



EXHIBITION PLACE

12

November 17, 1999

TO: The Board of Governors of Exhibition Place

FROM: Kathryn Reed-Garrett, Director of Business Development

SUBJECT: Exhibition Place Riding Academy, Horse Palace

Recommendations:

It is recommended that the current agreement with Exhibition Place Riding Academy ("EPRA") be extended for one year, to December 31, 2000 on the terms and conditions recommended in this report and such other terms as required by the City Solicitor.

Background:

At its meeting of January 30, 1998, the Board approved entering into a one-year lease agreement with EPRA which agreement expires December 31, 1999.

Discussion:

The current one-year agreement between the Board and EPRA provides for base rent of \$13,860 per annum plus all operating expenses for the rental of nine stalls plus the use of the exercise ring in the Horse Palace, plus an additional cost of \$157.50 per month per stall if additional stalls are required. Furthermore, under the terms of the current agreement, EPRA is required to surrender the rented premises at its' own expense during designated Board events such as the Molson Indy, the CNE, and the Royal Agricultural Winter Fair (for which rental fees are rebated). The net rental fee payable to the Board on an annual basis under the present agreement is \$11,300 plus all operating expenses. EPRA now wishes to renew their lease with the Board for a period of one year.

Staff recommends that the Board enter a new agreement with EPRA essentially on the same terms as the present agreement except with an increase in annual rent equivalent to the Consumer Price Index (CPI) as prescribed by the StatsCan department of the Federal Government (or approximately 1.5%).

The terms of the agreement for 2000 are as follows:

- (a) Term: One year commencing January 1, 2000;

- (b) Premises: A total of nine (9) stalls as follows: five stalls for the stabling of horses, two (2) stalls for office space, and two (2) stalls for storing hay and wood chips; and the use of the exercise ring on a pre-scheduled basis;
- (c) Rent: \$14,067.90 per annum, plus \$159.86 per month for any additional stall that is required, less credit for the vacancy of the premises during any Board designated event, plus realty taxes, all utility costs, all cleaning and interior maintenance costs and any other associated occupancy costs;
- (d) Permitted Uses: The operation of a riding school;
- (e) Insurance: Property and liability insurance with limits of \$5 million in form satisfactory to City; and,
- (f) Operation during designated Board events: EPRA agrees to vacate the premises during all designated Board events. The Board will furnish to EPRA a list of designated events for 2000 and such list shall form part of the Lease Agreement.

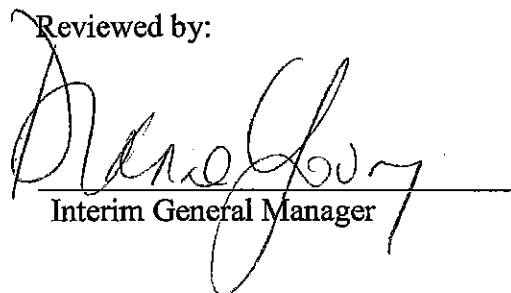
Conclusion:

This report recommends extending the current agreement with EPRA for a period of one year, to expire on December 31, 2000 on the terms and conditions set out in this report and such other terms required by the City Solicitor.

Submitted by:


Director of Business Development

Reviewed by:


Interim General Manager