



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Toronto Fashion Incubator Lease

Date: September 5, 2019

To: Board of Governors of Exhibition Place

From: Don Boyle, Chief Executive Officer

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

This report deals with a proposed or pending acquisition or disposition of land by the City and the Board.

SUMMARY

The Board and Toronto Centre for the Promotion of Fashion Design, carrying on business as Toronto Fashion Incubator (TFI) (the "Tenant"), entered into a lease of the Music Building at 285 Manitoba Drive dated June 15, 2016, which expires on December 14, 2019 (the "Existing Lease").

Pursuant to Section 3.2 of the Existing Lease, the Tenant surrendered the portion of the Music Building known as Pod 1 from the Leased Property, effective December 14, 2016.

The Tenant is requesting a 4 year extension of the Existing Lease with respect to Pods 2 and 3 of the Music Building, commencing December 15, 2019 and concluding December 14, 2023.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. Subject to obtaining the necessary City of Toronto authorization, the Board approve a new lease (the "Lease") between the City of Toronto, as landlord (the "Landlord"), Toronto Fashion Incubator, (TFI) as tenant (the "Tenant") and the Board, for a term of four (4) years commencing December 15, 2019 and ending December 14, 2023, substantially on the terms and conditions set out in Appendix "A" and Confidential Attachment 1 and 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 CEO to request the necessary City of Toronto authorities to approve and enter into the Lease.

3. The Board direct that Confidential Attachment 1 to this report remain confidential in its entirety and not be released publicly as it pertains a proposed or pending acquisition or disposition of land by the City and the Board.

FINANCIAL IMPACT

It is estimated that the positive financial implications of the proposed Lease for Base Rent over its full term, if extended, will be \$217,293 as outlined in Confidential Attachment 1.

DECISION HISTORY

The 2017 - 2019 Strategic Plan has a Business Development goal to grow event activity and maintain strong relationships with existing clients and identify areas for revenue enhancements.

At its meeting on June 10, 2016 the Board approved entering into a lease with the Tenant for a term of three (3) years commencing June 15, 2016 and concluding December 14, 2019.

<https://www.explace.on.ca/files/file/58c6a795cecfb/Item-14-TFI-Lease-Combined.pdf>

COMMENTS

TFI is a non-profit small business centre which has been dedicated to supporting fashion entrepreneurs in Toronto for over 30 years. TFI has successfully operated within 285 Manitoba Drive since 2007 and attracts thousands of visitors annually.

TFI has been a tenant since 2007. TFI has, through over the last 11 years (2009 to 2019) of its tenancy at Exhibition Place contributed approximately \$827,000 to Exhibition Place in rent, utilities, property tax, maintenance, and other related services, not including the parking revenue derived from its visitors and guests. TFI invested \$150,000 in leasehold improvements which monies were received as a grant from Ontario Trillium Foundation.

TFI's tenancy has been very positive and certainly compatible with other operations and events on the grounds.

Attached as Appendix A to this report are the proposed terms and conditions of the new Lease. Appendix B shows the site location and floor plan. Confidential Attachment #1 attached to this report provides further details of the financial analysis of the Lease.

CONTACT

Laura Purdy, Acting General Manager, Sales and Event Management, Tel. 416-263-3020, LPurdy@explace.on.ca

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

SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS

Appendix A - Terms and Conditions of Lease Agreement

Appendix B - Site Location and Floor Plan

Confidential Attachment #1 - Financial Analysis