

June 18, 2009

**ACTION REQUIRED**

To: Board of Governors of Exhibition Place

From: Dianne Young  
Chief Executive Officer

Subject: **Escar – Agreement to Lease Storage Space**

Summary:

This report recommends entering into a three-year lease with the Escar Entertainment Inc. (Escar) for 617 sq. ft of within three rooms space (HP-1-46, HP-1-47 and HP-1-48) in the Horse Palace commencing September 10, 2009.

Escar has been a concessionaire at Exhibition Place and the CNE for many years. The Board has no plans for the immediate use of the space in the Horse Palace and Escars' occupancy will assist in covering the cost of utilities and the upkeep of the space.

Financial Implications:

The 2009 Operating Budget includes a revenue line for Escar Entertainment Inc. equal to \$2,700 for the year.

**Recommendation:**

**It is recommended that the Board authorize a three-year lease with Escar Entertainment Inc. for use of three spaces within the Horse Palace for a term ending on September 9, 2012 on the terms and conditions outlined in this report, and such other terms as required by the CEO and City Solicitor.**

Decision History:

Pursuant to the Financial By-law 2-07, all agreements in excess of one year must be approved by the Board.

Issue Background:

Escar has been a concessionaire of both Exhibition Place and the CNE for over 20 years. Staff were approached by Escar in the summer of 2008 about their need for a storage location on site that could act as an office space for them during the CNE. With agreement from the CNE and given the timing of the request, a short term licence agreement was issued to Escar for the use of the space for one year, less a day, expiring on September 9, 2009.

Comments:

Staff recommends that a lease be entered into with Escar on the terms and conditions outlined below and any other terms as may be required by the CEO or the City Solicitor.

- (1) Term: Three year lease commencing September 10, 2009 and terminating September 9, 2012 for use of three rooms within the Horse Palace identified as HP-1-46, HP-1-47 and HP-1-48.
- (2) Net Rent: Three Thousand Nine Hundred (\$3,900.00) a year and increasing each year of the agreement by an amount equal to the C.P.I. plus the cost of utilities.
- (3) Permitted Uses: Storage Facilities for Escars' operation of concessions at Exhibition Place and temporary office space during summer events serviced by Escar at Exhibition Place during the months of May to September.
- (4) Insurance: Property and liability insurance with limits of \$2 million in a form satisfactory to the City.
- (5) Rights to terminate: Either party may, on one (1) year prior written notice, terminate the agreement.

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Submitted by:

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Dianne Young  
Chief Executive Officer