

November 19, 2001

EXHIBITION PLACE

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: The Canadian Motorsports Hall of Fame – Lease for space in the Halls of Fame Building

Recommendation(s):

It is recommended that the Board enter into a lease with The Canadian Motorsports Hall of Fame (“CMHF”) for three (3) years on the terms and conditions as contained in this report and any other terms and conditions as may be required by the City Solicitor.

Background:

By-Law No. 2 requires the Board to approve any commitments over one year.

Discussion:

CMHF, a not-for-profit charitable institution founded in 1993 to honour and recognize the efforts, achievements and contributions that Canadians have made to Canadian motorsport, is looking for a location to establish a permanent exhibit of motorsport memorabilia and its hall of fame. From 1993 until 1997, CMHF displayed the first inductees and a single race car in a small section of the Canada’s Sport Hall of Fame, however as the CMHF exhibit grew and required more space it relocated in 1997 to a 7,500 square foot space located on the ground level retail area of Atrium on Bay (777 Bay Street) in Toronto. This space was leased to CMHF at no charge, on the condition that the landlord (Oxford Properties) could cancel the lease with thirty days notice when a permanent tenant for the space was found. CMHF remained in this space until June 2001, at which time Oxford gave notice to vacate the Bay Street location and CMHF relocated the exhibit to the Canadian Warplane Heritage Museum in Hamilton. In November 2001 CMHF elected to remove their exhibit from the Warplane Heritage Museum and are now seeking a location in Toronto.

The CMHF exhibit and hall of fame is a visitor destination and is complementary to the existing activities that occur at Exhibition Place, such as the Molson INDY and Canada’s Sports Hall of Fame which is located in the other wing of the Halls of Fame Building. The Molson INDY is supportive of relocating CMHF to Exhibition Place, and staff have also discussed this proposal with the General Manager and staff of the CNE who are also in support.

The lack of a permanent location for CMHF has made it very challenging to secure long-term sponsors and patrons, and the CMHF executive and Board believe that establishing the exhibit and hall of fame at Exhibition Place will be a very positive move and will enhance their profile and exposure in the Toronto market and also increase their revenues.

Accordingly, staff recommend that the Board approve entering a three (3) year lease with CMHF on the following terms and conditions, and any other terms and conditions that may be required by the City Solicitor:

- (a) Use: Public exhibit space and the operation and administration of its Head Office and solely for the uses connected with the objects of The Canadian Motorsport Hall of Fame, and, as ancillary use, the sale of licensed merchandise such as T-shirts, jackets and ball caps, but not including any food or beverage items.
- (b) Premises: Approximately 6,950 sf in the west wing of the Halls of Fame Building including use in common with others of the main entrance, public washrooms, hallways and stairways of the Building at such times as those areas are open to the public.
- (c) Term: 3 years from date of possession.
- (d) Right to Terminate: The Board has the right to terminate the agreement to lease on ninety (90) days written notice.
- (e) Opening Date: To be determined, but no later than February 1, 2002, with a preconstruction/construction period to be determined, but to be completed on/before January 31, 2002
- (f) Minimum Rent: \$1.00 per annum SS
- (g) Additional Rent: The lease is fully net to the Board, and CMHF shall pay all taxes, and all rates and levies associated with its occupation of the premises ~~ex~~cluding but not limited to utilities, services, maintenance, and insurance. Additional rent, estimated at \$24,000 per annum, will be due and payable during the entire term, including but not limited to any pre-construction/construction period.
- (h) Parking: CMHF acknowledges that the Board retains all rights to the operation of parking facilities (surface and underground). The Board will provide six (6) parking passes for CMHF's permanent full-time staff to access designated parking facilities which will be valid save and except for the period of the Molson INDY and the Canadian National Exhibition.
- (i) Period of Annual CNE: During the CNE period, CHMF shall keep the Premises open to the public at the same time and times each day as the other exhibit buildings are open to the public; and will not make any charge to the public for admission to the premises or to or for the use of the premises without the prior approval of the CNE.
- (j) Annual Banquet: CHMF shall use all commercial best efforts to use a location or locations at Exhibition Place as venue(s) for its induction banquets and any other such catered events.
- (k) Other: CMHF accepts the Premises on an "as is" basis, and all leasehold improvements shall be completed at the tenant's sole expense; CMHF recognize that from time to time Exhibition Place may be totally closed to the public on a temporary basis and/or admission fee may be charged to enter Exhibition Place; CMHF must recognize and comply with all collective agreements between the Board and Labour/Trade Unions; CMHF must execute a standard long form lease document prior to possession of the premises; CMHF acknowledges that the Board retains sole and exclusive claim to all sponsorship rights, including naming rights and signage; CMHF shall not use the Premises for any other purpose than as stated above nor for the following uses, as determined by the Board in its sole discretion: a themed

dinner theatre, trade and consumer shows and any activity related to trade and consumer shows, professional sporting events; and a casino.

Conclusion:

This report recommends that the Board enter into a lease with CMHF for three (3) years on the terms and conditions as contained in this report and any other terms and conditions as may be required by the City Solicitor.

Contact:

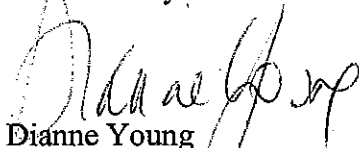
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Submitted by:



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