

Lease of West Annex Office Space

Date: April 10, 2025
To: The Board of Governors of Exhibition Place
From: Don Boyle, Chief Executive Officer
Wards: Ward 10 Spadina-Fort York

REASON FOR CONFIDENTIAL INFORMATION

This report deals with a proposed or pending acquisition or disposition of land by the City of Toronto and The Board of Governors of Exhibition Place.

SUMMARY

By a lease dated July 6, 2013 between the Board, as landlord, and Maple Leaf Sports & Entertainment Partnership (the "Tenant"), as extended by a Lease Extension Agreement dated July 1, 2017, the Tenant has occupied certain office premises on the second floor of the West Annex of the Enercare Centre. This lease is currently in overhold.

This report recommends that, subject to obtaining the necessary City approvals, The Board of Governors of Exhibition Place (the "Board") enter a new ten (10) year and eleven (11) month lease for the above premises with the City of Toronto, as landlord, and the Tenant, commencing August 1, 2024, and ending on June 30, 2035 (the "Lease"). The Lease will be coterminous with the sublease between BPC Coliseum Inc. and the Tenant dated June 16, 2005, as amended and extended by a Sublease Extension and Amending Agreement dated July 1, 2025 (collectively, the "Sublease"), and consented to by the City and the Board, as head landlord.

The Lease will contain an option to extend the term for a further ten (10) years, to June 30, 2045, contingent upon the Tenant exercising its corresponding option to extend the Sublease and will be substantially on the terms and conditions in Appendix A.

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 "City"), Maple Leaf Sports & Entertainment Partnership, as tenant, and the Board, for a term of ten (10) years and eleven (11) months commencing August 1, 2024 and ending June 30, 2035, with an option to extend the term for a further ten (10) years expiring June 30, 2045, contingent on the tenant exercising its corresponding option to extend the sublease of the premises at the Coca Cola Coliseum, for the premises set out in Appendix "B" and substantially on the terms and conditions set out in Appendix "A" and Confidential Attachment 1, and such other and amended terms and conditions deemed appropriate by the City's approving authority and 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 authorities to approve and enter into the Lease.
3. The Board direct that the confidential information contained in Confidential Attachment 1 to this report remain confidential, as this report deals with a proposed or pending acquisition or disposition of land by the City and the Board.

FINANCIAL IMPACT

The proposed Lease provides positive cash contribution to the Board in Basic Rent over the ten (10) years and eleven (11) month term, plus Basic Rent to be negotiated at then fair market value if the tenant exercises its option to extend. The annual property taxes currently paid to the City is approximately \$23,418.

In addition, the Tenant will be responsible for utilities, property tax, all repairs and maintenance, and insurance, as in the Tenant's previous lease of these premises.

DECISION HISTORY

The Exhibition Place 2022-2026 Strategic Plan has a goal to solidify Exhibition Place's position as a leading convention and event space. In order to do so, Exhibition Place aims to develop leasing/licensing strategies and investments within the grounds that will complement its convention and event offerings.

At its meeting of July 5, 2013, the Board of Governors approved of entering into an lease with the Tenant to expand the Tenant's offices in Coca-Cola Coliseum (formerly Ricoh Coliseum) to include the Upper West Annex.

[https://www.explace.on.ca/files/file/58bee12ce0580/Item-17-MLSEL\(1\).pdf](https://www.explace.on.ca/files/file/58bee12ce0580/Item-17-MLSEL(1).pdf)

At its meeting of December 17, 2017, the Board approved a four (4) year lease extension agreement with the Tenant for the office space located in the Upper West Annex.

<https://secure.toronto.ca/council/agenda-item.do?item=2017.EP7.16>

COMMENTS

Following the \$38.0M upgrade to the Coliseum Arena to become the Ricoh Coliseum in 2003, the Tenant and BPC Coliseum Inc., an affiliate of OMERS, entered into the Sublease, on terms and conditions approved by the Board and City Council (the "RicoH Sublease"). Under the Sublease, the Tenant subleased the arena building and 19,900 square feet on the ground floor within the West Annex building of which 10,863 square feet was to be used as the Tenant's ticketing operation and staff offices.

In 2013, the Board approved of a 4-year lease to the Tenant for use of area on the second floor of the West Annex as office space. As part of this lease the Tenant, at its sole cost, committed \$1.4M of capital expenditures. These expenditures would be a benefit to Exhibition Place and would also result in additional income to the Board as Exhibition Place would own the upgraded renovated space without cost at the end of term. At the end of the initial lease with the Tenant the Board approved a new 4-year lease for the period of January 1, 2017, and expired December 31, 2021.

The existing lease is currently in overhold since December 2021, and this report proposes entering into a new Lease for the premises set out in Appendix "B", on the terms and conditions set out in Appendix "A" and Confidential Attachment 1. The terms and conditions of the Lease were negotiated by staff from Exhibition Place and Corporate Real Estate Management (CREM), with input from Legal Services on legal matters.

CONTACT

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SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS

Appendix "A" - Lease of West Annex Office Space - Terms and Conditions

Appendix "B" - Lease of West Annex Office Space - Site Location and Leased Property

Confidential Attachment 1 - Lease of West Annex Office Space - Financial Terms