



## REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

### Agreement with Toronto Event Centre Inc.

**Date:** September 5, 2019  
**To:** Board of Governors of Exhibition Place  
**From:** Don Boyle, Chief Executive Officer  
**Wards:** All

#### REASON FOR CONFIDENTIAL INFORMATION

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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

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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").

At its meeting of June 13, 2019 the Board approved of entering into an Agreement with the Tenant respecting Article 4 of the TEC Lease, subject to obtaining the necessary City of Toronto authorization on the terms set out in Confidential Attachment 1 (the "Agreement"). The Board also directed the Chief Executive Officer of the Board (the "CEO") to report back on the Tenant's compliance with the Agreement.

This report contains the report back on the Tenant's compliance with the Agreement and certain confidential instructions to Exhibition Place staff.

#### RECOMMENDATIONS

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The Chief Executive Officer recommends that:

1. The Board adopt the confidential instructions to staff in Confidential Attachment 1.

2. 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**

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

## **DECISION HISTORY**

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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 a 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.

At its meeting of June 13, 2019 the Board, subject to obtaining the necessary City of Toronto authorization, approved the Agreement respecting Article 4 of the TEC Lease, substantially on the terms and conditions set out in Confidential Attachment 1 to the report (May 30, 2019) from the CEO, and any such other terms and conditions deemed appropriate by the Deputy City Manager, Corporate Services (the "DCM"), and the CEO and in a form satisfactory to the City Solicitor.

In addition, at its meeting of June 13, 2019, the Board directed the CEO to report back to the Board on the compliance with the Agreement.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EP3.23>

## **COMMENTS**

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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.

The Board decision of June 13, 2019 was to enter into an Agreement with the Tenant to allow the Tenant an opportunity to develop the new entertainment direction. This report from the CEO, as directed by the Board on June 13, 2019, is to report back on compliance with the Agreement by the Tenant. Inc. and to recommend adoption of certain confidential instructions to staff as set out in Confidential Attachment 1.

## **CONTACT**

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## **SIGNATURE**

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Don Boyle  
Chief Executive Officer

## **ATTACHMENTS**

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Confidential Attachment 1