

20

November 14, 2003

To:

The Board of Governors of Exhibition Place

From:

Dianne Young

General Manager & CEO

Subject:

Canadian Bureau for the Advancement of Music, Halls of Fame Building

Recommendation:

It is recommended that the Board enter into a lease with The Canadian Bureau for the Advancement of Music ("CBAM") for the use of office space in the Halls of Fame Building for a period of three years, to December 31, 2006, on the terms and conditions recommended in this report, which terms are similar to those in the 2002 and 2003 Agreements, and such other terms as required by the City Solicitor.

Background:

At its meeting of October, 2002 the Board the approved the renewal of the lease with CBAM for one year for the rental of approximately 600 square feet of office space located in the Hall of Fame Building. This agreement expires on December 31, 2003.

Discussion:

CBAM has had a presence at Exhibition Place for over 30 years. At its meeting of November 26, 1999 the Board entered into a one-year lease agreement with CBAM for the rental of approximately 600 square feet of office space located in the Hall of Fame Building, which it has subsequently renewed in 2002 and 2003 each for one year terms.

Since CBAM has occupied the offices of the Hall of Fame, they have continued to deliver music lessons to music teachers teaching in the GTA, as well as providing instruction and conducting annual music examinations (primarily in piano). CBAM continue to be most cooperative in offering to surrender the offices that they occupy for the use of the CNE and also in accommodating various requests from the Board while other activities were being conducted in the building throughout the balance of the year.

While the Board does not receive any direct rental income from this not-for-profit organization, CBAM does recover all utility costs and also uses the Board's cleaning personnel, for which the Board is compensated.

At present there is no demand for use of this space either internally or by a third party. Accordingly, this report recommends entering into a further lease agreement with CBAM for two offices located on the ground floor of the Halls of Fame building (approximately 600 square feet) under the following terms and conditions:



- (a) Term: Three years commencing January 1, 2004 with a right to terminate on 90 days notice during the Term if the space is required for use by Exhibition Place for any reason;
- (b) Rent: One dollar per annum plus payment of all utility costs, cleaning and any other associated occupancy costs;
- (c) Permitted Uses: Office or administrative uses connected with objects of CBAM;
- (d) Insurance: Property and liability insurance with limits of \$2 million in form satisfactory to City;
- (e) Use by CNEA: CBAM will accommodate partial use of the leased space by the CNEA if required by the CNEA;
- (f) CBAM will submit financial statements to the Board within 60 days of its year-end;
- (g) Special Conditions: Restrictions/Conditions: Closure of Lands Closure of Lands (a) CBAM must recognize that from time to time during the Term, Exhibition Place may be totally closed to the public on a temporary basis and/or an admission fee may be charged to enter Exhibition Place. At such times, special provision will be made by the Board to facilitate access to the Leased Premises; (b) the CBAM acknowledges that the Board shall have the right during the Molson Indy and the Canadian National Exhibition to close the grounds of Exhibition Place, including the Leased Premises. In such cases, the Board will deliver advance notice in writing to the CBAM no less than six (6) months prior to any such closing;
- (h) CBAM must familiarize itself with *Our Toronto Waterfront*, a report presented to and adopted by City Council by the Toronto Waterfront Revitalization Corporation ("TWRC") led by Robert A. Fung (the "Waterfront Report"). The CBAM agrees its rights under the Lease shall be subject to the authority and rights of TWRC, and to any redevelopment of all or portions of Exhibition Place as contemplated by the Waterfront Report (the "Waterfront Redevelopment");
- (i) CBAM agrees that this clause shall constitute notice from the Board that the Front Street Extension project will be proceeding and will have an impact on the Exhibition Place grounds and that CBAM shall not be entitled to any compensation with respect to any disruption caused by this project;
- (j) All collective agreements between the Board and Labour/Trade Unions must be recognized and complied with for all work at Exhibition Place;
- (k) CBAM acknowledges that the Board retains sole and exclusive claim to all sponsorship rights, including naming rights and signage, within all public spaces and grounds and upon all existing and proposed buildings. For greater clarity, within all public spaces and grounds on and around the Leased Premises and upon the Leased Premises itself, the Board retains sole and exclusive claim to all naming rights and related signage and to all permanent third party signage;
- (1) CBAM acknowledges that the Board retains all rights to the operation of all present parking facilities (surface and underground). The Board will provide 3 parking passes at no charge for CBAM's permanent full-time staff to access designated parking facilities at Exhibition Place which shall be valid throughout the term of the Lease save and except

for the period of the Molson INDY and the Canadian National Exhibition when parking passes may be restricted and/or a fee may be imposed;

Conclusion:

This report recommends renewing the existing lease with CBAM for three years, to expire December 31, 2006, on the terms and conditions set out and such other terms required by the General Manager & CEO and the City Solicitor

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Submitted by:

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