



Exhibition Place

December 3, 2012

To: Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young, Chief Executive Officer

Subject: **Community Basketball Courts**

Summary:

In 2009, Exhibition Place staff was approached by Zlatko Starkowski, principal of Muzik Clubs Inc. (“Muzik”) who is the Board’s tenant in the Horticulture Building operating as Muzik Nightclub regarding their wish to participate in the upgrading of the community basketball courts located in Centennial Square and to further program basketball events for the local community such as coaching and player clinics; sponsor community events; and special fundraisers to encourage greater participation in the community use of the basketball courts. Muzik staged the grand opening of the community courts in June of 2011 and in June of 2012 held a similar community event.

As of June 2010, the upgrades to the community basketball courts have been completed at a cost of \$5,500 paid by Muzik and \$400 paid by Exhibition Place. This report is recommending that the Board enter an agreement with Muzik outlining the specific terms and conditions of Muzik’s right to use this area for organized community events for basketball.

Recommendations:

It is recommended that the Board approve entering into a License Agreement with Muzik for the Community Basketball Courts substantially on the terms and conditions contained in this report and such other terms and conditions satisfactory to the Board’s Chief Executive Officer in consultation with the City Solicitor.

Financial Implications:

The work already done by Muzik to improve the Community Basketball Courts was a positive benefit of \$5,500 to the Board.

As part of its 2009 Strategic Plan, the Board’s Infrastructure Goal aims to *enhance and sustain our dynamic and diverse public assets and integrate these assets with the surrounding urban fabric.*

Issue Background:

In 2009, staff was approached by Zlatko Starkowski, principal of Muzik regarding their wish to have the community basketball courts located in Centennial Square renovated for improved community use. Muzik further offered to contribute to the cost of the renovation and maintenance of the courts and to program basketball events for the local community such as coaching and player clinics; sponsored community events; and special fundraisers to encourage greater participation in the community use of the basketball courts. In June of 2010 the renovations and upgrades were completed and on June 25, 2011 and June 23, 2012 Muzik staged community basketball events for local area residents and staff.

While the terms and conditions of a licence agreement with Muzik was approved by the Board in 2010, Muzik failed to execute the Agreement and is now asking that the Board approve of a Licence Agreement for a new three (3) year Term.

Decision History:

On November 26, 2010 the Board approved the Community Basketball Court license for the years September 10, 2010 to September 9, 2013; however, Muzik did not execute the agreement at that time.

At its meeting of April 25, 2003, the Board approved of entering into a long-term lease with Muzik commencing February 2004 for the operation of the Horticulture Building as a nightclub and concert facility venue.

Comments:

Exhibition Place has provided basketball courts for the local community for at least 13 years following a request from the Parkdale community. At first, these courts consisted only of some basketball standards located in the parking lot to the east of Liberty Grand, but in 2001 a new improved format was developed in the asphalt area beside Centennial Park and closer to the Parkdale community. While Exhibition Place provided minimal maintenance of this area over the years, the financial commitment undertaken by Muzik in the spring of 2010 was in excess of normal annual expenditures made by Exhibition Place and has developed and upgraded this community area. The terms of the proposed licence agreement with Muzik would also continue to elevate the activity on these courts to the benefit of the local community.

The proposed terms of the Licence agreement attached as Schedule "A" acknowledges that this area is used for community basketball each year from April 1 to October 31; and allows Muzik to develop community basketball programming for approximately 15 days each year; and allows Muzik the right to seek sponsorships in support of that programming. However, the agreement protects the Board's existing events such as the CNE, the Honda Indy and existing or future festivals held on the grounds. The agreement also sets out the obligations of Exhibition Place to continue with its general maintenance of the area (cleaning, line painting and security) and

obligated Muzik for the initial cost and future upkeep of any improvements to the basketball courts.

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Submitted by:

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Appendix "A"
Substantial Terms and Condition of the Licence

- a) Term: The Term of the Agreement shall be three (3) years commencing on January 1, 2013 or later as mutually agreed upon.
- b) Upgrades: The Licensee shall, at its sole cost and expense, have carried out the following one-time renovations to the Basketball Courts in May of 2010 as noted in sections A, B and C below regarding the courts:
 - A. Repair or replace, if required, the existing 8 basketball poles, backboards and hoops;
 - B. Repair or replace, if required, the broken mounting collars; and,
 - C. Resurface the existing asphalt pavement and paint the court lines.
- c) Signage: The Board, at its cost and expense shall erect a sign, similar in size and location to the existing sign, acknowledging the Licensee's contribution to the Basketball Courts. The Board will work cooperatively with the Licensee on the design, wording and placement of this sign.
- d) Licensee's Maintenance/Repairs: Subject to the repair obligations of the Board in paragraph (e) below, the Licensee shall, at its sole expense, be responsible for maintaining the Basketball Courts in good condition, subject to reasonable wear and tear, save and except for damage by fire, lightning, tempest, Act of God or other matter for which the Board is insured or ought to be insured.
- e) Board's Maintenance: The Board will be responsible, at its sole expense, for the cleaning, sweeping, power washing and security for the Basketball Courts and repainting the lines on the Basketball Courts as such repainting may be required from time to time as a result of the community use of the Basketball Courts as set out in paragraph (f) below. The Board will also be responsible for the cost of all structural repairs to the asphalt slab and for repairs of any damage caused by the Board's use of the Basketball Courts for events such as, but not limited to, the Honda Toronto Indy event and the Canadian National Exhibition. The Licensee agrees that maintenance and repair work done by the Board under this paragraph shall be done to the same standard as the rest of Exhibition Place.
- f) Community / Event Use: The Board and Licensee acknowledge and agree that the main purpose of the Basketball Courts for the period from April 1st to October 31st is to be for community use. The Board will continue to be responsible for the general community use of the Basketball Courts and the costs associated therewith. However the parties agree that the Basketball Courts will be closed to community use due to the following activities:
 - A. Move-in, move-out and event days for the annual CNE;
 - B. Event days for the Toronto Honda Indy
 - C. Festivals;
 - D. Saturday 8pm to Sunday 8am for Parking; and
 - E. Other one time Exhibition Place special events that may occur from time to time.
- g) Other Use: Subject to the Board's right to close the Basketball Courts as set out in Paragraph (f) A - E, the Licensee will have the right to use the Basketball Courts for up to fifteen (15) days of the year, on a nominal rent basis (i.e. \$2.00), to program basketball events for the local community such as coaching and player clinics; sponsored

community events; and special fundraisers to encourage greater participation in the community use of the Basketball Courts (the “Special Community Events”). Such dates for Special Community Events shall be mutually agreed to by the parties and the Licensee shall ensure that notice of the use of the Courts for these purposes is posted for the information of the local community at least 48 hours in advance of the date of such use.

- h) Future Development/ Pan Am Games or Casino Development: The Board reserves the right to close or dismantle the Community Courts during periods that include Pan Am Games or any other future development on the grounds.
- i) License Agreement: An event license agreement for each Special Community Event shall be negotiated and executed in advance of such event containing terms and conditions as agreed to by the parties, acting reasonably and in good faith. Proof of Insurance as required under paragraph (m) below shall also be provided by the Licensee to the Board prior to each Special Community Event.
- j) Sponsorship of Event: The Board shall permit the Licensee to undertake a fundraising and sponsorship program strictly limited to the Licensee’s Special Community Events on the Basketball Courts provided that the Licensee shall not enter into any sponsorship arrangement which conflicts with any exclusive sponsorship and advertising arrangement for Exhibition Place entered into by the Board, including all naming and signage rights. The Licensee shall be permitted to sell rights for signage to be displayed at the Basketball Courts during the Special Community Events. Money raised through fundraising and sponsorship events shall be first used to fund special Community Events and thereafter will be paid over to not-for-profit community organization whose objects are to foster the playing of basketball in the immediate community surrounding Exhibition Place.