



Exhibition Place

Item No. 14

August 21, 2013

To: Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young
Chief Executive Officer

Subject: **City of Toronto Lease – 265 Manitoba Drive EMS Station**

Summary:

This report recommends a land lease with the City of Toronto (City) for Toronto Emergency Medical Service (EMS) to use lands located at 265 Manitoba Drive for a 20-year term commencing January 1, 2014 on the terms and conditions contained in this report. Toronto Emergency Medical Service constructed the building many years ago and which serves as the station on this site on a year- round basis. There has never been a formalized agreement entered into between City and the Board regarding the station and lands.

Recommendations:

It is recommended that the Board approve of a lease with the City for Toronto Emergency Medical Service for the lands located at 265 Manitoba Drive for a 20-year term based on the terms and conditions outlined in this report and any other terms that may be required by the Chief Executive Officer and City Solicitor.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Decision History:

The Exhibition Place 2009 – 2012 Strategic Plan had a Safety and Security Goal to *Ensure a safe and secure environment for employees, guests and for our property and our assets.*

Within the “Relationship Framework for Exhibition Place” approved by the Board of Governors on January 22, 2010 and City Council on April 1, 2010, agreements for a period of more than four years must be approved by City Council in accordance with its agreement with the Board.

Issue Background:

City EMS has occupied the lands located at 265 Manitoba Drive on a year round basis for many years.

Comments:

Many years ago EMS constructed the building at 265 Manitoba Drive and has operated the station at this address since construction. It is anticipated that the EMS Station will continue to be operated year round and be responsible to support EMS in South Parkdale which includes Exhibition Place and its special events such as Honda Indy, CHIN Picnic, Scotia Bank Toronto Caribbean Carnival and the CNE.

It is to the advantage of the Board to have regular EMS activity in 265 Manitoba Drive throughout the year. Its presence and response time benefits all Exhibition Place events, clients and tenants. The lease also addresses limitations required by the CNE and other special events to have a gated site and contemplates the upcoming PanAm Games in 2015.

Accordingly, for the reasons above, staff recommends that the Board approve a lease with the City on the terms and conditions outlined below and any other such terms and conditions as outlined in the Term Letter as summarized and attached as Appendix "A", and such other terms as directed by the Chief Executive Officer and City Legal Department.

Contact:

Jeff Gay, Director/Event Management Services

Tel: 416-263-3060

Fax: 416-263-3107

Email: JGay@explace.on.ca

Arlene Campbell, General Manager/ Sales & Events Management

Tel: 416-263-3030

Fax: 416-263-3019

Email: ACampbell@explace.on.ca

Submitted by:

Dianne Young
Chief Executive Officer

Appendix "A"
Term Letter for Toronto EMS

1. Property: The premises to be leased consist of the lands located at 265 Manitoba Drive, Toronto, Ontario (the "Lands") and the building located thereon (the "Building"), comprised of approximately 2,560 square feet of rentable area, (collectively, the "Property").
2. Term: The Tenant shall lease the Property from the Landlord for a term (the "Term") of twenty (20) years.
3. Commencement Date: The parties acknowledge that EMS currently occupies the Property and has done so for many years without the existence of any formal documentation. The purpose of this letter is to clarify the respective responsibilities of the parties, obtain the required approvals, and then to formalize the arrangement on a going forward basis by way of a memorandum of lease terms (the "Lease"). For the purposes of the Lease and definition of the Term, the Term shall commence on January 1, 2014.
4. Rent: The Tenant shall pay to the Landlord.
 - (a) Basic Net Rent of \$2.00 for the Term; and
 - (b) Additional Rent being all costs, charges and expenses attributable to the Tenant's operation and maintenance of the Property.Basic Rent and Additional Rent are collectively referred to as "Rent".
5. Harmonized Sales Tax: The Tenant shall pay to the Landlord any harmonized sales tax or other retail taxes imposed by any governmental authority on the Landlord or the Tenant, based in whole or in part on the Rent payable under the Lease.
6. Utilities: The Tenant shall pay all charges for utilities used by the Tenant for the operation of the Building. The parties acknowledge that there are separate meters on the Property to measure water, gas and hydro consumption. The Tenant has a separate account with Enbridge related to the gas heating of the Building and will pay Enbridge directly for its gas consumption. Water and hydro accounts are in the name of the Landlord. Charges for the Tenant's water and hydro consumption will be paid by the Tenant to reimburse the Landlord pursuant to invoices prepared by the Landlord, based on its bills from the utility companies and on the metered consumption. The Landlord shall submit invoices to the Tenant either monthly or quarterly. The Tenant agrees to pay the amounts invoiced by the Landlord from time to time within thirty (30) days following receipt of such invoice.
7. Net Lease: The parties agree that this is intended to be a net lease to the Landlord. The Tenant shall be responsible for maintaining, repairing and operating the Property at its sole cost and expense. If the Tenant requests any repairs or maintenance work or other services to be done by the Landlord, such work or services shall be provided by the Landlord on a cost-recovery basis. The Landlord will invoice any such charges to the Tenant and the Tenant agrees to pay the amounts invoiced by the Landlord from time to time within thirty (30) days following receipt of such invoice.
8. Taxes: The Tenant shall pay all real property taxes, rates, local improvement rates, duties and assessments, levied, rated, charged or assessed against the Property. The parties confirm that the Property is currently exempt for real property taxes and no change is expected in this regard. If, in the future, the Property and the Exhibition Place lands are not separately assessed for real property tax purposes and the real property taxes charged against the Property are not ascertainable from the real property tax bill for Exhibition Place, the Tenant shall pay a proportionate share of the taxes paid by the Landlord on the Property on a basis to be agreed upon between them, each acting reasonably.
9. Maintenance and Repair: The parties confirm that the Building was originally constructed by the Tenant and has been occupied by EMS since the completion of construction. The Tenant, at its expense, shall maintain and repair the Building and the Lands in a state of good repair, throughout the Term, reasonable wear and tear, and damage by fire, lightning, tempest or other casualty accepted. The Tenant shall be responsible for clearing snow and ice from the paved areas of the Lands, and for maintenance of the current landscaped areas within the Lands.

10. Alterations: The Tenant, at its sole cost and expense, may make such alterations and improvements as the Tenant deems necessary for the conduct of business within the Building, provided that no alterations shall be made to the exterior portions of the Building or the mechanical, heating, air-conditioning, plumbing and electrical equipment or systems without the consent of the Landlord, which consent shall not be unreasonably withheld.

11. Signs: Any sign, lettering or design in the Property that is visible from the exterior of the Building shall be subject to approval by the Landlord. The Landlord acknowledges that EMS has a uniform program of identification signs used at multiple locations. The parties agree to work cooperatively to ensure that the EMS signage requirements and the Landlord's signage policies result in signage acceptable to both parties. The parties acknowledge that the current EMS signage at the Property is acceptable to each of them.

12. Use of Property: The Tenant shall use the Property solely for the purpose of a station for Emergency Medical Services and for no other purpose unless such other use has been approved in advance by the Landlord. If the Tenant proposes to use the Property for other purposes, it shall not do so without consulting with and obtaining the prior approval of the Landlord. The Property shall not be used for any of the following purposes:

- a themed dinner theatre;
- trade and consumer shows and any activities (including the provision of food and beverages) related to trade and consumer shows;
- conferences, weddings or social events or receptions
- professional sporting events;
- formal sit-down banquets;
- a casino; and
- a permanent indoor live performance venue/night club providing live and recorded musical entertainment for standing room crowd capacities of greater than 500 persons but less than 2,999 persons

13. Closure of Lands:

(a) The Tenant acknowledges that from time to time during the Term, Exhibition Place may be totally closed to the public on a temporary basis and/or an admission fee may be charged to enter the Exhibition Place. At such times, special provision will be made by the Landlord to facilitate access to the Premises by the Tenant. If access to the Premises is prevented for any length of time due to reasons of "force majeure" or any other reason not within the control of the Landlord, there shall be no abatement or reduction of Basic Rent, Additional Rent, or any compensation for loss of business or claim of any kind. By way of example only, among the types of events which give rise to such closures on a short term basis are the CHIN Picnic and Toronto Caribbean Carnival celebrations.

(b) The Tenant acknowledges that the Landlord shall have the right, for the purposes of the annual CNE, to close the grounds of Exhibition Place, and to interfere with, interrupt or prevent access to the Premises commencing with the pre-CNE move-in period approximately one (1) week prior to the opening day of the CNE and including the move-out/tear down period after the end of the CNE. During the CNE, the Landlord will facilitate access to the Premises by Tenant's staff for essential business operations only. Any other access or operation of the Premises will be subject to the prior consent of the Association and the following conditions:

- (i) the Tenant shall not be permitted to park any vehicle adjacent to the Premises; and
- (ii) no loading or unloading associated with the Premises shall be permitted between the hours of 10 a.m. and 11 p.m.

(c) The Tenant acknowledges that the Landlord shall have the right, during the annual Honda Indy weekend (from Wednesday through to and including Sunday with a possible Monday "rain-day"), to close the grounds of Exhibition Place, and to interfere with, interrupt or prevent access to the Premises except in cases of emergency within the Premises. In addition, the Tenant acknowledges that in the nine (9) to twelve (12) weeks in advance of the actual race weekend, the typical Honda Indy layout is being constructed around the Premises.

(d) The Tenant acknowledges that, during or in connection with any future Olympics, Pan Am Games or World's Fair or other event of comparable significance, the Landlord shall have the right to close the grounds of Exhibition Place, and to interfere with, interrupt or prevent access to the Premises. During such events, the Landlord will facilitate access to the Premises by Tenant's staff for essential business operations only.

(e) The Landlord will give the Tenant notice in writing not less than six (6) months prior to any proposed closing for the purposes set out in subsection (d) above.

(f) If access to the Premises is prevented for any length of time due to any reason under subsection (a), (b) or (c), there shall be no abatement or reduction in Basic Rent, Additional Rent or Participation Rent, nor shall the Tenant receive any compensation for loss of business or claim of any kind.

14. CNE: The Tenant agrees to work with the Canadian National Exhibition Association (the "Association") on a cooperative basis to incorporate its Use into the operation of the annual CNE each year during the Term, and to provide Special program for visitors to the Leased Premises during the CNE. The Tenant acknowledges that it shall have no claim against the Board or the Association with respect to the disruption of its occupation, use and enjoyment of the Leased Property as a result of impacts from the operation of the CNE.

15. Parking: The Landlord retains all rights to all parking facilities at Exhibition Place and the revenues derived therefrom. The Landlord will provide 15 above ground unreserved parking spaces in close proximity to the Building for working staff of the Tenant at no additional cost, provided however that access to Exhibition Place and the parking area may be restricted during events such as the Honda Indy, and the CNE, when parking may be limited, unavailable, and/or purchased at prescribed rates. The Landlord understands the Tenant's need for parking to be within close vicinity of the Property and during special events and other periods of disruption the Landlord will work cooperatively with the Tenant to provide the most suitable alternative parking location.

16. Assignment: The Tenant shall not assign this agreement. The Tenant shall have the right to sublet all or any part of the Property to any agency, board, commission or wholly owned subsidiary of the City of Toronto, provided such use or occupation does not result in greater public access to the Building than that of the Tenant, as defined in this letter; and complies with the Use clause.

17. Restoration of Lands: At the end of the Term, or any extension thereof, the Tenant shall not be required to remove any leasehold improvements, including the Building, or restore the Lands.

18. Recycling Program: The Landlord shall provide appropriate space, equipment and suppliers to remove 100% of the garbage in keeping with the Landlord's waste diversion programs.

19. Time of the Essence: Time shall be of the essence of this offer.

20. Documentation: The Lease shall be prepared based on the Landlord's standard form memorandum of lease terms and shall incorporate the terms of this letter.

23. Administration and Management: The Director of Real Estate Services (the "DRE") and/or the Chief Corporate Officer (the "CCO"), their successor or designate shall administer and manage the Lease on behalf of the Tenant, including the provision of any consents, approvals, waivers, notices and notices of termination provided that the DRE or CCO may, at any time, refer consideration of such matter (including their content) to City Council for its determination and direction.

24. Approval: This proposal is conditional upon the following:

Approval by the Landlord's relevant authorities after acceptance by the Tenant of this proposal and waiver by the Tenant of all its' conditions; and the approval of the Lease by relevant City authorities.