



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Agreement with Toronto Event Centre Inc.

Date: May 30, 2019
To: Board of Governors of Exhibition Place
From: Dianne Young, Chief Executive Officer
Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report is about a position, plan or instruction to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto (the "City") and The Board of Governors of Exhibition Place (the "Board").

SUMMARY

The Board and Muzik Clubs Inc. ("Muzik") entered into a lease dated February 16, 2004, for premises consisting of the Horticultural Building and a surrounding patio area which lease was subsequently assigned by Muzik to Toronto Event Centre Inc. (the "Tenant") on April 27, 2017, and which expires on February 15, 2024 (the "TEC Lease"). This report recommends that the Board approve entering an Agreement with the Tenant respecting Article 4 of the TEC Lease, on the terms set out in Confidential Attachment 1 (the "Agreement"). If the Board approves the Agreement, the approval of the City would also be required.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. Subject to obtaining the necessary City of Toronto authorization, the Board approve an Agreement with the Toronto Event Centre Inc. respecting Article 4 of the Toronto Event Centre Lease, substantially on the terms and conditions set out in Confidential Attachment 1, and any such other terms and conditions deemed appropriate by the Deputy City Manager, Corporate Services (the "DCM"), the Chief Executive Officer of the Board (the "CEO") and in a form satisfactory to the City Solicitor.

2. The Board authorize the Chief Executive Officer to request the necessary City of Toronto authorities to approve the Agreement with the Toronto Event Centre Inc.
3. The Board direct the CEO to report back to the Board at its meeting on September 19, 2019, on compliance with the Agreement with the Toronto Event Centre Inc.
4. The Board direct that Confidential Attachment 1 to this report remain confidential in its entirety and not be released publicly as this report is about a position, plan or instruction to be applied to negotiations carried on or to be carried on by or on behalf of the Board and the City.

FINANCIAL IMPACT

The financial implications resulting from this report are provided in the Confidential Attachment 1.

DECISION HISTORY

The Exhibition Place 2017 to 2019 Strategic Plan has a Financial Goal to maintain a positive financial performance across Exhibition Place and all its businesses and as a Strategy to support this Goal to ensure operating results meet or show positive revenue surplus or positive under expenditure to budget.

At its meeting dated June 12, 2003, the Board approved entering into the Lease with Muzik for a term of twenty (20) years which report was subsequently approved by City Council at its meeting of June 24, 25 and 26, 2003.

COMMENTS

The term of the TEC Lease commenced on February 16, 2004 and is set to expire on February 15, 2024. During the first two years of the TEC Lease, the Tenant carried out substantial renovations to the former Horticulture Building and formally opened for business on February 16, 2006 as a high-end night club venue. In 2013, the Tenant then undertook approximately \$5.0M of upgrades to develop a patio / pool venue around the indoor premises. More recently as noted above, the Tenant rebranded from the Muzik Night Club to the Toronto Event Centre and expanded the operations to include marketing to corporate events. In 2018, the Tenant again undertook interior renovations to support the added entertainment offering as a "supper club" and launched and promoted this new brand in late 2018.

This report is recommending an Agreement with the Tenant to allow the Tenant an opportunity to develop the new entertainment direction. The terms and conditions of the Agreement proposed are outlined in Confidential Attachment 1.

CONTACT

Hardat Persaud, Chief Financial Officer & Corporate Secretary, 416-263-3031,
hpersaud@explace.on.ca

Gilles Bouchard, Director, Event Management Services, Tel. 416-263-3060,
gbouchard@explace.on.ca

SIGNATURE

Dianne Young
Chief Executive Officer

ATTACHMENTS

Confidential Attachment 1 - Terms & Conditions of Agreement