Loma (Castle, Stables, Hunting Lodge) to facilitate additional displays, interpretation, education and programming. The attraction component of the Proponent’s response should also consider the scope and scale of existing (e.g., gift shop, cafeteria) and potentially other support services. • Special events venue—various areas of Casa Loma are currently used for weddings, dinners, business meetings, film shoots and the like. Continuation, and potential intensification, of these uses is expected. <p>In addition to these two primary uses, proponents are welcome to incorporate other compatible uses in their submissions, subject to prior approval by the City of Toronto, that focus on maintaining the heritage integrity of the buildings. These compatible uses could be incorporated within any of the Casa Loma buildings, recognizing the interior capital improvements are solely the Proponent’s responsibility. Compatible uses might include a restaurant/lounge, dedicated meeting space, additional retail and/or other activities consistent with the heritage nature of Casa Loma.</p>
Reporting Relationships:	The Tenant will communicate to the City of Toronto via a designated City staff person. A community board or advisory panel may be struck to provide input to the City of Toronto with respect to the heritage, usage and ongoing maintenance of Casa Loma. If created, this community board will also report to the same designated City staff person.
Responsibilities for Building(s) and Grounds	The City commissioned a Building Condition Report (“BCR”) in 2012 addressing the Castle, Stables and Hunting Lodge. A copy of the BCR will be made available to all Proponents. Proponents should also note that the entire Casa Loma Complex complies with all municipal fire, life/safety, zoning and planning requirements.

	<p>The City is committed to completing the essential modifications to the building exterior(s) as specified in the BCR, such modifications to occur over a fixed timetable to be discussed with the Tenant. Throughout the term of the lease, the City will retain responsibility for maintaining the exterior of the building(s), including the roof(s), and ensuring compliance with heritage requirements.</p> <p>The City will loan the Tenant all the furnishings, artefacts, and décor items currently contained within Casa Loma as well as the documentary film on the Pellatt family and building of Casa Loma (the “Casa Loma Content”). These items will be maintained by the Tenant and used in the public displays as part of the heritage attraction element of the tenancy.</p> <p>The Tenant will be responsible for all interiors, routine maintenance of the building(s), parking structure and grounds, all janitorial and security services, all utilities, as well as responsibility for all building systems (e.g., heating, ventilation).</p>
<p>Modifications to the Building Interiors and/or Grounds:</p>	<p>The City expects that the Tenant will look to make substantial interior modifications to one or more of the buildings in accordance with their proposed concept for a heritage attraction and special events venue. While the City intends to play an ongoing role in maintaining the building exteriors, the City will provide the building(s) to the Tenant on an “as is” basis, including the building systems (which currently comply with all municipal requirements). Any interior improvements and/or modifications to the grounds, parking structure and/or gardens will be the sole responsibility of the Tenant (including all design, approvals, implementation and cost).</p> <p>Modifications to the building interiors, including upgrades to and/or installation of additional HVAC services, will be subject to approval by the City of Toronto to ensure the heritage integrity of the buildings is maintained. Any such approvals will be required in advance.</p> <p>The City does not intend to make a direct financial contribution towards the interior improvements.</p>
<p>Heritage Conditions:</p>	<p>The entire Casa Loma complex—including the grounds, building exteriors and interiors—is protected under Part IV of the <i>Ontario Heritage Act</i>. Once a building(s) is protected under Part IV any change to the building site, or any site adjacent to the protected property, requires a Heritage Impact Assessment and City approvals prior to receipt of a Heritage Permit. The intent of the Heritage Act and the steps necessary to achieve a Heritage Permit, is to manage change in support of conserving the heritage resource. In the case of Casa Loma, this should not be interpreted as a prohibition against minor adjustments—particularly at the building(s) interior(s) in secondary areas—however, approvals will depend on the proposed work and its sensitivity to heritage standards and guidelines. Proponents should familiarize themselves with the requirements of the Ontario Heritage Act.</p>
<p>Attraction Operations:</p>	<p>The City requires that the heritage attraction aspect of Casa Loma be maintained throughout the lease term. The City is specifically interested in:</p> <ul style="list-style-type: none"> • Public access—Casa Loma is currently open year round (closed Christmas Day) from 9:30am to 5pm as a gated attraction. The City is prepared to accept some reduction in operating hours either for operating cost efficiencies (i.e., closure during low season) or to permit use as a special event venue (i.e., closure to permit set up for function space usage). However, the City expects that Casa Loma will operate as an attraction for the majority of the year (i.e., 300+ days) and that closures to facilitate special events will not routinely occur during peak season such that Casa Loma is routinely unavailable to Toronto visitors.

	<ul style="list-style-type: none"> • Admission prices—Adult admission to Casa Loma (including an Acoustiguide) is currently \$20.55. Admission prices will be set by the Tenant, without approval by the City, but must be kept within the pricing levels of other leading Toronto attractions (i.e., CN Tower, Art Gallery of Ontario, Toronto Zoo, Royal Ontario Museum, Ontario Science Centre) • Interpretation and curatorial services—the City expects that the Tenant will maintain the current level of interpretation for attraction attendees (e.g., Acoustiguide or similar service) as well as ongoing curatorial oversight supporting interpretation and to ensure integrity of the “Casa Loma Content.”
Property Taxes:	The Tenant shall be responsible for the payment of property taxes subject to any exemptions approved by the City related to those parts of Casa Loma dedicated for municipal purposes.
Sponsorship and Naming Rights	The Tenant will comply with City of Toronto policies with respect to naming rights and sponsorships (with respect to initial capital/building renovation and ongoing operations)
Existing Tenancies:	<p>A number of stakeholders, many with historical ties to Sir Henry and Lady Pellatt, have space allotments and/or other arrangements within Casa Loma. These include the Queen’s Own Rifles (Castle, 2nd floor, about 4,000 sq. ft.), Girl Guides of Canada (Castle, 2nd floor display cases, less than 100 sq. ft.), Toronto Organ Society (organ in Castle and storage space), Kiwanis (Castle, 2nd floor, about 900 sq. ft.) and the Garden Club.</p> <p>Proponents will outline in their submission how (or if) the occupant stakeholders will be accommodated either within Casa Loma or off site.</p>
Existing Service Contracts:	<p>Service contracts are in place between Casa Loma and providers of parking, security and maintenance services. .</p> <p>A contract with Acoustiguide, for provision of audio interpretation services is in place until December 31, 2015.</p> <p>Pegasus Catering Group is the exclusive caterer at Casa Loma with a contract running to December 31, 2019</p> <p>Pegasus Catering Group is eligible to submit a response to this RFP.</p> <p>Further information on supplier contracts will be made available on request as permitted.</p>
Rent and Lease Term:	<p>Proponents will propose a lease term together with associated rental payments.</p> <p>The rental payments may incorporate a base (e.g., flat monthly fee) and incentive (e.g. a percentage of gross revenue) element. Proponents are reminded that Casa Loma currently generates about \$900,000 in operating surplus per annum and that the City expects rental revenues to meet or exceed this amount.</p>
Transition:	Transition-related matters including timing of renovations and lease commencement (including an interruption of attraction operations, transfer of existing service contracts and tenancies as well as human resources will be subject to negotiation with the successful Proponent.