



## ACTION REQUIRED

### Official Plan Amendment for Exhibition Place

<b>Date:</b>	September 4, 2015
<b>To:</b>	Executive Committee
<b>From:</b>	Chief Executive Officer, Exhibition Place
<b>Wards:</b>	N/A
<b>Reason for Confidential Information</b>	

### SUMMARY

---

This report requests City Council to instruct the Chief Planner and Executive Director, City Planning Division to commence the process for an Official Plan Amendment with respect to all leased buildings within that part of the Exhibition Place site designated as Parks/Open Space to permit the granting of leases of those buildings for terms in excess of 21 years.

### RECOMMENDATIONS

---

It is recommended that City Council request the Chief Planner and Executive Director, City Planning Division to determine the appropriate actions and conditions necessary to amend the Official Plan for the buildings within the lands designated Parks/Open Space on the Exhibition Place grounds to permit leases in excess of twenty-one years.

### DECISION HISTORY

At its meeting of September 4, 2015, the Board of Governors of Exhibition Place approved, subject to the approval of City Council, Report No. 20 dated July 19, 2015, from the Chief Executive Officer with respect to an Official Plan Amendment for Exhibition Place.

<http://www.explace.on.ca/database/rte/files/Item%2020-Muzik%20Official%20Plan%20Amendment.pdf>

### ISSUE BACKGROUND

The Board and City Council approved a (20) twenty-year lease with Muzik for the Horticulture Building and surrounding landscape area which lease expires on February 15, 2024. In October 2012, Exhibition Place staff were approached by Muzik with a plan that would see the Tenant invest \$5.0M in the Leased Property to expand and enhance the outdoor patio area. This Lease

amendment was approved by the Board subject to City Council approval but it did not proceed to City Council because of the issue with the City Official Plan (OP) as detailed below.

## COMMENTS

### Lease Term Extension and City of Toronto Official Plan:

In late 2012, the Tenant requested a ten-year extension to the current lease term extending it from February 15, 2024 to February 15, 2034 in order to amortize its proposed \$5.0M investment in the patio for the Leased Property. However, because such an amendment to the lease term extended it past 21 years, the Leased Property had to be declared surplus in accordance with City disposal policies prior to proceeding to City Council for approval of the proposed extended term. Upon receiving the Board's request to declare the Leased Property surplus, City Real Estate Services staff, who administers the disposal process, informed Exhibition Place that the Horticulture Building lies within an area designated as Parks/Open Space within the City's OP. The OP prohibits the disposal of City-owned lands designated as Parks/Open Space without an OP Amendment. A disposal is defined to include the granting of any lease with a term of 21 years or more.

While most of Exhibition Place is designated as Regeneration under the City's OP, the designated heritage pavilion buildings - Horticulture Building (Muzik Clubs Ltd), Ontario Government Building (Liberty Grand), Arts, Crafts & Hobbies Building (Medieval Times) – and the parkland surrounding these buildings are all within the Parks/Open Space designation and therefore, are treated differently than areas / leases with a Regeneration designation. The Tenant was informed of the City staff advice outlined above in early 2013 and the need for the Tenant to apply and be granted an OP Amendment through the normal City process before the extension of the lease term could be considered by City Council. The Tenant decided not to pursue the OP Amendment; the Tenant proceeded and completed the patio renovations without the lease amendment in 2014; and the Board report was never submitted to City Council.

### Information about City Leases in Parks / Green Space Areas

As a result of questions raised by Board Members regarding other long-term leases in City park/green space settings that may or may not be subject to the OP Prohibition to not allow for a lease term longer than 21 years, City Legal staff undertook a review of recent long-term leases and identified that all fell within the following types of transactions:

- Those properties at Exhibition Place have lease terms greater than 21 years (i.e. Hotel X and Medieval Times). For Hotel X this property is not caught by the OP Prohibition for Parks/Open Space as it falls in lands designated as Regeneration and for Medieval Times this lease was approved in 1993 prior to enactment of the Official Plan;
- Those where the transaction predated the OP Prohibition (e.g. Palais Royale and The Boulevard Club);
- Those where the property in question was not subject to the OP Prohibition as it was not "City-owned land" (e.g. The Brickworks and the Boardwalk Cafe/Tuggs), both of which are owned by the Toronto and Region Conservation Authority;
- Those that were subject to site specific exemptions from the OP Disposal Prohibition by Chapter 7, Section 265 of the OP (e.g. The Guild Inn, John Street Roundhouse); and.
- Two long term leases that are subject to the OP Prohibition but were approved by Council subject to compliance with the City's disposal regime, including the requirement to obtain an Official Plan amendment (e.g. Grenadier Restaurant and The Island Yacht Club).

## Meeting with City Planning and Legal

On June 11, 2015, a meeting was held with Councillor Grimes, Chair of the Board, Councillor Layton, Board member, Exhibition Place and City staff to review the legal and planning issues related to the proposed extension of the Lease term for Muzik. The outcome of this meeting was a consensus to recommend to the Board and Council the direction as recommended by this report which is consistent with the statutory requirements of the City and the treatment of other commercial leases within City-owned Parks/Open Space areas as noted above.

Typically, an Official Plan Amendment process will take about one year to complete and at the end of that process, a report to Council for final approval will be required. Therefore, if the process is undertaken now, it is anticipated that any final approval of such an amendment would be late 2016.

Previously, the Tenant had been informed that it would have for to apply and receive approval of an Official Plan Amendment if it wished to pursue the extension of the term of the Lease, consistent with Section 6.5 of the Lease which places responsibility on the Tenant for obtaining all planning approvals associated with its use of the leased property. This report is recommending that the Board and the City initiate and complete the Official Plan amendment at its cost, thus relieving the Tenant of this responsibility and cost. One advantage of the City taking carriage of the matter is that the OPA will be in respect of all of the buildings within the lands designated Parks/Open Space at Exhibition Place, leading to a consistent approach for all affected tenants.

### **CONTACT**

Dianne Young  
Chief Executive Officer/Exhibition Place  
Tel: 416-263-3611  
Fax: 416-263-3690  
E-mail: [dyoung@explace.on.ca](mailto:dyoung@explace.on.ca)

---

Dianne Young  
Chief Executive Officer