

REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Lease Agreement for Bandshell Restaurant (Acqua Dolce Supper Club)

Date: October 17, 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 and the Board of Governors of Exhibition Place (the "Board").

SUMMARY

The Board and 1475530 Ontario Inc. (the "Tenant") entered into a lease dated February 1, 2005, for premises consisting of approximately 5,720 square feet of indoor leasable area, and approximately 4,729 square feet of outdoor patio area immediately adjacent of the building known as the Bandshell Restaurant (the "Leased Property").

The current lease dated 1st of February 2005 is set to expire on December 31, 2025 (the "Existing Lease"). The Tenant submitted a proposal in April 2023 and met with staff from both Exhibition Place and City Corporate Real Estate Management ("CREM") to indicate its desire to continue its relationship with Exhibition Place on the same terms and conditions as the Existing Lease, except where amended as outlined in Appendix A and Confidential Attachment 1 to this report. The proposed new lease will provide a source of revenue over its term.

This report recommends that, subject to obtaining necessary City of Toronto (the "City") approvals, the Board enter into a new ten (10) year lease with the City, as landlord, and the Tenant for the operation of a restaurant at the Leased Property commencing January 1, 2026, and ending on December 31, 2035, substantially on the terms and conditions set out herein. The Lease will contain an option to extend the term for a further five (5) years, to December 31, 2040.

Staff from Exhibition Place and CREM have been in discussions and negotiations with the Tenant since May 2023. CREM engaged its internal valuation group to assist with the fair value negotiations with the Tenant. The proposed rent and other major terms and conditions of the New Agreement are considered to be fair, reasonable, and reflective of market rates.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. Subject to obtaining the necessary City of Toronto authorization, the Board approve a new lease for the Leased Premises at the Bandshell Restaurant (the "Lease") between the City, as landlord, 1475530 Ontario Inc., as tenant, and the Board, for a term of ten (10) years commencing January 1, 2026 and ending December 31 2035, 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 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 direct the Chief Executive Officer to work with the Deputy City Manager, Corporate Services, to seek necessary City approval for the Lease as set out in Recommendation 1.
3. The Board direct that the confidential information contained in Confidential Attachment 1 to this report remain confidential and not be released publicly as this report deals with a proposed or pending acquisition or disposition of land by the City and the Board.

FINANCIAL IMPACT

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

The Lease will provide positive financial revenue to the Board as the Tenant will pay the Board a minimum annual base rent (the "Base Rent") over the 10-year term, which are as set out in Confidential Attachment 1.

Any costs related to capital modifications, permits, insurance, maintenance and repairs, electricity, and property tax will be the sole responsibility of the Tenant. There is no impact to the surrounding parking areas, and as such, no financial impacts to parking operations. Annual revenue generated from the new lease will be reflected and included in the 2026 Budget submission for Exhibition Place and future years accordingly. Given some lingering impact from the Covid-19 pandemic and some Board and City financial constraints/challenges for 2026 and the next few years, the financial benefit from the Lease is important.

DECISION HISTORY

The Exhibition Place 2022 – 2026 Strategic Plan has a goal to Solidify Position as a Leading Convention and Event Space; meaning developing leasing strategies and tenant investments on the grounds that will complement our convention and events offerings.

At its meeting on September 27, 2002, the Board approved entering into a 90-day letter of intent to expire December 27, 2002, with the Tenant. for the Bandshell Restaurant.

At its meeting on January 31, 2003, the Board approved extending the letter of intent with the Tenant and directed the staff to report back to the next meeting of the Board on the result of the due diligence period and to seek approval of any terms and conditions of further agreements.

At its meeting on April 25, 2003, the Board considered the recommendations of the Business Development Committee dated April 15, 2003, and the report from the General Manager & CEO dated April 5, 2003, recommending entering a long-term lease with the Tenant on certain terms and conditions and approved of this report as amended by the Board.

At its meetings on June 24, 25, and 26, 2003, City Council approved of the Board entering into the long-term lease with the Tenant)

<https://www.toronto.ca/legdocs/2003/agendas/council/cc030624/pof5rpt/cl018.pdf>
[\[toronto.ca\]](https://www.toronto.ca/)

The Board, as landlord, entered into the Existing Lease with the Tenant for a term of 20 years commencing February 1, 2005, and expiring on December 31, 2025.

COMMENTS

Background

The Bandshell Restaurant was in built in 1960-1961 to replace the original teahouse building and has an indoor of approximately 5,720 square feet and an outdoor terrace of approximately 4,729 square feet.

The Existing Lease was a result of a public call in 2002 for expressions of interest for the Bandshell Park Redevelopment Opportunity. The Tenant provided the only proposal for the Bandshell Restaurant. Following approval by City Council on June 24, 25 and 26, 2003 the parties negotiated the Existing Lease, which was executed February 1, 2005.

As part of the Existing Lease, the Tenant invested \$600,000 in capital and leasehold improvements and \$250,000 in fixtures at the Leased Property. Renovations were substantially completed by July 2006. After the renovation, the restaurant was reopened by the Tenant as Gossip Restaurant. The Tenant is currently operating the restaurant

under the name Acqua Dolce Supper Club as a restaurant open to the public with reservations Tuesday through Sunday and as a destination for private events and functions.

Exhibition Place to date has enjoyed a productive and amicable 20-year relationship with the Tenant and through this opportunity wishes to continue this mutually valuable relationship. Staff from Exhibition Place and CREM have been in discussions and negotiations with the Tenant since May 2023.

Terms and Conditions of New Lease

Except as amended by the financial and other terms set out in Appendix A and Confidential Attachment 1, the Lease is substantially on the terms and conditions of the Existing Lease.

CONTACT

Hardat Persaud, CFO & Corporate Secretary, 416-263-3031, hpersaud@explace.on.ca

SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS

Appendix A - Material Terms and Conditions of Lease
Confidential Attachment 1 - Financial Terms & Implications