

REPORT FOR ACTION

Amendment to Fountainblu Lease Renewal for the Fountain Dining Room

Date: September 15, 2021

To: Board of Governors of Exhibition Place

From: Don Boyle, Chief Executive Officer

Wards: All

SUMMARY

The Board and 16730801 Ontario Ltd. (the "Tenant") entered into a lease for the Fountain Dining Room ("FDR"), being part of the Queen Elizabeth complex, dated November 1, 2010, which expires on April 30, 2020. Fountainblu is formerly known as the Fountain Dining Room.

At its meeting of September 19, 2019 the Board approved a new lease between the City of Toronto as Landlord and the Tenant for a term of ten (10) years commencing May 1, 2020 and ending April 30, 2030.

The Tenant on January 9, 2020 wrote to the CEO of Exhibition Place requesting a term of twenty (20) years expiring April 30, 2040, instead of the ten (10) years, which was approved by the Board on February 11, 2020.

The Tenant on April 12, 2021 wrote to the CEO of Exhibition Place requesting an amendment to the Permitted Use clause in the Lease to allow for use as a banquet facility, which is already permitted, **and to add a new permitted use as a private event/function space**, with the ability to offer both banquet and food and beverage events.

This report recommends that the Board subject to obtaining the necessary City of Toronto authorization approve the amendment.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. Subject to obtaining the necessary City of Toronto authorization, the Board approve the amendment to the permitted use clause (Section 5.1) of the lease dated May 1, 2020 (the "Lease") for the Fountain Dining Room between the City of Toronto, as landlord (the "Landlord"), 16730801 Ontario Ltd., as tenant (the "Tenant"), and The Board of Governors of Exhibition Place, substantially on the terms and conditions set out in Appendix "A" and such other terms and conditions deemed appropriate by the Deputy City Manager, Corporate Services (the "DCM"), the Chief Executive Officer, Exhibition Place (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 the amendment for the new Lease.

FINANCIAL IMPACT

There is no financial implications from the adoption of this report.

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 July 23, 2010 the Board approved entering into a lease with the Tenant for the FDR for a term of 9 years 6 months commencing November 1, 2010 and concluding April 30, 2020.

<https://www.explace.on.ca/files/file/58c6c8f95c0d0/Item-20-FDR-Lease-Bus-Dev-to-BOG.pdf>

At its meeting of September 19, 2019, the Board approved a new Lease for the FDR for a term of ten (10) years commencing May 1, 2020 and ending April 20, 2030.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EP6.14>

At its meeting of February 11, 2020, the Board approved subject to obtaining the necessary City of Toronto authorization, a new lease (the Lease) for the Fountain Dining Room for a term of ten (10) years commencing May 1, 2020 and ending April 30, 2030, with an option to extend the Lease in favour of the Tenant for a further term of ten (10) years from May 1, 2030 to April 30, 2040.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EP9.10>

COMMENTS

Attached as Appendix A is the proposed amendment to the New Lease. The proposed amendment is as follows:

- Currently, the leased premises is be used principally as a banquet facility. The amendment will allow the Tenant the ability to also use the space as a private event/function space. Given the challenges faced by the Tenant in using the FDR as a banquet facility during the COVID-19 pandemic, Exhibition Place staff is supportive of the proposed amendment.

Renovations Completed

Since the Tenant took possession of the Fountain Dining Room, the Tenant has undertaken renovations in the leased premises as follows:

- Invested approximately \$800,000 for upgraded washroom facilities, bar area, kitchen equipment, and upgrades to the entrance/foyer.

Proposed Renovations

The Tenant has committed to upgrade the Fountain Dining Room for \$450,000 within the first year of the Lease.

- Upgrade the washroom fixtures
- Upgrading the front lobby / entrance
- Refurbishing the kitchen / bar area

CONTACT

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SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS

Appendix A - Amendment to Lease