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Dear Mr. Elvidge,

## **Administrative Inquiry Re Casa Loma's North of Austin Terrace Site**

I am submitting this administrative inquiry under Municipal Code S27-61 to seek information regarding the operation of Casa Loma, specifically the North of Austin Terrace site. Given that the tenant started work in preparation for "Michelin star fine dining" restaurant in the subject site, questions have been raised as to whether City Staff are enforcing the applicant's obligations under the lease agreement with the City.

Since being selected as the operator of Casa Loma, the Liberty Entertainment Group has unquestionably revitalized the heritage site. The site now has upgraded facilities, a new restaurant, and signature events.

The item at Council that awarded the RFP to Liberty in 2013 was EX 35.2 - *Casa Loma Request for Proposals - Operator for Main House and Grounds*. The Staff Recommendations for the item clearly delineated the North of Austin Terrace as a separate entity, intended for a different use and/or operator:

- 6. City Council request that the Casa Loma Corporation review options for the north portion of the Casa Loma complex, including consideration of issuance of an Request for Expressions of Interest, and in doing so:**
- a. identify a vision and uses for the north portion of the Casa Loma complex;
  - b. ensure the vision and uses proposed are complimentary to the heritage, tourism and event uses at the Main House and Grounds;
  - c. preclude the sale of City owned lands; and
  - d. provide that the review process includes significant community and key stakeholder consultation.

Nine years later and there still does not appear to be any significant movement by City Staff on this Council direction. That's why it was particularly concerning when community members made my office aware of significant work taking place on the site in preparation for a private restaurant, without notice, permission, or consultation.

While the construction was halted, only due to my office's intervention, Staff informed me in a November 2021 meeting that the restaurant was allowed in the lease and reiterated the same in a February 23<sup>rd</sup>, 2022 meeting with interested residents. This

statement ran counter to advice I had received from Staff in the spring of 2021, and is inconsistent with the Operating Agreement, which specifies that the entirety of the North of Austin Terrace site, including the tunnel, potting shed, garage, stables and grounds "...will continue to be included in the Heritage Attraction Offering". The community and I have yet to receive an explanation for this discrepancy.

Moreover, unlike the Main House of Casa Loma, the North of Austin Terrace site is not subject to the revenue sharing agreement with the City. It is of great concern that this push to privatize the space would not have even benefitted the public financially.

Of further concern is the disregard of the tenant's obligation to hold public meetings. The lease agreement states that the "Tenant acknowledges that Casa Loma and its operation are matters of importance to City of Toronto residents. The Tenant agrees to hold at least one (1) community input session every year to permit neighbours and other interested citizens to comment on Casa Loma operations." Yet, these annual community input sessions do not appear to have occurred.

Casa Loma is owned by Toronto residents. The City has a responsibility to ensure that it is operated in the public interest with full transparency. The North of Austin Terrace site, in particular, was meant to be a site that showcased our history and helped tell Toronto's story. The push to privatize this space is concerning and warrants answers to the following questions:

1. What guidance, instruction, or communication with respect to uses of the North of Austin Terrace did Staff provide to Liberty Entertainment group from 2020-2022?
2. What advice or information was Staff relying on when they told the local Councillor and, subsequently, local residents that the lease allowed for a restaurant in the North of Austin Terrace site?
3. Can the minutes and any associated materials including, but not limited to, presentations, handouts, and proposals from the Casa Loma Corporation Boards September 28<sup>th</sup> meeting regarding the item "North Campus Lease negotiations" be made public in the response from the City Manager?
4. Has a Request for Expressions of Interest regarding the future of the North of Austin Terrace been issued?
5. Has the tenant fulfilled their obligation to hold annual public meetings?
6. Has the tenant made the agreed-upon \$7.2 million capital upgrade investment?
7. What rent (base + percentage, if applicable) has the tenant paid the City in each year since assuming operating control of Casa Loma, including participation rents from museum admission and the restaurant?

Sincerely,

Councillor Josh Matlow  
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