

CASA LOMA CORPORATION

May 5, 2017

Mr. Peter Wallace
City Manager
City of Toronto
100 Queen St. W. 11 East
Toronto, Ontario
M5H 2N2

RE: Casa Loma Corporation 2016 Audited Financial Statements and Annual Report

The Casa Loma Corporation (CLC) Board of Directors is pleased to submit the 2016 Audited Financial Statements, 2016 achievements and future plans.

The Board was created by City Council in July, 2011 for the purpose of managing the operations of Casa Loma on an interim basis until its future ownership and management direction could be determined. In addition to the day-to-day operations, the Board was charged with evaluating future options for Casa Loma.

The Board successfully operated Casa Loma as a heritage attraction and events venue until January, 2014 when with City Council approval and following a REOI process, the Liberty Entertainment Group (LEG) assumed responsibility for site operations on the basis of a 20-year lease that was negotiated for the improvement and operation of the property. Rent payments commenced in July, 2014 and have, consistent with the terms of the lease agreement, continued throughout 2016.

In 2016, LEG demonstrated an ongoing commitment to enhancing programming at the site, building new audiences, expanding their events business and continuing marketing and public relations activities as well as investing in the property. Plans for the development of a restaurant within the main building at Casa Loma are well advanced and have been carried out in consultation with relevant City staff. It is expected that the restaurant will open to the public in 2017.

From a capital investment perspective, in 2016, Economic Development and Culture staff successfully oversaw capital work related to the structural restoration of Casa Loma. Major capital projects will continue to be undertaken to rehabilitate the site in 2017 and beyond.

When the terms of the lease agreement for the Main Campus of Casa Loma were approved by City Council in November, 2013, the Board was also directed to assess alternatives for the future of the North Campus of Casa Loma. Consistent with this direction, a public meeting was held in February, 2015 and a REOI process was conducted. One submission from the Liberty Entertainment Group qualified through the evaluation process which was overseen by a Fairness Monitor.

Negotiations related to the North Campus were begun in 2015, but were suspended temporarily given the need for LEG to prioritize the ongoing work at the main building. Negotiations recently resumed and it is hoped that they can be concluded by mid-2017 and a report presented to Council with recommendations related to the future of the property.

Day to day management of the ongoing relationship with LEG continues to be the responsibility of the Director of Museums and Heritage Services, Economic Development and Culture, Mr. Larry Ostola, a member of the Board of the Casa Loma Corporation.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Michael H. Williams".

Michael H. Williams
Chair

Members of the Board

Larry Ostola
Josie Scioli

Michael St. Amant
Dianne Young