This Communication relates to Report No. 20 entitled “Official Plan Amendment for Exhibition Place on the Board’s Agenda for September 4, 2015

Tuesday, September 1, 2015

To: The Board of Governors of Exhibition Place

From: Nick Di Donato
President & CEO, Liberty Entertainment Group

CC: Diane Young
Chief Executive Officer, Exhibition Place

Re: Official Plan Amendment for Exhibition Place

In response to the recent request by Exhibition Place to the Board of Governors of Exhibition Place to pursue an amendment to the Official Plan for buildings within the lands designated Parks/Open Space on Exhibition Place grounds; the Liberty Grand and Liberty Entertainment Group offers this letter in support of this request and respectfully requests the Board of Governors of Exhibition Place pursue this course of action.

The specific amendment to the Official Plan that the Liberty Grand and Liberty Entertainment Group supports is the re-designation of Parks/Open Space at Exhibition Place which currently prohibits leases for building on these lands in excess of 21 years.

The Liberty Grand strongly supports the request by Exhibition Place to have buildings within the lands currently designated Parks/Open Space on Exhibition Place grounds, re-designated as Regeneration space/area or any kind of re-designation that would permit for a lease term of more than 21 years.

As a long standing tenant of Exhibition Place, the Liberty Grand and Liberty Entertainment Group has spent significant capital investment on our leased property over the past 16 years. These capital investments represent not only the initial renovation and rebuild of the interior of the facility, but the monthly and annual capital investments necessary in order to maintain and keep current the Liberty Grand in an ever competitive special event venue market such as the Greater Toronto Area.

Many of these capital investments, particularly towards the latter term of a lease, cannot be amortized over a short number of years. As an independent business group willing to spend and invest millions of dollars on annual capital improvements on our leased property, it is imperative that the length of lease terms allow our company to realize the benefit of those investments and upgrades to the building. Otherwise, further and future capital investments will need to be dictated by the remaining terms of the lease agreement which would restrict the amount of capital investment the Liberty Grand and Liberty Entertainment Group can commit to the facility while remaining financially viable.
The re-designation of buildings such as the Liberty Grand from Parks/Open Space to Regeneration space/area, or any kind of re-designation that would permit for a lease term of more than 21 years, would allow the Liberty Grand and Liberty Entertainment Group to continue to contribute significant capital investment and facility improvements.

Currently the Liberty Grand requires significant capital investment to replace the majority of its heating & air conditioning units as well as repairs to an ever aging roof. These repairs and investments cannot be completed without an extended lease that allows for these significant costs to be amortized over more than 21 years.

The Liberty Grand and Liberty Entertainment Group fully support this Exhibition Place initiative. We further and respectfully request that the Board of Governors of Exhibition Place pursue this course of action so that our company, and other tenants, can continue to invest in the future of our facilities and buildings here at Exhibition Place.

Sincerely,

Nick Di Donato B.A.Sc.,P.Eng.
President & CEO
Liberty Entertainment Group