

Item No. 1 (b)

MINUTES
SPECIAL MEETING OF THE BOARD OF GOVERNORS
OF EXHIBITION PLACE
Fountainblu – Q.E. Building – Exhibition Place
Thursday, August 14, 2014 – 11:30 a.m.

The Board of Governors of Exhibition Place met in Fountainblu – Q.E. Building - Exhibition Place on Thursday, August 14, 2014 at 11:30 a.m.

PRESENT: Mark Grimes, Chair
Wayne Copeland, Connie Dejak, Michael Layton, Hugh Mansfield, Gord Perks, Sean Webster

APOLOGIES: Gloria Lindsay Luby, Giorgio Mammoliti

STAFF: Dianne Young, Chief Executive Officer
Fatima Scagnol, Corporate Secretary
Alison Fowles/Solicitor, City Legal
Barb Cappell/Solicitor, City Legal
Arlene Campbell, General Manager/Sales & Events Management
Francesca Colussi, Director/Security & Parking Services
Jeff Gay, Director/Event Services Management
Frank Martindale, Director/Operations
Laura Purdy, Director/Sales & Marketing
Danny Chui, Manager/Capital Works
Peter Church, General Manager/BMO Field
Arlene Jang, IT Specialist

CITY STAFF: Joe Farag, Director, Corporate Finance Division
Brian Varner, Manager from the Real Estate Services Division
Ann Ulusoy, Director, Management Services,
Parks, Forestry & Recreation
Eric Arm, Senior Financial Analyst, Special Projects
Lynda Macdonald, Manager-West Section, Community Planning
-Toronto & East York District

MLSE Tim Leiweke, President & CEO
Bob Hunter, Executive VP/Venues & Entertainment
Peter Miller, Chief Business Development Officer

Mark Grimes presided and Fatima Scagnol acted as Secretary to the meeting. The meeting was called to order at 11:35 a.m.

The Chair introduced the City Staff attending the meeting as well as the MLSE representatives, and noted the following for the Board's information:

1. The order of power-point presentations would be MLSE, City of Toronto and Dianne Young.
2. Following the first two speakers - Linda Waddell from the Canadian Boat Shows, and Rob Rosset from Liberty Grand, Lynda Washkau, General Manager of Medieval Times and Dana McKeil, Sports Commentator will also be addressing the Board.

3. Acknowledged and welcomed a new member of the Exhibition Place Senior Management Team - the Director of Security & Parking Services – Francesca Colussi.
4. Reminded the Board that this special meeting of the Board is only to deal with the business to be considered and that no other business shall be considered at the meeting, except with at least two-thirds (2/3) of the Members present and voting in the affirmative.

Before proceeding with the regular business of the meeting, the Chair requested members to indicate whether they have an interest in the report on the agenda, together with the nature of the interest. No interests were declared.

COMMUNICATIONS

a) Peter J. Lockhart, Canadian National Sportsmen’s Shows

Upon the question of the adoption of Communication C (a) dated July 30, 2014 from Peter Lockhart with respect to the proposed Raptors Facility, it was **RECEIVED**.

b) David Bednar, Canadian National Exhibition Association

Upon the question of the adoption of Communication C (b) dated August 8, 2014 from David Bednar with respect to the proposed Raptors Facility, it was **RECEIVED**.

POWER-POINT PRESENTATIONS – PROPOSED RAPTORS FACILITY

The Board received three power-point presentations as follows for **INFORMATION**, which are appended to the official minutes of this meeting.

- Maple Leaf Sports and Entertainment Limited
- City Planning
- Exhibition Place

Following the presentation by **MLSE**, the Board entered into a question/answer session, wherein the following was noted.

On a question from Wayne Copeland with respect to the number of seats within the proposed facility, Bob Hunter responded that there will be only a 500-seat portable bleachers system.

On a question from Wayne Copeland with respect to the proposed facility’s intention of having Raptors Games, Bob Hunter responded there would be no games, and that the facility would be used by the Raptors for practices / training only. He further added that the intent of the facility is not to be an event centre.

Following the presentation by **City Planning**, the Board entered into a question/answer session, wherein the following was noted.

On a question from Gord Perks with respect to a group of Councillors being established during the site planning process, Lynda Macdonald responded that a group could be formed, however all site planning is designated to City staff who work with the respective City Councillors.

On a question from Gord Perks with respect to a scenario where the local Councillor requested a “bump up” of the site plan application to Council, Lynda Macdonald responded that any such “bump up” would have to be considered by the new City Council, probably in February 2015.

Michael Layton noted that there is some confusion with respect to the alignment of the Western Beach LRT Extension and the impact it will have on the Training Centre, and that he is attempting to look at 10 to 15 years from now and what the site will look like.

Lynda Macdonald indicated that the EA for the Western Beaches LRT is just starting, but the proposed alignment would be around the Training Centre

Connie Dejak noted there appears to be a lack of accessibility issues to the development site; transit issues; very excited about this proposal; and the allocation of community use.

On a question from Mark Grimes with respect to the facility fitting into the Silver LEED program, Lynda Macdonald responded that this is the intention.

SPEAKERS – PROPOSED RAPTORS FACILITY

The Board acknowledged and welcomed the following Speakers who provided their views with respect to the proposed Raptors Facility, which speeches are appended to the official minutes of this meeting. Following each speaker, the Board was asked if there were any questions, and none were asked.

- Linda Waddell – Canadian Boat Shows
- Rob Rosset – Liberty Grand
- Lynda Washkau – Medieval Times
- Dana McKeil – Sport Commentator

1. DEVELOPMENT SITE – PARKING LOT 6

Dianne Young apologized to the Board indicating that subject report was not in the correct order and requested it be put in this order – her report was 1st; the City Manager’s report was 2nd, the City Manager’s Appendix “A” was 3rd; and that the drawing noted as Appendix “B” was not required given the correct drawing was included in the City Manager’s report as Appendix “B” to the LOI.

On a question from Gord Perks to Lynda Macdonald with respect to City Planning reviewing the proposal, Ms. Macdonald indicated the facility would be considered in the context of the entire proposed site and surrounding area.

On a question from Gord Perks with respect to the proposal of transforming the baseball diamond into parking spaces and if the expense of this transformation is that of Exhibition Place, Dianne Young responded that the parking would be managed and operated by Exhibition Place and the parking revenue would flow to Exhibition Place, and the costs to transform the baseball diamond into parking spaces would be absorbed by Exhibition Place.

On a question from Gord Perks with respect to the cost of \$1 Million to transform the baseball diamond into parking spaces, Dianne Young responded that this is only an estimated amount.

On a question from Gord Perks with respect to the additional revenue from the baseball diamond parking spaces covering the expense to transform the baseball diamond, Dianne Young responded that the additional revenue would probably not cover the expense of the transformation, but the rent paid by MLSE and capital funding would offset it.

On a question from Gord Perks with respect to the definition of the facility being free after 30 years, Joe Farag responded that at the end of the lease if City of Toronto wishes they can purchase the facility for \$1.5 Million in 2044 dollars (approximately \$350,000 in NPV dollars), and demolish it, if they wish to.

On a question from Gord Perks with respect to the Board's Strategic Plan which notes that the Board will establish Exhibition Place as a destination and gathering space for the community and will increase community use of the grounds by animating and/or programming the parks and how this facility fits into this goal, Dianne Young responded that these goals are within the Board's Strategic Plan and that a community park is being built at the Hotel location, and that this facility will provide significant community use.

On a question from Gord Perks with respect to the signage for this facility going through the proper processes, Joe Farag responded that all the signage requests will be processed through the City process.

On a question from Connie Dejak with respect to Exhibition Place constructing a two-tier parking facility and would it be used, Dianne Young responded that it would depend where this parking facility is built and if it were proposed to be built staff would recommend that it be located near Direct Energy Centre given the number of events that take place in the facility. She further added that it would be ideal to have additional parking facilities, i.e. expand the current underground Direct Energy Centre parking to the Industry Building and the Coliseum Complex, so that the surface parking lots could provide spaces for the move-in and move-out of events.

On a question from Connie Dejak with respect to shuttle services being used for events, Dianne Young responded that shuttles are organized by Exhibition Place for major shows such as One-of-a-Kind, Home Show, etc., although off site parking area of choice is at Ontario Place and Exhibition Place then provides a shuttle service to Ontario Place.

On a question from Connie Dejak with respect to the scheduling of many events at one time causing congestion issues, Dianne Young responded that staff cannot stop the combination of events and cited the current international FIFA event that took place causing a limitation of parking for Medieval Times patrons.

Connie Dejak noted that staff should review a parking strategy and look at investing funds and if there is a return on an investment.

On a question from Michael Layton with respect to community usage of both basketball courts, Ann Ulusoy responded that both courts could be used by community groups, and that the current plan is to have six to seven weeks of City Parks recreational programming in the community basketball court.

On a question from Michael Layton with respect to the community usage beyond the six to seven weeks of recreational programming, Ann Ulusoy responded that City staff have to appreciate that

schedules for both courts still have to be determined but there will be annual time provided to the City for which the City can permit groups to use the court.

On a question from Michael Layton with respect to ensuring the community basketball court is being used, Ann Ulusoy responded that detailed records will be kept by MLSE to ensure there is a major commitment and submitted to City Parks for review. Joe Farag added that if MLSE do not comply with the community use requirement, the City can retract the MCF designation and MLSE will be subject to paying property taxes – currently one-third of the proposed facility is tax exempt and if MCF designation is retracted, the entire facility will be taxed and could be in the neighbourhood of \$600,000 to \$700,000 per year.

On a question from Michael Layton with respect to parking and the 15 metres right-of-way for the LRT and the number of parking spots that would be lost, Dianne Young responded that this is difficult to determine at this moment as no detailed drawings of the proposed alignment are available.

On a question from Michael Layton with respect to negotiations with MLSE commencing with the parking issues and insisting on parking spaces be replaced underground by MLSE, Dianne Young responded that negotiations commenced with a longer term and underground parking, however with the issues related to the Hydro One Vault, the length of the term shortened, underground parking was removed from negotiations.

On a question from Michael Layton with respect to the definition of a long term lease versus a short term lease, Dianne Young responded that a new long term lease is that of the Hotel which is 50 years with a substantial right to renewal by the tenant, and that short term leases on site are generally 21 years and relate to our existing tenants which have rented buildings and did not have to construct any new premises but only renovate existing buildings.

On a question from Michael Layton with respect to the current lease recommendation for the proposed facility being 20 years + 10 years + 10 years, Dianne Young responded that after the 30 years, the Board can halt the lease at the City's call and pay the required buy out fee costs.

On a question from Michael Layton with respect to underground parking being a negotiation point, Dianne Young responded that this issue was initially being negotiated but then removed.

On a question from Michael Layton with respect to the Board's Strategic Plan noting that the Board will continue to provide the necessary parking facilities for our businesses and why this issue was not a hard negotiation issue, Dianne Young responded that it was part of the negotiations but then became apparent that underground parking replacement was not feasible.

Michael Layton noted that staff have selected only parts of the Board's Strategic Plan and are now not following the entire plan.

On a question from Hugh Mansfield with respect to the use of the baseball diamond, Dianne Young responded that it is only used by the CNE for 14 days and that preliminary discussions for the CNEA Pee Wee Baseball Tournament to move to Coronation Park, if they wish, have been discussed with City Parks and is likely possible. She further added that the baseball diamond is not a regulation field and is no longer used by City Parks given the much improved baseball facility at Coronation Park.

On a question from Mark Grimes with respect to MLSE working with the City on the BMO project and whether MLSE at any time, had defaulted on any of their conditions, Dianne Young responded that MLSE were very diligent with the BMO project and never were in default.

On a question from Mark Grimes with respect to MLSE being a good partner of City Parks, Forestry & Recreation, Ann Ulusoy responded that MLSE have been a very good partner, they contribute to many of the City arenas and parks and have made significant donations, for example, Regent Park has received a total of \$2 Million donation from MLSE.

On a question from Mark Grimes with respect to what other uses the proposed facility will have, Ann Ulusoy responded that the best benefit is that it will open to families.

On a question from Mark Grimes with respect to what the cost would be to build this proposed facility in 30 years' time, Joe Farag responded that with a 2% inflation every year, it could possibly cost \$56 Million to build.

On a question from Mark Grimes with respect to who will assume the costs for the construction of this proposed facility, Joe Farag responded that all construction costs are the responsibility of MLSE.

On a question from Mark Grimes with respect to who is involved in the construction plan of this proposed facility, Lynda Macdonald responded that herself, Dianne Young and other City staff will be involved with the site plan approval and building permits, and construction schedule/mobilization details for construction will be managed by Exhibition Place. Dianne Young added that when the site plan is approved, construction will commence on the temporary parking in the baseball diamond so it could be used during the Fall pending full build out of final parking lot in accordance with Site Plan approval.

On a question from Gord Perks with respect to the 32% discount on taxes as per the City of Toronto *Act* municipal capital facility designation, Joe Farag responded that the recommendation within the City Manager's report states that the facility will be used as an eligible municipal capital facility for cultural, recreational and tourist purposes as a result of public use for the majority of the operating hours of the facility.

On a question from Gord Perks with respect to the community use of the team court, Ann Ulusoy responded that the City may get up to 10% community time for permitting the court, however, this would be determined year to year because of scheduling practice times per the Raptors game schedule.

On a question from Gord Perks with respect to item #7 on page 19 of the LOI wherein it states that community use of the team court will be limited to high level teams and selected MLSE community outreach program participants, and does this clause mean that the City will not have access to the team court, Ann Ulusoy responded that during these periods, the City will not have access to the team court.

On a question from Gord Perks with respect to the LOI not containing a clause that the community will have access to the team court, Barb Cappell responded that the details related to the use of the team court will be determined when the full lease is developed.

On a question from Gord Perks with respect to who will receive the revenue from the on-line reservation system, Ann Ulusoy responded that a portion of the revenue will be returned to MLSE for maintenance costs and explained that the details related to this reservation system are outlined in detail on page 20 of the LOI.

On a question from Connie Dejak with respect to the LOI complying with the City *Act* regarding public use and MCF, Alison Fowles responded that the *Act* stipulates the public use and the LOI is in keeping with those provisions.

On a question from Wayne Copeland with respect to what Regent Park has done within its community programs with the \$2 Million donation from MLSE, Ann Ulusoy responded that Regent Park has invested \$1 Million into its programs but has no details as yet.

Following the question/answer session, Members of the Board had an opportunity to close the debate with their comments.

It was duly moved by Gord Perks that the Board approve the Letter of Intent with Maple Leaf Sports & Entertainment Ltd. conditional on a plan protecting approximately the same amount of green space and parking.

Upon the question of the adoption of the foregoing motion, the vote was 2 in favour (Michael Layton and Gord Perks) and 4 against (Wayne Copeland, Connie Dejak, Mark Grimes and Hugh Mansfield) hence the motion **FAILED**.

It was duly moved by Mark Grimes that the Board approve the Letter of Intent with Maple Leaf Sports & Entertainment Ltd. subject to a site plan review which aims to develop a plan to protect approximately the same amount of green space and parking.

Upon the question of the adoption of the foregoing motion, the vote was 5 in favour (Wayne Copeland, Connie Dejak, Mark Grimes, Michael Layton and Hugh Mansfield), and 1 against (Gord Perks) hence the motion **CARRIED**.

On motion duly made by Connie Dejak, seconded and **CARRIED**, it was **RESOLVED** that Report No. 1 dated August 13, 2014 from the Chief Executive Officer, be **APPROVED** thereby authorizing the recommendations outlined in subject report with respect to the Development Site of Parking Lot 6; and **FURTHER** that, the Letter of Intent with Maple Leaf Sports & Entertainment Ltd. be subject to a site plan review which aims to develop a plan to protect approximately the same amount of green space and parking, and that the report, as amended, be **APPROVED**.

A recorded vote of the foregoing motion was requested wherein the vote was 5 in favour (Wayne Copeland, Connie Dejak, Mark Grimes, Michael Layton and Hugh Mansfield), and 1 against (Gord Perks).

2. QUESTION/ANSWER NOTES – COMMUNITY MEETING – AUGUST 11, 2014

On motion duly made by Wayne Copeland, seconded and **CARRIED**, it was **RESOVLED** that Report No. 2 which outlined the question/answer notes of the Community Meeting held on August 11, 2014 with respect to the proposed Raptors Facility, be received for **INFORMATION**.

3. **RESOLUTION RE ABSENTEEISM**

On motion duly made by Connie Dejak, seconded and **CARRIED**, it was **RESOLVED** that Gloria Lindsay Luby and Giorgio Mammoliti having notified the Corporate Secretary of their unavailability to attend this meeting of the Board, be **EXCUSED**.

ADJOURNMENT

There being no further business, the Chair adjourned the meeting at 2:00 p.m.

(Copies of the communications, reports and other documents referred to in the minutes of this meeting have been distributed to the members and copies thereof inserted as schedules to the official minutes of the proceedings of this meeting of the Board.)

Corporate Secretary

Chair

VERIFIED at a meeting of the Board of Governors of Exhibition Place held on the ____ day of _____, 2014.

Chair