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**ACTION REQUIRED**

November 18, 2008

To: Board of Governors of Exhibition Place

From: Dianne Young  
Chief Executive Officer

Subject: Lease for Riding School in Horse Palace

Summary:

This report recommends that the Board enter a three (3) 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, 2009

Recommendation:

**It is recommended that the Board enter into a three (3) year lease with Sunnybrook for the operation of an Equestrian Riding School in the Horse Palace on the same terms and conditions as the present lease and including a 1.5% increase in the basic rent in each of the three years, and such other terms and conditions satisfactory to the CEO and the City Solicitor.**

Financial Impact:

The value of the proposed three-year lease with Sunnybrook is approximately \$41,727.12 over the term of the lease plus property taxes of approximately \$1,500.00 annually.

Decision History:

At its meeting of January 26, 2006 the Board approved of entering into a three (3) year lease with Sunnybrook which term expires on December 31, 2008.

Issue Background:

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.

Sunnybrook remains fully committed to the riding school at Exhibition Place and wants to enter into a further 3-year lease with the Board. Staff recommend the approval of a new three-year agreement with Sunnybrook commencing on January 1, 2009 on the same terms and conditions as the previous lease except for Basic Rent which shall be increased by 1.5% in each of the three years to \$13,702.50 annually (2009) for 18 stalls for its equestrian operations. In addition, if during the Term, the riding school business grows, then Sunnybrook will pay an additional \$75.00 per stall per month for any added stalls used for the riding school operations.

Contact:

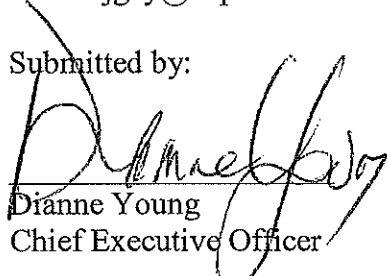
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Submitted by:

  
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