



Exhibition Place

14

December 16, 2015

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Business Development Committee

Subject: **Lease for Riding School in Horse Palace**

Summary:

This report recommends a four (4) year lease with Sunnybrook Stables Inc. ("Sunnybrook") for the operation of an Equestrian Riding School in a portion of the Horse Palace stables at Exhibition Place commencing January 1, 2016, substantially on the terms and conditions of the existing lease, except for the rent and the term.

Recommendation:

It is recommended that the Board approve of a four (year) lease with Sunnybrook for the operation of an Equestrian Riding School in the Horse Palace substantially on the terms and conditions of the existing lease save and except for an increase in basic rent by Toronto CPI each year of the term of the four years, and such other terms and conditions satisfactory to the CEO and the City Solicitor.

Financial Impact:

The value of the proposed four-year lease with Sunnybrook is approximately (\$61,360) over the term of the lease plus property taxes of approximately (\$1,100) annually.

Decision History:

As a part of the 2014 to 2016 Strategic Plan, Exhibition Place had a goal to *seek additional revenue opportunities* and as a strategy to *seek new and/or expand revenues from tenants / naming partners / third parties / existing operations*.

At its meeting of December 12, 2008, the Board approved a three (3) year lease with Sunnybrook which term expired on December 31, 2011.

At its meeting of November 4, 2011, the Board approved a four (4) year lease with Sunnybrook which term expires on December 31, 2015.

<http://www.explace.on.ca/database/rte/files/Sunnybrook%20Lease.pdf>

At its meeting held on December 4, 2015, the Board adopted a motion referring the Lease for the Riding School in the Horse Palace to the Business Development Committee for consideration with a report back to the Board.

At its meeting held on December 16, 2015, the Business Development Committee adopted a motion recommending that the Board approve a Lease for the Riding School in the Horse Palace.

Issue Background:

Sunnybrook remains fully committed to the riding school at Exhibition Place and with the expiry of the existing lease on December 31, 2015, Exhibition Place and Sunnybrook have negotiated the terms and conditions of a further 4-year lease with the Board.

Comments:

Since 1992, there had been a small riding school operating in the Horse Palace. One of the major challenges of a riding school operating at Exhibition Place is the requirement to cease operation and vacate the premises twice a year for the CNE and the RAWF period. This results in a closure of approximately two months every year. Also, the timing of these temporary closures is during the prime operating times for a riding school, i.e. when a school would normally have summer camps in August and in November which is generally a very popular time for lessons. Furthermore, any lessee who operates a riding school in the Horse Palace must also share the exercise ring with the Mounted Police unit. All of these site-specific requirements have some bearing on the ability for an operator to conduct a viable business and remit to the Board a reasonable rent for the use of the premises.

Sunnybrook and its owner, Mr. Walter Shanly, has been operating a successful riding school in the vicinity of Sunnybrook Hospital since 1979 and expanded its business to Exhibition Place in the Fall 2003, following the completion of upgrades in the Horse Palace valued at approximately \$100,000.

Sunnybrook has established a first-class equestrian riding school in the Horse Palace that includes special riding programs such as: English riding lessons, Holiday Day Camps, "Youth Assisting Youth" community outreach, therapeutic riding lessons for disabled persons, clinics, introductory riding lessons for children and adults, one-day group orientation classes, student co-op programs and Equine Canada Certificate accreditation. The Exhibition Place Riding School has established a very positive reputation in the area and industry and, as importantly; it has established very positive working relationships with the Toronto Mounted Unit, the RAWF and the CNE and has been an excellent tenant on the site.

Staff recommend the approval of a new four-year agreement with Sunnybrook commencing on January 1, 2016, substantially on the terms and conditions of the existing lease, except for Basic rent which shall be \$15,340 in Year 1 of the Term and increased by Toronto CPI in each of the three remaining years for 18 stalls for its equestrian operations. In addition, if during the Term, the riding school business grows, then Sunnybrook will pay an additional \$76.00 per stall per month for any added stalls used for the riding school operations.

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Submitted by:

Business Development Committee