



# Exhibition Place

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## Item No. 7

June 10, 2014

**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 space within three rooms in the Horse Palace commencing September 10, 2014 and ending on September 9, 2017.

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 Horse Palace and Escar's occupancy will assist in covering the cost of utilities and the upkeep of the space.

### **Recommendation:**

**It is recommended that the Board enter into a three year lease with Escar Entertainment Inc. for use of three spaces (HP-1-46, HP-1-47 & HP-1-48) within the Horse Palace on the terms and conditions outlined in this report, and such other terms as required by the CEO and City Solicitor.**

### Financial Impact:

The 2014 Operating Budget includes a rent from Escar equal to \$4,140.00 for the year.

### Decision History:

The Exhibition Place 2014-2016 Strategic Plan has a Financial Goal *to maintain a positive operating financial performance across Exhibition Place and its businesses* and as a Strategy to support this goal *we will seek additional revenue opportunities.*

On July 10, 2009 the Board approved a three year lease with Escar Entertainment Inc. for use of the three spaces (HP-1-46, HP-1-47 & HP-1-48) within the Horse Palace that ended on September 9, 2012. Further, on July 27, 2012 The Board agreed to continue leasing the property for a period of (2) years ending on September 9, 2014.

### Issue Background:

Escar Entertainment Inc. has been a concessionaire of both Exhibition Place and the CNE for over 25 years. Staff was 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, the CEO authorized a short term agreement for use of the space by Escar for one year less a day expiring on September 9, 2009.

Subsequently on July 10, 2009 the Board approved a three year lease with Escar Entertainment Inc. for use of the three spaces (HP-1-46, HP-1-47 & HP-1-48) within the Horse Palace that ended on September 9, 2012. Further, The Board approved a two (2) year lease on July 27, 2012 ending on September 9, 2014.

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, 2014 and terminating September 9, 2017 for use of three rooms within the Horse Palace.
- (2) Net Rent: Four Thousand One Hundred and Seventeen (\$4140.00) a year and increasing each year of the agreement by and amount equal to the CPI. Plus the cost of utilities.
- (3) Permitted Uses: Storage Facilities for Escar's operations of concessions at Exhibition Place and temporary office space during summer events which Escar services 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.
- (6) Access to the leased property will not be allowed during the period of The PanAm Games taking place in July, 2015.

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Submitted by:

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