

## **29 Basin Street - Update to Ground Lease Amendments**

**Date:** November 25, 2025

**To:** Executive Committee

**From:** Deputy City Manager, Corporate Services and Deputy City Manager,  
Community and Emergency Services

**Wards:** Ward 14 - Toronto Danforth

### **REASON FOR CONFIDENTIAL INFORMATION**

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The attachment to this report contains information about a position or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the Board of Directors of Toronto Port Lands Company.

### **SUMMARY**

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The purpose of this report is to seek City Council's approval to change certain terms previously approved by Council to amend the Ground Lease between Toronto Port Lands Company (TPLC), legally the Toronto Economic Development Corporation, and Basin Media Studios GP Inc. (the "Tenant") related to the Basin Studios project at 29 and 75 Basin Street. This report has been prepared by staff from the City of Toronto and CreateTO.

The Basin Studios project is an approximately \$300 million, purpose-built, state-of-the-art film, television, and digital media hub in Toronto's Port Lands. The development encompasses over 485,000 square feet of new purpose-built studio and support space, including 12 new sound stages. The project site involves an approximately 8.9-acre property owned by TPLC at 29 Basin Street (the "29 Basin Property") and 5-acre property owned by the Tenant at 75 Basin Street (the "75 Basin Property").

The proposed changes to the Ground Lease amending terms are summarized in Confidential Attachment 1. These changes are requested in response to current and ongoing challenges faced by the project since 2021, which have been exacerbated by a renewed protectionism of the US film industry since the arrival of the second Trump Administration, adding additional uncertainty to the investment environment for new film studio development in Toronto.

CreateTO and City staff are satisfied that the proposed amendments will support the viability of the project in the future and do not introduce any new financial liabilities or risks to the City. The recommendations within this report support the commitments of key City of Toronto strategies that support economic and cultural development, notably the Action Plan for Toronto's Economy, the Action Plan for Culture in Toronto, and the Mayor's Action Plan in Response to US Tariffs.

## **RECOMMENDATIONS**

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The Deputy City Manager, Corporate Services and Deputy City Manager, Community and Emergency Services recommend that:

1. City Council, as shareholder, direct the Toronto Port Lands Company Board of Directors to direct the Chief Executive Officer, CreateTO, to negotiate and execute an amendment to the Ground Lease between the City of Toronto Economic Development Corporation and Basin Media Studios GP Inc., as general partner for and on behalf of Basin Media Studios LP, dated August 29, 2022, as amended, substantially in line with the proposed changes outlined in Confidential Attachment 1 and in a form approved by the Chief Legal Counsel, CreateTO.
2. City Council direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains information about a position, plan, or instruction to be applied to negotiations carried on or to be carried on by or on behalf of the Board of Directors of Toronto Port Lands Company.

## **FINANCIAL IMPACT**

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The estimated financial impact of the adoption of the proposed Ground Lease amendments is provided in Confidential Attachment 1.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as contained in Confidential Attachment 1.

## **DECISION HISTORY**

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At its meeting on December 17 and 18, 2024, City Council adopted EX19.22, authorizing the Board of Directors, Toronto Port Lands to direct the Chief Executive Officer, CreateTO, to negotiate and execute an amendment to the Ground Lease between the City of Toronto Economic Development Corporation and the Studio Developer in line with the proposed changes outlined in the confidential attachment to that report. <https://secure.toronto.ca/council/agenda-item.do?item=2024.EX19.22>

At its meeting on November 13 and 14, 2024, City Council adopted MM23.22, authorizing the conveyance of the on-site parkland at 29 and 75 Basin Street to occur

within 46 months following issuance of the first building permit for the Basin Studios development. <https://secure.toronto.ca/council/agenda-item.do?item=2024.MM23.22>

At its meeting on July 24 and 25, 2024, City Council adopted EC14.1, approving Imagination, Manufacturing, Innovation, and Technology (IMIT) incentives for an application submitted for the Basin Studios project by Hackman Capital Partners (HCP) and CreateTO, amounting to an estimated grant of \$21.6 million over 10-12 years. City Council authorized the General Manager, Economic Development and Culture, to negotiate and execute a Financial Incentive Agreement for the application. <https://secure.toronto.ca/council/agenda-item.do?item=2024.EC14.4>

At its meeting on July 19, 20, 21 and 22, 2022, City Council adopted TE34.14, adopting a City-initiated zoning by-law amendment affecting the Property, providing for additional land uses, and direction to City staff to include funding for the delivery of an 18-metre wide Water's Edge Promenade along the Ship Channel and the Turning Basin adjacent to the Basin Studios and funding for public realm improvements for Basin Street and Bouchette Street in the Port Lands, beyond those that would be secured through the site plan approval process, in their capital budget submission for the 2023-2032 Budget process. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.TE34.14>

At its meeting on November 9, 2021, City Council adopted, with amendments, EX27.12, approving the term sheet with the Preferred Proponent and authorizing Toronto Port Lands Company to execute the term sheet in substantially the form attached to the report, and to execute any lease resulting from the term sheet, provided that such lease is approved by or conditional upon approval by the CreateTO Board of Directors. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX27.12>

At its meeting on April 24, 2018, City Council adopted ED28.4, receiving recommendations put forth in the report Film Studio Capacity Replacement and Future Growth by the General Manager, Economic Development and Culture. This report provided information on film studio infrastructure in the Port Lands and actions to support studio replacement and expansion. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.ED28.4>

At its meeting on March 26 and 27, 2018, City Council adopted ED27.8, requesting the General Manager, Economic Development and Culture, to provide an update report to the Economic Development Committee on the results of the Option for Film Studio Infrastructure report. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.ED27.8>

## COMMENTS

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### Background

The Basin Studios project is an approximately \$300 million, purpose-built, state-of-the-art film, television, and digital media hub in Toronto's Port Lands. The development encompasses over 485,000 square feet of new purpose-built studio and support space, including 12 new sound stages. The project site involves an approximately 8.9-acre

property owned by TPLC at 29 Basin Street and 5-acre property owned by the Tenant at 75 Basin Street.

In 2021, City Council approved the term sheet for the 29 Basin Property and authorized TPLC to execute the term sheet and any lease resulting therefrom conditional on CreateTO Board approval. In 2022, TPLC executed the Ground Lease with the Tenant for the 29 Basin Property, consistent with City Council authority.

The Project has advanced through multiple milestones since 2022, including site plan application submission, issuance of site plan Notice of Approval Conditions, successful presentations to the Waterfront Design Review Panel, and submission/approval of an Imagination, Manufacturing, Innovation and Technology program application.

In December 2024, City staff provided Council with a report which provided a detailed summary of project status, market and economic challenges in the local studio development sector and proposed Ground Lease amendments, which were approved by Council.

In October 2025, the TPLC Board received an update on the project in response to ongoing market and economic challenges and authorized staff to execute a Lease Amending Agreement with the Tenant based on a revised Terms Sheet, conditional on Council Approval.

## **Update on Market and Economic Challenges**

The December 2024 report to Council described the various challenges encountered by the Basin Studios project since the term sheet was executed in 2022. These include general price escalation, a global slowdown in production demand and a related increase in studio vacancies. Furthermore, the threat of increased US protectionism of film production has dampened investor interest/risk tolerance for new studio development projects in global production centres in the short-term.

Despite these ongoing short-term challenges, industry experts consulted by City and CreateTO staff view the mid- to long-term outlook for studio development in Toronto remains fundamentally positive. Their position is that Toronto's competitive advantage continues to stand out as a prime location offering a compelling combination of skilled labor, government incentives, and a proven track record as a production hub. While recent labour and trade disputes have caused temporary fluctuations, the long-term outlook for content creation in Toronto remains strong.

Key advantages include an experienced and skilled workforce of over 35,000 film industry professionals (which is continuously strengthened by workforce development initiatives like the City's xoTO Pathways program), stable and competitive federal and provincial tax credits, existing world-class infrastructure, and its status as a global leader in virtual production. Volatility in the American market combined with a renewed interest by the Canadian federal government to support both domestic and international production bode well for the long-term prospects for Toronto's screen production sector. In addition, the slowdown in production demand in Toronto and abroad is viewed by experts as a temporary market correction rather than a fundamental decline in the

industry's health. Projects that are shovel-ready will be well-positioned to capitalize once the market has fully recovered.

### **Proposed Changes to Ground Lease Amendments**

A summary of the proposed amendments to the Ground Lease is provided in Confidential Attachment 1.

CreateTO and City staff are satisfied that the proposed amendments will support the viability of the project in the future and do not introduce any new financial liabilities or risks to the City.

### **CONTACT**

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### **SIGNATURE**

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David Jollimore  
Deputy City Manager, Corporate Services

Kate Bassil  
Deputy City Manager, Community and Emergency Services

### **ATTACHMENTS**

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Confidential Attachment 1: Summary of Proposed Amended Ground Lease Terms