



**ACTION REQUIRED**  
**With Confidential Attachment**

**Muzik Clubs Lease Terms and Conditions**

<b>Date:</b>	June 14, 2016
<b>To:</b>	Executive Committee
<b>From:</b>	Chief Executive Officer, Exhibition Place
<b>Wards:</b>	14 & 19
<b>Reason for Confidential Information</b>	This report contains advice or communication that are subject to solicitor-client privilege.

**SUMMARY**

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This report provides information in relation to the lease agreement between the Board of Governors of Exhibition Place and Hypnotic Clubs Inc. (successor to Muzik Clubs Inc.) (the "Muzik Clubs Lease") and other leases for the grounds. Specifically, it recommends amendments to the "Use" provisions in the Muzik Clubs Lease. Leases with terms that are longer than four (4) years are approved by both the Board of Governors and City Council and the Muzik Clubs Lease which is 20 years falls into this category. Revisions to the "Use" clauses in the Muzik Clubs Lease would be considered an amendment to a substantive term that would have been part of the terms in the Letter of Intent for the Muzik Clubs Lease approved by City Council.

**RECOMMENDATIONS**

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The Board of Governors of Exhibition Place recommends that City Council:

- 1) Approve the following amendments to the Muzik Clubs Lease and any other terms that may be required by the Chief Executive Officer and City Solicitor:
  - (a) Amend sections 5.1 and 5.2 of the Muzik Clubs Lease to allow Muzik Clubs to host banquets provided that if Muzik Clubs, in any one year, contracts to hold more than thirty (30) banquets, Muzik Clubs will provide notice to the Liberty Grand Entertainment Group ("Liberty"), and Liberty will have the right to cater such banquets, in accordance with Liberty's price listing so that the amended sections of the Muzik Clubs Lease will be substantiality as provided in Appendix "A".

- 2) Authorize the Board of Governors to:
  - (a) Confirm in writing to Muzik Clubs Inc. that, in respect of trade and consumer shows, although the prohibition in the Muzik Clubs Lease will remain, the current practice of the Landlord allowing Muzik Clubs to host occasional trade and consumer shows with the prior consent of the Landlord in appropriate circumstances and in the Landlord's sole discretion will continue, provided that as a condition for this ongoing cooperation, Muzik Clubs Inc. must refrain from marketing itself as a venue for trade and consumer shows, or any other uses not permitted by the terms of the Muzik Clubs Lease; and
  - (b) Establish a procedure whereby any consent will be submitted to the Business Development Committee and then to the Board of Governors for approval, provided however that in the case of urgent matters, the Chief Executive Officer of Exhibition Place will have the authority to give or withhold consent.
- 3) Direct that the Confidential Attachment 1 remain confidential as it contains advice and information that is subject to solicitor-client privilege.

## **Financial Impact**

There may be financial consequences to this report.

## **DECISION HISTORY**

At its meeting of June 10, 2016, the Board considered Report No. 17 dated May 13, 2015 from the Business Development Committee entitled "Muzik Clubs Lease Terms and Conditions"; <http://www.explace.on.ca/database/rte/files/Item%2017-Muzik%20Clubs%20Lease-Entire.pdf>

In addition, the Board had before it a report dated May 13, 2016 from the Exhibition Place Chief Executive Officer entitled "Muzik Clubs Lease – Terms & Conditions Past Permission Granted for Banquet Events" and attached as Appendix "B" to this report. [http://www.explace.on.ca/database/rte/files/Item%2017\(a\)-Muzik%20Clubs%20Lease-Past%20Permission%20Granted.pdf](http://www.explace.on.ca/database/rte/files/Item%2017(a)-Muzik%20Clubs%20Lease-Past%20Permission%20Granted.pdf)

In addition, the Board had before it a report dated June 1, 2016 from the Chief Executive Officer entitled "Trade and Consumer Shows – Board of Governors of Exhibition Place Venues Exclusivity" and attached as Appendix "C" to this report. [http://www.explace.on.ca/database/rte/files/Item%2017\(c\)-Muzik%20Clubs%20Lease-Trade%20and%20Consumer%20Shows%20clean.pdf](http://www.explace.on.ca/database/rte/files/Item%2017(c)-Muzik%20Clubs%20Lease-Trade%20and%20Consumer%20Shows%20clean.pdf)

The City Solicitor provided a report dated March 14, 2016 entitled "Muzik Clubs Lease Provisions" with a Confidential Attachment, attached as Appendix D and the Confidential Attachment on a separate report. The public report can also be found at. [http://www.explace.on.ca/database/rte/files/Item%2017\(b\)-Muzik%20Clubs%20Lease-City%20Legal.pdf](http://www.explace.on.ca/database/rte/files/Item%2017(b)-Muzik%20Clubs%20Lease-City%20Legal.pdf)

Finally, the Board had before it the Communications from the Public attached as Appendix "E" to this report.

## ISSUE BACKGROUND

This report addresses the issues of principal use / ancillary use / exclusive use / prohibited use set out in the Muzik Clubs Lease and the relationship of these provisions to other leases on the grounds. In addition, this report recommends amendments to the "Use" clause in the Muzik Clubs Lease.

## COMMENTS

### Principal/ Ancillary Uses/ Exclusive Uses of Leasehold Interests

A significant provision of all Exhibition Place leases are clauses setting out the principal / ancillary uses granted to the tenant. In addition, most leases include clauses setting out specific areas of business that cannot be carried on by the tenant. Finally, some leases also include exclusive uses granted only to one specific tenant on a lease-by-lease basis. Exclusive uses are not uncommon in commercial settings where a mix of tenant uses is desirable and exclusivity is necessary in order to attract certain tenants.

The principal use in the Muzik Clubs Lease is activities related to typical nightclub and live performance venue which provide both recorded and live music for dancing and entertainment and serve food and beverages, including alcoholic beverages. Ancillary uses include hosting special events, televised sporting events, radio and internet broadcasting and product launches which specifically relate to the products and services used in a night club, concert hall and live performance businesses. The OVO Festival after party held in 2014 and 2015 at Muzik Clubs fits clearly within the principal use clause for the Muzik Clubs Lease and therefore, the Board would have no ability to ban this event. However, incidents associated with the after party which occurred at or near the Muzik Clubs premises led to a desire on the part of the Board (and some members of the public) to stop such events from occurring there. The Tenant indicated that if it had other sources of revenue, it could move away from hosting such events, which led to the discussion of changes to the "Use" provisions of the Muzik Clubs Lease including the recommendation to expand the tenant's right to now include "banquets" as part of its ancillary uses.

With respect to exclusive uses, generally, Exhibition Place staff are reluctant to provide these rights to tenants because it limits the future rights of the Board / City. Conversely, tenants seek to have exclusive rights across the grounds for the term of their lease to limit their competition. Accordingly, such exclusive use clauses have, in every lease across the site, been the subject of intense negotiations and eventually mutually agreed to by both parties and are always included in the Letter of Intent that sets out the principal terms of the proposed lease and is approved by the Board and City Council.

Exclusive uses are negotiated with a tenant in the context of the overall business terms including the length of the term, the level of capital investment by the tenant and the base rent, as well as landlord considerations such as the impact to the business model and future leasing opportunities at Exhibition Place. Any exclusive uses granted to a tenant will of necessity limit any rights that can be granted to a new tenant. Once granted, the Board has a legal obligation to enforce an exclusive use provision against all other tenants.

The Muzik Clubs Lease not only has the Principle Use as set out above but also has an exclusive use right for "a permanent indoor live performance venue/nightclub which operates as

a permanent liquor licensed venue solely for the purpose of providing live and recorded musical entertainment for standing crowd capacities of greater than 500 persons but less than 2,999 persons.” The Board has enforced this right against all other tenants that have entered lease agreements since 2004.

#### Prohibited Uses of Leasehold Interests

Every lease at Exhibition Place contains clauses which limit the rights of the tenants to carry on certain businesses. One key protected use is “trade and consumer show activities” which are the core business of Exhibition Place since those revenues generally allow Exhibition Place to be revenue neutral for the Toronto tax base. While trade and consumer show events produce annual rental revenues of \$12.0M, tenant rents total only \$2.0M annually. It would not be in the best interests of the Board / City to jeopardize this major revenue source in any way and accordingly, most leases include a prohibition not to allow any use for “trade and consumer shows and any activities (including the provision of food and beverages) related to trade and consumer shows”. Further details of that core business and the necessity to protect that business are detailed in the report dated June 1, 2016 entitled “Trade and Consumer Shows – Board of Governors of Exhibition Place Venues Exclusivity” as found in Appendix “C” attached.

Another key limitation in all leases is a prohibition on use of tenanted properties for a casino which is a limitation in keeping with the direction taken by City Council.

Other than these two core limitations / prohibitions, each lease contains limitations based on various factors:

- limitations stipulated in the original offer to the public
- uses proposed by the successful respondent to a particular request for proposal
- negotiated terms approved by the Board and City Council
- any exclusive use clauses of other tenants / contractors
- rents negotiated could be tied to the limitations imposed

All of the points noted above were factors in the directions taken on the prohibitions included in the Muzik Clubs Lease. A public request for proposals was issued and Muzik Clubs (Hypnotic Clubs Inc.) responded to the RFP with a proposal for a year-round entertainment venue for concert performance and a nightclub which would have activities scheduled in the evening with an emphasis on weekends. The concept as proposed was to be similar to existing venues such as the Docks, Phoenix, Concert Hall, Government and Cool House. Negotiations of the terms and conditions of the Muzik Clubs Lease included a prohibition on use of the leased premises for banquets as this was the principal use of Liberty Grand and the Fountain Dining Room. These terms were subsequently approved by the Board and City Council and the rent bid accepted by the Board was also based on its primary business of nightclub type events.

Despite the provisions in the Muzik Clubs Lease prohibiting banquets and trade and consumer shows as a permitted use, the tenant in 2006/ 2007 started to book these activities. This was reported to the Board and following unsuccessful negotiations with the tenant, a court interpretation of the Muzik Clubs Lease was sought and the court ruled in favour of the Board. Specifically, the court stated that “corporate sponsored, sit down dinner for a large number of people, with a catered menu and table service, that is organized to celebrate for example a company milestone, or a holiday, or someone’s retirement, is a banquet”.

However, over the years, certain clients will approach Muzik Clubs to hold its “banquet” event at Muzik Clubs, and typically, the tenant has requested permission of Exhibition Place and in all such cases permission has been granted in writing within the Muzik Clubs Lease. As noted in the attached Report dated May 13, 2016 entitled “Muzik Clubs Lease – Terms & Conditions Past Permission Granted for Banquet Events”, found in Appendix “B”, such decisions have been made on a limited basis and are made so as to not lose events that would not come to Exhibition Place if not held at Muzik Clubs.

### Proposed Amendments

Following review of the background noted in this report and discussions with Muzik Clubs and other tenants at Exhibition Place that host banquets, the direction and recommendation proposed in this report expands, with some limitation, the “Use” clause in the Muzik Clubs Lease to include banquets.

The recommendations also put in place a written process with respect to “trade and consumer shows” which generally implements the existing manner in which deliberations take place under the Muzik Clubs Lease following a request from the tenant and also with other tenants on the grounds. The intent is not to have the “prohibitions” in any leases cause business to leave the Exhibition Place site for another venue, but at the same time to protect the Board’s exclusive right to market its “trade and consumer show facilities” and business.

This matter was considered both by the Business Development Committee of the Board and at two (2) meetings of the Board and prior to consideration of the matter, both the Committee and the Board heard deputations and received the communications attached as Appendix “E” to this report.

### CONTACT

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Dianne Young  
Chief Executive Officer

### ATTACHMENTS

Appendix A – Revised Section 5.1 and 5.2 of Muzik Clubs Lease  
Appendix B – Board Report dated May 13, 2016 re Muzik Clubs Lease  
Appendix C – Board Report dated June 1, 2016 re Trade and Consumer Shows  
Appendix D – City Solicitor Report dated March 14, 2016 re Muzik Clubs Lease  
Appendix E – Communications from the Public re Muzik Clubs Lease  
Confidential Attachment 1 – City Solicitor Report dated March 14, 2016 re Muzik Clubs Lease

**Appendix "A"**  
**Revised Section 5.1 and 5.2**

If Council approves amendments to the Muzik Clubs Lease as recommended by the Board the new sections 5.1 and 5.2 of the Muzik Clubs Lease would read as follows:

**"5.1        Principal Use and Ancillary Uses**

*The principal use of the Leased Property includes activities related to a typical nightclub and live performance venue which provides both recorded and live music for dancing and entertainment and serves food and beverages, including alcoholic beverages (the "Principal Permitted Use"). As ancillary to the Principal Permitted Use, the Tenant shall be permitted to use the Leased Property for hosting special events, including, but not limited to, fashion shows, film and advertising shoots, corporate and charity events, televised sporting events, radio and internet broadcasting and product launches which relate specifically to the products and services typically used in the night club, concert hall and live performance businesses. In addition the Tenant shall have the right to use the Building for banquets provided that after the Tenant has contracted more than thirty (30) banquets in any one fiscal year, the Tenant will provide notice to the Liberty Grand of any additional banquets and Liberty will have the right to cater such banquets for the Tenant based on Liberty's catering price list such specific arrangements to be agreed upon directly between the Tenant and Liberty Grand without the involvement of the Landlord (collectively, the "Permitted Ancillary Uses"); and*

**5.2 Exclusive Use**

*Subject to existing contractual obligations, including right granted with respect to the renovated Coliseum Arena and the Ontario Government Building (the "Existing Rights"), the Tenant shall have the exclusive right to use the Building as a permanent indoor live performance venue/nightclub which operates as a permanent liquor license venue solely for the purpose of providing live and recorded musical entertainment for standing room crowd capacities of greater than 500 persons but less than 2,999 persons, which maximum capacity may be adjusted downward, subject to the final occupancy permit for the Leased Property. In this paragraph, "permanent use" shall mean continuous marketing and operation of the Leased Property for the sole purpose of live musical performances and dancing in the manner set out above, and shall not preclude other events on the Lands such as weddings, banquets, or public gatherings which may include dancing and other forms of entertainment. Notwithstanding the foregoing, the Tenant covenants and agrees that it will not host the after party of the OVO Festival at the Leased Property. For greater certainty the Lease Property shall not be used for any of the following purposes:*

- 1. a themed dinner theatre;*
- 2. trade and consumer shows and any activities (including the provision of food and beverages) related to trade and consumer shows provided that (i) Muzik Clubs will be permitted to host occasional trade and consumer shows with the prior consent of the Landlord in appropriate circumstances and in the Landlord's sole discretion; and (ii) as a condition for this ongoing cooperation, Muzik Clubs must refrain from marketing itself as a venue for trade and consumer shows, or any other uses not permitted by the terms of the Muzik Clubs Lease; and further the Landlord will establish a procedure whereby any request by the Tenant for the*

- Landlord's consent will be submitted to the Business Development Committee, or any successive Committee of the Board, and then to the Board of Governors for approval, provided however that in the case of urgent matters, the Chief Executive Officer of the Board will have the authority to give or withhold consent;*
- 3. professional sports events (except for televised sports events as otherwise expressly permitted under this Lease); and*
  - 4. a casino."*

**Appendix "B"**  
**Report considered by the Board at its meeting held June 10, 2016**

May 13, 2016

ACTION REQUIRED
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To: The Board of Governors of Exhibition Place  
From: Business Development Committee  
Subject: **Muzik Clubs Lease – Terms & Conditions  
Past Permission Granted for Banquet Events**

**Summary:**

At the Board meeting of February 12, 2016, a question was raised about the terms of the lease agreement between the Board and Hypnotic Clubs Inc. (successor to Muzik Clubs Inc.) (the "Muzik Clubs Lease") and permission granted to the Muzik Clubs Tenant to hold banquet events at the Muzik premises. A review of our records since 2007 indicate that there have only been seven (7) such requests from the Tenant and permissions given over that 9 year period as noted below.

**Recommendation:**

**It is recommended that the Board receive this report for information.**

**Financial Impact:**

There are no financial consequences to this report.

**Decision History:**

The Exhibition Place 2014 to 2016 Strategic Plan had a Financial Goal to *seek additional revenue opportunities* and as a strategy to support this Goal *we will seek new and / or expand revenue opportunities within our existing operations and increase revenues from tenants / naming partnerships / third parties.*

At its meeting of September 4, 2015, the Board adopted Motion MM (e) requesting staff to report on the ability for the Board to prohibit Muzik Clubs ("Muzik") from using its leased premises for the OVO Fest after party or similar events in future years and to examine other permitted uses currently allowed (or not allowed) under the Muzik Clubs Lease. A number of other questions respecting the Muzik Clubs Lease also arose at the Board meeting, in particular with respect to the closure of Muzik during the 2015 CNE.

At its meeting of May 13, 2016, the Business Development Committee considered subject report and recommends the Board receive for information.

**Issue Background:**

From a review of the Exhibition Place records, it appears that only seven requests have been received from the Tenant to hold banquet events at Muzik Clubs Inc. Each request was reviewed and permission provided after consideration of all factors.

**Comments:**

The events for which Exhibition Place provided permission and a waiver of the lease restriction were on the following dates:



- September 10, 2008
- March 6, 2012
- April 16, 2015
- May 12, 2015
- October 22, 2015
- November 8, 2015
- November 25, 2015

Some of the factors considered in the review of the seven events were as follows:

- All were charity events
- Letter sent with the request from the charity organizer indicating that it had explored many venues before choosing Muzik
- Exhibition Place premises were already booked with another event
- Some of the events had already started advertising in the marketplace so not granting permission may have a negative impact on the event and event goers
- Permission was provided in writing to Muzik for each one on a one-off basis and with reference to the continued enforcement of the restrictions in the Lease
- The November 25, 2015 event did not appear to be in conflict with the lease restriction on “professional sports” and therefore permission was not needed
- The May 12, 2015 charity event was wanting a “nightclub setting” which would not appear to fall within the restriction of “sit down banquets” as established by the court ruling

**Appendix "C"**

**Report considered by the Board at its meeting held June 10, 2016**

June 1, 2016

ACTION REQUIRED

To: Board of Governors of Exhibition Place  
From: Dianne Young, Chief Executive Officer  
Subject: **Trade and Consumer Shows – Board of Governors of Exhibition Place Venues Exclusivity**

**Summary:**

This report provides information to the Board, as requested by the Business Development Committee, about the rationale for the booking of trade and consumer shows being exclusive to Board managed venues at Exhibition Place, and also recommends that the Board retain its rights to book events.

**Recommendation:**

**It is recommended that the Board retain its existing exclusive rights to book trade and consumer shows at Exhibition Place within its convention facilities.**

**Financial Impact:**

There may be negative financial implications to limiting the Board's exclusive rights and while difficult to estimate these could be at the range of \$193,000 to \$774,000 annually. In addition, given the debt incurred by the City with respect to the initial construction of the Enercare Centre and Allstream Centre (\$60.0M and 56.0M respectively) and the ongoing capital debt for these buildings (\$9.9M) which debt is still partially outstanding depending on the various debenture terms, there could be negative financial implications for the City.

**Decision History:**

As part of the 2014 to 2016 Strategic Plan, Exhibition Place has goals to *achieve our recurring events business revenue* and to *grow our events business with a number of strategies to achieve both*.

At its meeting of May 13, 2016, the Business Development Committee adopted a motion requesting staff to report to the Board on the financial implications of amending the Muzik Clubs Lease to allow the Tenant to host trade and consumer shows on the condition that the Tenant agrees to an amendment to the Muzik Clubs Lease to allow for removal of the Garden of the Greek Gods from the Leased Premises at the Board's cost.

**Issue Background:**

The Board has generally retained the exclusive rights to book trade and consumer shows within the Exhibition Place convention facilities, as it is one of the key revenue sources for the grounds. This exclusivity has been part of the strategic business plan since the opening of the Enercare Centre (then named The National Trade Centre) in April 1997.

## Comments:

The Enercare Centre was a project funded equally by the Federal / Provincial / Municipal Governments under the Canada Ontario Infrastructure Works Program (COIW) at a cost of \$180.0M. The Municipal share of this cost (\$60.0M) is still an outstanding debenture held by the City of Toronto with repayment costs. Since 1997, the City / Board has invested over \$9.9M in maintaining the Enercare Centre as Class "A" space, again capital investments funded by the City of Toronto tax base. Finally, the Board / City made a substantial investment of \$56.0M in 2008 to expand the additional trade, consumer, meeting facilities on the grounds. Again, all capital financing noted above would be funded through City of Toronto long-term debentures and is still being repaid by the City over 25 / 30 years.

Given this significant investment, staff recommend that the Board / City needs to continue to take actions to be diligently protect its exclusivity in the area of trade and consumer events. Since the Board started entering into long term leases for entertainment premises, this exclusivity has been protected by prohibiting use of the leased premises for that purpose. For each of the entertainment / event tenants on the grounds, the initial bid documents; the Board / City approvals; the lease negotiations; and the lease terms were all very clear on the limitation / prohibition for tenants related to these events and the inclusion in all leases of a standard clause which reads as follows:

*The **Tenant** shall use the **Leased Property** solely for the purpose of [TBD], and for no other purpose (the "**Permitted Uses**"). For greater certainty, the **Leased Property** shall not be used for:*

- 1. trade and consumer shows and any activities (including the provision of food and beverages) related to trade and consumer shows;*

City Council approved annual budgeted surplus for 2016 is \$0.105M for Exhibition Place and for 2017 the City Manager's Budget directive target for Exhibition Place is a surplus \$0.157M. Not achieving the budget target would result in funding the Exhibition Place Operating Budget through the City of Toronto tax base.

The financial reality of Exhibition Place is that rental from the exhibition and meeting facilities on the grounds finance 64% of all costs associated with managing this 192-acre site with over 2.0M square feet of built form to be maintained in a SOGR. While the tenants provide exciting year round activities on the grounds, \$23.4M or (64% of the Board's total revenues) is earned as a result of the exhibition facility activities and only \$3.3M or (9.1%) is earned from the tenants. Deleting the prohibition of "trade and consumer shows and any activities" from the tenant leases and allowing tenants to undertake this activity would not result in any additional revenues to the Board because the Tenants pay an annual rental fee. However, there is a very real possibility that the Board's revenues will be impacted negatively and eliminate the budgeted surplus.

Exhibition Place hosts over 240 convention / exhibition / meeting events every year. Each one of these events is unique and presents a business opportunity for the Board / City. Exhibition Place in its booking practice protects, to the extent commercially reasonable for the Board, this business interest. Not only is each event a unique business opportunity, each one requires a specific type of space and Exhibition Place's business is selling dates and spaces.

Exhibition Place has many large clients such as the National Home Show that rents 650,000 sf in the Enercare Centre. However, Exhibition Place also markets the Queen Elizabeth Hall at 63,000 sf, Heritage Court with 37,130 sf and other Exhibition Place spaces for events which

require 20,000 sf (100 booths). These smaller spaces are used as incubators for the trade and consumer show industry, where new shows are launched. It is from these new launches that the incremental growth for trade and consumer show activity is established at Exhibition Place. This is of particular importance given the competitive nature of the industry in the GTA since the 2008 Recession.

All of the tenanted areas with event space could be direct competitors for shows / events that would otherwise use the Board's smaller spaces. Staff estimates the net income impact from the loss of smaller events having up to 100 booths to be from \$105,000 to \$420,000 annually; and an additional loss from larger events having from 100 to 250 booths to be from \$88,000 to \$354,000 that may go to tenants with larger space to accommodate such larger events.

The relocation of any of the major shows from the Enercare Centre and Exhibition Place would be a major decision by an organizer, (and of significant impact to the Board). The immediate issue that could impact show organizers, and an issue that has happened in the past, and that could happen again, is when potential exhibitors, or competitors of these major shows, cannot or will not exhibit in the major shows but do want to financially benefit from the existing shows attendee and marketing efforts to divert visitors from the show floor to another similar event, held in proximity to the major event on the grounds. This protection for existing show is a recognized best practice in the North American and international exhibition centres industry. By having a prohibition in the lease, the tenant is required to contact Exhibition Place rather than just being able to book the event. If there is no conflict, Exhibition Place has typically allowed the tenant to proceed with the event.

The Board has retained the exclusive booking of trade and consumer shows for the following reasons:

1. The revenue that accrues to the Board from trade and consumer shows is the most significant part of the Board's revenue budget and allows the Board to operate in a surplus position;
2. To protect the Board's existing trade and consumer show clients from having competing events on the Exhibition Place site;
3. To protect the Board's clients from having exhibitors, that do not book space in the main shows, cannibalizing the show by booking these exhibitors in their space;
4. The combined value and presence of the trade and consumer shows in the Allstream and Enercare Centre are critical to the Board's naming sponsor;
5. The substantial marketing reach made by the Board's trade and consumer show clients of these named facilities as a site, are solely due to the multi-millions of dollars of advertising spent annually by the Board's trade and consumer show clients which are exclusively booked in Exhibition Place halls;
6. The value of the trade and consumer shows to sponsors such as Pepsi;
7. To assist in achieving the revenues required to service the Allstream Centre loan, staff are pursuing more trade, consumer and association shows in the Allstream Centre. The marketplace has been extremely competitive for events since the 2008 Great Recession, and accordingly staff have developed an action plan to secure more events to satisfy the loan repayment;
8. Equivalent space in Enercare Centre would be Heritage Court, QE Hall, Hall F and Allstream Centre, where the Board typically launches new consumer and trade shows with up to 100 booths; and
9. The tenants were meant to be a complement to the Board's core business, offering on-site entertainment options to Exhibition Place trade shows and conventions.

**Appendix “D”**  
**Report considered by the Board at its meeting held June 10, 2016**

At its meeting of May 13, 2016, the Business Development Committee considered subject report and recommend the motions outlined in subject report to the Board.



**STAFF REPORT**  
**ACTION REQUIRED**  
**with Confidential Attachment**

**Muzik Clubs Lease Provisions**

<b>Date:</b>	March 14, 2016
<b>To:</b>	Business Development Committee of The Board of Governors of Exhibition Place
<b>From:</b>	City Solicitor
<b>Wards:</b>	
<b>Reason for Confidential Information:</b>	This report contains advice or communications that are subject to solicitor-client privilege.
<b>Reference Number:</b>	

**SUMMARY**

This report provides advice to the Business Development Committee of the Board regarding its consideration of the Use provisions of the lease with Muzik Clubs.

**RECOMMENDATIONS**

**The City Solicitor recommends that:**

1. The Board receive this report for information.
2. The Board direct that Confidential Attachment 1 remain confidential as it contains advice and information that is subject to solicitor-client privilege.

**Financial Impact**

There are no financial consequences to this report.

**ISSUE BACKGROUND**

The Business Development Committee has before it the report of Dianne Young, Chief Executive Officer, dated February 16, 2016, on the subject of Muzik Clubs Lease Terms

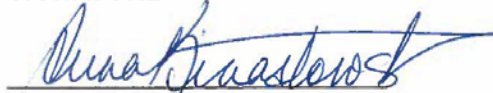
and Conditions, referred to the Committee at the previous meeting of the Board of Governors. As a result of discussions at the Board meeting and subsequent communications, staff have learned that the Committee might be asked to consider a specific proposal to address concerns about the tenant's Use clause. This report provides advice regarding the legal implications of such an approach, if it is proposed.

The comments provided with respect to these matters are subject to solicitor-client privilege and are contained in Confidential Attachment 1:

### **CONTACT**

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### **SIGNATURE**



Anna Kinastowski  
City Solicitor

*hgv*

### **ATTACHMENTS**

Attachment 1 – Confidential Information

## Appendix "E"

**From:** LORNA TOMASSONI [<mailto:tomassoni8395@rogers.com>]

**Sent:** Saturday, September 05, 2015 4:11 PM

**To:** [councillor\\_grimes@toronto.ca](mailto:councillor_grimes@toronto.ca); [councillor\\_diciano@toronto.ca](mailto:councillor_diciano@toronto.ca); [councillor\\_karygiannis@toronto.ca](mailto:councillor_karygiannis@toronto.ca); Councillor Mammoliti; [councillor\\_layton@toronto.ca](mailto:councillor_layton@toronto.ca)

**Cc:** Priscilla McLellan; [lauretta.santarossa@bell.net](mailto:lauretta.santarossa@bell.net); James Town; Lavonne McCumber Eals; Albert Cairnes; [roger.riendeau@utoronto.ca](mailto:roger.riendeau@utoronto.ca); Debbie Crowe; [sean.snow@rbc.com](mailto:sean.snow@rbc.com); Catherine Holliday; Peter & Diane Siroishka; Mukesh Prada; Corey Doan; Grace Wright; Diane Nasadiuk; Natasha Fahel; Frank Martins; Steven Li; Dennis Wilson; Brenda Ford; [mathy.varathan@gmail.com](mailto:mathy.varathan@gmail.com); Gaston Cufre; Jennifer Lee; Richard Gislason; Krista Firth; Subhash (Roy) Roi; Andre Adams; David Nicholson; Randy Smith; Greg Barry; Jacob Karsemeyer; David Boyle; Melissa Sheppard; Brent Ferris; Jason Suedath; Luba Ferris; Michelle Comma; Anvie Nguyen; Craig Fleming; Stephanie Jamieson; Gloria Holmes; Gwen Chalmers; Natasha Priest; Nicholas Hryciw; Gaby Thatcher; Kevin Ellis; Victor Merino; Ashley Sheosanker; Jean Scaglioni; Councillor Layton; Councillor Perks; Cheri Dinovo; [hdong.mpp.co@liberal.ola.org](mailto:hdong.mpp.co@liberal.ola.org); Dianne Young; Mayor Tory

**Subject:** Muzik

(please forward this email to other Board members whose email addresses I do not have: Connie Dejak, Victoria Mancinelli, Paula Oliveira, Mark Teeple)

Dear Board of Governors, we the neighbours of Exhibition Place, who have been complaining about Muzik's operation for years, were very sorry to know that you:

- plan to extend Muzik's lease until 2034.
- have no consideration for the dangerous activities that are going on at that venue.
- do not understand how the venue does not fit into the "child friendly" western part of Exhibition Place.

We are aware of:

- the investigations that have happened related to Muzik over the past few years.
- Muzak serving liquor beyond closing time.
- overcrowding.
- inappropriate security for events.
- illegal drug sales.
- inappropriate, illegal socialization.
- extra activities at Muzik not being good examples of what a "community friendly" facility should demonstrate to the public.

We understand that:

- Muzik brings money to the City.
- visitors to the city love to attend a beautiful nightclub.
- young people in the city enjoy this type of venue.
- famous actors, musicians and sport stars like to frequent this type of venue.

We do not understand why:

- this type of venue is in a family friendly area of Exhibition Place.
- Muzik is hidden behind high fences.
- Medieval Times and Liberty Grand can respect the beauty of their buildings but Muzik can not.
- Muzik does not prevent inebriated patrons from wandering out of the building and up Dufferin Avenue where they wake residents late at night and destroy private property.
- security does not prevent dangerous activities happening at the site.
- security does not value the safety of patrons and the neighbourhood.

We, as a neighbourhood just north of the Dufferin Gate, are tired of this inappropriate venue. This is a family neighbourhood. We respect the different residents living here and, we seem to live harmoniously. Why should we accept a business that does not display suitable behaviour at Exhibition Place? The grounds were always seen as an amazing place for community events not an area for disruptive activities that threaten the health and safety of patrons and local residents.

We do not understand why the Board of Governors is only interested in the money generated by this venue and, does not respect the local neighbourhood's concerns. If the City wants a nightclub, it should **not** be in the family friendly section of Exhibition Place. If Exhibition Place wants to keep Muzik, it should be moved it to the eastern section of the grounds near the new Hotel Ex.

We are a neighbourhood who would like to be heard, especially when we are concerned about the safety of our residents.

**From:** Dave Ross [<mailto:dross@mott.ca>]

**Sent:** Saturday, September 05, 2015 10:28 AM

**To:** infoAT

**Subject:** proposed extension of lease

Can you kindly forward this to all members of the Board of Governors on my behalf -

I was rather surprised to read today (Toronto Star) that the CNEA is strongly considering extending the lease for Muzik to 2034 without an open and competitive process. Surely in this age of transparency, the Board will not conduct business in such a questionable manner.

This would be an exceptionally worrisome move, both in perception and in fact, if it were to be allowed. It is my understanding that Musik is currently enjoying a particularly favourable lease. This tremendous City owned asset shouldn't continue to be leased without a fair and open process which would maximize its value to the taxpayers and not just one insider.

**Dave Ross**  
**241 Lee Ave.**  
**Toronto, ON**  
**M4E 2P4**



September 11, 2015

Ms. Dianne Young, CEO  
Exhibition Place  
100 Princes' Blvd.,  
Toronto, Ontario M6K 3C3

Dear Dianne:

It has been reported to me by staff in attendance at the Board of Governors of Exhibition Place meeting held on Friday September 4, 2015, that two matters of concern were raised in that meeting. Zlatko Starkovski of Muzik Club while making a presentation to the Board with respect to Item 20 of the agenda reported that on two occasions during the 2014 CNE incidents took place which he implied were perpetrated by CNE patrons. Mr. Starkovski advised the members present that, during the 2014 CNE, a fire broke out in his club and that a number of club refrigerators were also broken into during the course of the 2014 CNE.

As a matter of due diligence, I have asked our security staff to review all reports from the 2014 CNE to see if any security reports in our records refer to either of these incidents. Although we do have notes that indicate a small fire took place at one of the outdoor cabanas at Muzik, we have no reports of the thefts that Mr. Starkovski referred to. I asked that the minutes of our daily morning meetings be reviewed as Exhibition Place Security, Toronto Police Service and Toronto Fire Service all have representatives at these meetings. Although the fire was mentioned, we found no evidence of the thefts occurring or being reported. In addition, there was no mention that CNE patrons were suspected as being responsible for the fire or thefts. I don't know if the Exhibition Place Security Department has other records concerning these incidents, if they do, it would be helpful if you could confirm the dates and times the incidents were reported and any other information that would suggest these acts were committed by CNE patrons. Upon receipt of confirmation, I will ensure that these incidents are considered when developing security plans for the 2016 CNE.

One further note at the same meeting, the Chair of the Board of Governors Councillor Mark Grimes, made reference to a shooting that occurred at the CNE but did not provide specifics with respect to the date of the occurrence. Again, we have searched our records and found no evidence of a shooting at any CNE in recent history. In fact, since the start of my tenure at the CNE in 1983, I do not recall ever hearing of a shooting occurring at the event. However, if you could provide me with confirmation of a shooting incident along with details and a date this incident occurred that would again be helpful in reviewing the incident and future planning.

Thank you for your attention to the above, I will await your confirmation with respect to these matters.

Regards,  
Virginia Ludy  
General Manager



October 14, 2015

Dianne E. Young  
Chief Executive Officer  
The Board of Governors of Exhibition Place  
Queen Elizabeth Building, Exhibition Place  
Toronto, Ontario M6K 3C3

Dear Dianne:

It has come to Cerise Fine Catering's attention, through recent board meetings and local press, that the Board of Governors of Exhibition Place ("BOG") is considering providing an extension to the Muzik nightclub on Exhibition Place grounds, as well as permitting Muzik to provide full event catering services.

This possible development is extremely troubling to Cerise, the exclusive caterer to the Allstream Centre.

Cerise entered into its Agreement with the BOG with the understanding that the catering rights at Exhibition Place would remain materially the same as the status quo. We pay significantly higher rents at Allstream than Muzik does to Exhibition Place, with the understanding that Muzik is restricted to only providing Canadian music content events.

The proposed modifications to the Muzik deal would materially undermine Cerise's agreement with the BOD, and eat away at revenues of the Allstream Centre, as they would with other Exhibition Place venues like the Liberty Grand. If Muzik is allowed to compete fully against the Allstream Centre, it will be able to undercut our prices, and thereby our revenues.

Moreover, considering the public dangerous incidents at Muzik, it bears mentioning that a shrinking, not an expansion, of Muzik's rights at Exhibition Place would benefit the BOD.

Cerise will as always value its partnership with the BOG, and continue to live up to its Agreement as the exclusive caterer at Allstream. We hope and expect that the BOG will continue to respect these exclusivity rights and maintain the status quo regarding Muzik.

Nothing contained herein shall be construed as a relinquishment and/or waiver of any right or remedy possessed by Centerplate, NHC or Cerise Fine Catering.

Sincerely yours,

CERISE FINE CATERING

By: 

February 12, 2016

To: The Board of Governors of Exhibition Place

From: South Parkdale Neighbourhood Group

On behalf of the neighbours north of the Dufferin Gate, we would like to remind the Board of Governors that we are still expecting the closure of Muzik. On October 23, 2015, we submitted, to the Board of Governors and the CEO of Exhibition Place, our issues regarding the operation of this venue. The item was put on hold at that meeting but, we were and, still are concerned about the safety of our neighbourhood and all who visit Exhibition Place.

The neighbourhood is still interested in knowing:

- if the investigation from the Alcohol and Gaming Commission was completed, if so, what were the results?
- if Police Services completed the investigation of the murders on August 4, 2015? Has someone been charged with the murders and injuries resulting from the shootings at Muzik and, on our neighbourhood streets? Has Muzik been investigated for the ineffectiveness of their security during the event and, at other events throughout their lease?
- if the Board of Governors considers the western part of Exhibition Place a “family” area, does the Board believe that Muzik is appropriate for the image of the western area?

We have learned that, at a meeting on February 4<sup>th</sup>, the City Council requested, the Chief Planner and Executive Director in City Planning, 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, in order to permit leases in excess of twenty-one years. We hope that this means that the City will continue to own the buildings, art and property in the Parks/Open Space at Exhibition Place. At this point, as we understand, a lease of more than 21 years gives the property and building to the proprietor of the lease. Considering the operational issues that we have identified in the October 23<sup>rd</sup> submission, this policy directive would grant Muzik the ownership of the Horticultural Building and, a piece of the park at Exhibition Place.

In our issues document and with new information acquired, we learned that since it's inception, Muzik has:

- blocked the beauty of the Horticultural Building by hiding it behind a fence.
- hidden the Statues of the Greek Gods from Exhibition Place visitors.
- impacted the safety of the grounds for neighbours and visitors to Exhibition Place.
- created an unsafe area due to uncontrollable patrons roaming the grounds and destroying neighbourhood properties.
- been part of criminal activity like assaults and murders which are being investigated, as well as, lawsuits filed against Muzik related to acts of violence at the site.

To help us understand the role of the Board of Governors, we looked at the web page and found Chairperson Mark Grimes letter regarding his role as Chairperson of the Board. He states that:

- it is critical for the Board to maintain Exhibition Place as Toronto's key venue for public celebration, large events, festivals, and community events, while protecting its parkland, historical assets and core businesses.
- moving into the future, the Board will provide excellence in customer service; strengthen Exhibition Place as a year-round destination; and ensure our continued financial success.
- he looks forward to lead the Board's efforts in bringing positive results to each key venue.

From this statement, we see that the Board wants to ensure that Exhibition Place is an exciting, safe and prosperous location. If this is so, will there be any recognition of Muzik's disregard for the expectations of the City of Toronto and Exhibition Place.

We believe that the Board of Governors and Exhibition Place do not consider the effects their venues have on the residents who consider Exhibition Place's open spaces their back yard. Since Muzik opened, there have been many issues raised with people in authority because of Muzik's unacceptable operation and unacceptable activities. No one listened or, seemed to care about the well-being of our old, established neighbourhood filled with great Toronto residents.

We have learned that Muzik will be hosting an event for the National Basketball Association and, has invested in security for their site. What is being done for the neighbourhood to protect our homes when patrons leave the premises? Over many years, there has been trouble after events and, no one available to provide security for the safety of our residents and their homes.

Due to our ongoing issues with the operation of Muzik, we believe that their lease should not be extended. We also support the City Operational Department's review of the leasing policy and, hope that amendments are presented that will ensure that Exhibition Place does not lose the ownership of the land, the historical buildings and the Statues of the Greek Gods. Exhibition Place and its green space are part of the exceptional beauty of Toronto.

In conclusion, we would like to reference a piece on the privatization of public space published in the British Guardian last year, written by Bradley L. Garrett who is an urban geographer. He concludes that **"we should start systematically mapping out and using these public spaces to raise awareness about what we have – before we lose it"**.

***The Communication below was distributed to the Board at its December 4<sup>th</sup> meeting and is attached for the Board's information***

October 23, 2015  
Board of Governors  
Exhibition Place

Good Morning.

I am here as a member of the South Parkdale Neighbourhood Group. I live just north of the Dufferin Gate. As you may already know, we have, as a group, worked to create two petitions to close Muzik; one on line (245 signatures) and one door to door (90 signatures) which were presented to City Council on September 30<sup>th</sup>. I brought copies of both petitions for the Board of Governors. We would like you to understand that our neighbourhood has family homes, apartments, group homes and seniors facilities that live in a wonderful, cohesive community bordering the CNE.

You are probably asking why we did this. Our neighbourhood believes that Exhibition Place and the Board of Governors seem to forget that the Canadian National Exhibition grounds are part of an old Toronto neighbourhood. We have families who are third and fourth generation residents in family homes. Many, like myself, have lived in the neighbourhood from 20 to 35 years.

We love living here. When you buy a house or move into an apartment, you hopefully have researched the neighbourhood and appreciate the community events that happen in your back yard. That is what the CNE was considered, our back yard. It had beautiful architecture and a wonderful park near the lake. There were fun-filled events that brought people and music and festivities to the grounds. As a neighbourhood, we accepted and lived with the excitement. Yes, on occasion, there have been incidents but not on a regular basis. Also, by midnight events closed and people went home.

Since Muzik moved in, the grounds have changed. Muzik was presented to us by David Miller's councillors, as a transparent venue. We would still be able to appreciate the Horticultural Building and the statues of the Greek Gods. We would have the park and clear access to Lake Ontario. Slowly, over the years, Muzik took over the corner. As neighbours we were stunned. How did this happen? Who gave permission for the fences, the pools and the rowdy guests.

In our petitions, we list the issues that we have with Muzik's operation. In summary they are:

1. preventing Torontonians from enjoying the "Garden of the Greek Gods".
2. creating a dangerous environment, with drunken and/or drug using patrons roaming around the EX grounds and violating nearby neighbourhoods.
3. presenting unacceptable risks of criminal activity which include assaults and murders some of which are currently being investigated by the Toronto Police Services.
4. risking the safety of Torontonians living near and/or visiting Exhibition Place.

In our petition we have requested:

1. the cancellation of Muzik's lease,
2. restoring the use of the Horticultural Building as a site for family activities,
3. revoking the liquor license for Muzik Clubs Inc.,
4. restoring calm for the neighbourhoods bordering the grounds where Muzik is located,
5. preventing the approval of a facility that can risk violence and death to those frequenting Exhibition Place, and
6. restoring the beautiful architecture and landscape of the grounds.

The western part of the CNE was considered a family area. There is the playground, the outdoor basketball courts, the outdoor children's water pool and Medieval Times. Liberty Grand hosts many weddings and private events that seem to be well controlled. The Raptors practice facility offers youth who are interested in learning and practicing the sport a great venue.

How does Muzik fit in to the family based, community model of these venues?

We recommend the closure of Muzik, the restoration of the Horticultural Building, community access to the statues of the Greek Gods and the ability to appreciate the beautiful park.

Please do not forget the safety of our neighbourhood and, the possible consequences that venues may have on our community when you are discussing future events at Exhibition Place.

Thanks you for your time.

May 12, 2016

LORNA TOMASSONI [tomassoni8395@rogers.com](mailto:tomassoni8395@rogers.com)

Priscilla McLellan <[priscilla.mclellan@gmail.com](mailto:priscilla.mclellan@gmail.com)>; lauritta.santarossa@bell.net; James Town <[james@parkdalehandydude.com](mailto:james@parkdalehandydude.com)>; Lavonne McCumber Eals <[mceals@sympatico.ca](mailto:mceals@sympatico.ca)>; Albert Caires <[u9coach@rogers.com](mailto:u9coach@rogers.com)>; roger.riendeau@utoronto.ca; Debbie Crowe <[dcrowe@strype.ca](mailto:dcrowe@strype.ca)>; sean.snow@rbc.com; Catherine Holliday <[catherine.holliday@utoronto.ca](mailto:catherine.holliday@utoronto.ca)>; Peter & Diane Siroishka <[laopi@sympatico.ca](mailto:laopi@sympatico.ca)>; Mukesh Prada <[mukesh3434@hotmail.com](mailto:mukesh3434@hotmail.com)>; Corey Doan <[coreydoan@hotmail.com](mailto:coreydoan@hotmail.com)>; diane nasadiuk <[dnasadiuk@rogers.com](mailto:dnasadiuk@rogers.com)>; Natasha Fahel <[natashafahel@gmail.com](mailto:natashafahel@gmail.com)>; Frank Martins <[rinteriorshome@gmail.com](mailto:rinteriorshome@gmail.com)>; Steven Li <[steven.li@rci.rogers.com](mailto:steven.li@rci.rogers.com)>; Dennis Wilson <[dennisgwilson@yahoo.com](mailto:dennisgwilson@yahoo.com)>; Brenda Ford <[brendacford@icloud.com](mailto:brendacford@icloud.com)>; mathy.varathan@gmail.com; Gaston Cufre <[gcufre@gmail.com](mailto:gcufre@gmail.com)>; Jennifer Lee <[jenniferlee24@gmail.com](mailto:jenniferlee24@gmail.com)>; Richard Gislason <[rgisee@gmail.com](mailto:rgisee@gmail.com)>; Krista Firth <[kristafirth@gmail.com](mailto:kristafirth@gmail.com)>; Subhash (Roy) Roi <[subhash\\_roy@hotmail.com](mailto:subhash_roy@hotmail.com)>; Andre Adams <[andreadams1@yahoo.com](mailto:andreadams1@yahoo.com)>; David Nicholson <[davidnicholson@sympatico.ca](mailto:davidnicholson@sympatico.ca)>; Randy Smith <[randy@visuallysound.biz](mailto:randy@visuallysound.biz)>; Greg Barry <[barry.greg@gmail.com](mailto:barry.greg@gmail.com)>; Jacob Karsemeyer <[jkarsemeyer@gmail.com](mailto:jkarsemeyer@gmail.com)>; David Boyle <[samndave@pathcom.com](mailto:samndave@pathcom.com)>; Melissa Sheppard <[melissa.content@gmail.com](mailto:melissa.content@gmail.com)>; Brent Ferris <[brent.ferris@me.com](mailto:brent.ferris@me.com)>; Luba Ferris <[lubaferris@gmail.com](mailto:lubaferris@gmail.com)>; Michelle Comma <[michcomma@yahoo.ca](mailto:michcomma@yahoo.ca)>; Anvie Nguyen <[anvie16@hotmail.com](mailto:anvie16@hotmail.com)>; Craig Fleming <[planetofcraig@gmail.com](mailto:planetofcraig@gmail.com)>; Stephanie Jamieson <[stefjamies@aol.com](mailto:stefjamies@aol.com)>; Gloria Holmes <[gloriah\\_p@hotmail.com](mailto:gloriah_p@hotmail.com)>; Gwen Chalmers <[chalmers.gwendolyn@gmail.com](mailto:chalmers.gwendolyn@gmail.com)>; Natasha Priest <[natashapriest@sympatico.ca](mailto:natashapriest@sympatico.ca)>; Nicholas Hryciw <[hryciw@teksavvy.com](mailto:hryciw@teksavvy.com)>; Gaby Thatcher <[gabythatcher@gmail.com](mailto:gabythatcher@gmail.com)>; Ashley Sheosanker <[aashiqui.devi5@gmail.com](mailto:aashiqui.devi5@gmail.com)>; Lee Clarke <[yaihearya@yahoo.ca](mailto:yaihearya@yahoo.ca)>; Janice Gricken <[janicegricken@gmail.com](mailto:janicegricken@gmail.com)>; Bob McKitrick <[rmckitrick@hotmail.com](mailto:rmckitrick@hotmail.com)>; jean scaglioni <[louscagca@yahoo.ca](mailto:louscagca@yahoo.ca)>; Barbara Ernst <[barbara.ernst@rogers.com](mailto:barbara.ernst@rogers.com)>; John Scalena <[scalena@rogers.com](mailto:scalena@rogers.com)>; Joanna Tobin <[j195914@hotmail.com](mailto:j195914@hotmail.com)>; Councillor Perks <[councillor\\_perks@toronto.ca](mailto:councillor_perks@toronto.ca)>

Subject: Business Committee - Muzik Lease Extension

### **Muzik Lease Extension**

Once again, we are please for the opportunity to continue to add the residents' voice to the discussion on the lease extension and the changes to Muzik. We have repeatedly expressed our concerns about the problematic issues that have been associated with the current tenant including the safety of visitors to the site, the protection of the Horticultural Building and the Statues of the Greek Gods, and the degradation of the Park and Open Space areas.

We are very concerned about the changes to Exhibition Place initiated by a tenant who, as we have heard, has not adhered to its original lease. Our understanding, from the research that we have done, is that Exhibition Place approved initiatives after Muzik made changes, without prior approval and, without appropriate assessment. From our perspective, this doesn't demonstrate adherence to the stated Strategic Plan.

After reviewing the 2014-2016 Strategic Plan of Exhibition Place, we question how Muzik's operation justifies their plan for business expansion? If governance is considered important in the strategic plan, how has Muzik demonstrated respect for community open/green space and, visitor safety?

From the Strategic Plan we learned that:

The western portion of Exhibition Place is landscaped public spaces and heritage buildings used largely for recreational and entertainment activities. The grounds are considered important green space for neighbourhoods to the west of the downtown core.

Exhibition Place is committed to exemplifying environmental responsibility in all its undertakings and, has made significant investments in innovative green technologies. The grounds of Exhibition Place, which are a public asset, are free and open to the public for community enjoyment.

As a local board of the City of Toronto, Exhibition Place fosters and promotes business stimulation that generate positive economic impacts and benefits by supporting public celebrations, by investing, demonstrating and promoting innovation in environmental sustainability, by protecting, revitalizing and enhancing historically significant public assets and parkland while maintaining long-term financial stability. The Exhibition Place philosophy demonstrates:

1. honesty, integrity and belief in people,
2. an environment that contributes to the success of customers and tenants,
3. working together for a common purpose ,
4. a commitment to ongoing improvement by anticipating and exceeding needs as they evolve and ,
5. promoting environmental sustainability by caring and preserving the future of facilities and assets

The Strategic Plan also references the north edge of Exhibition Place as a gateway to the neighbourhoods to the north. According to the Strategic Plan, in making plans for the future, Exhibition Place must consider how it can offer more to the surrounding communities, as it increasingly becomes their city park space. So, once again, we would like to ask, how does Exhibition Place justify:

- allowing tall fences to overtake the Park and Open Space surrounding Muzik,
- outdoor trailers to obscure the Statues of the Greek Gods,
- permitting the fences from allowing the public to appreciate the Horticultural Building which is a heritage and historical site, and
- maintaining the neighbourhoods concern about the police investigations of the assault charges and murders at Muzik which, during operation hours, can impact the safety of the neighbourhood and, visitors to the west end of the park.

The South Parkdale Neighbourhood Group would like the Business Committee to know that we are fine with, and accustomed to, public events at Exhibition Place. What we don't want, in our backyard, is gun violence, sanctioned disregard for public property and historical works of art, abuse and destruction of parkland, lack of proper security and, venues with unsafe working conditions .

Based on our concerns as citizens of Toronto, we continue to ask for the discontinuation of Muzik's operation at Exhibition Place. With this, we will restore the beauty of the Horticultural Building, appreciate the beautiful Statues of the Greek Gods and, have park and open space for the visitors to Exhibition Place.

We would like the Business Committee to recognize that Exhibition Place has a responsibility to ensure that tenants, like Muzik, maintain the historical and heritage value of the site, which is a federally registered Canadian historical landmark. As a neighbourhood of Exhibition Place, we ask why has Muzik received preferential treatment?

*We would like the Business Committee and members of the Board of Governors to remember the Canadian National Exhibition that they visited as a child. It was a beautiful park with fountains and flowers. It had recreational areas like baseball and basketball for youth. It had a playground for children. It was a great place to walk and have picnics. The grounds had events that were enjoyable for all, including the CNE Ex at the end of your summer vacation.*

*The pictures below show what is seen now when entering Exhibition Place from the west end. It is probably not what you remember it to be. The trailers, not only restrict the view of the Horticultural Building and the Statues of the Greek Gods, but also take up the green space appreciated by visitors to the grounds. Is this the Exhibition Place the Board of Governors wants to give the people of Toronto?*

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