

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE  MEETING ON JUNE 20, 2016</b>
<b>FROM:</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT</b>	<b>CITY OF LONDON / WESTERN FAIR ASSOCIATION LEASE AGREEMENT REQUEST FOR CONSENT TO REHABILITATE GRANDSTAND</b>

**RECOMMENDATION**

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, and pursuant to Section 10.02 (c)(i) of the Lease dated January 1, 2016 between The Corporation of the City of London and the Western Fair Association, CONSENT BE GIVEN for changes to the Grandstand, as set out in the attached letter dated June 10, 2016, from the Western Fair Association.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

- April 28, 2004 – Western Fair Land Lease Agreement and City Representation on Western Fair Association
- June 21, 2006 – Board of Control - City of London / Western Fair Agreement
- April 4, 2007 – Board of Control – City of London / Western Fair Agreement
- June 24, 2013 - Confidential Report by the City Solicitor to the IEPC - Western Fair Lease Agreement
- June 17, 2014 – Confidential Report to CSC – City of London / Western Fair Association Lease Agreement
- August 26, 2014 – Confidential Report to CSC – City of London / Western Fair Association Lease Agreement
- December 9. 2014 – Confidential Report to City Council – Western Fair Association Governance

**BACKGROUND**

The purpose of this report is to outline the plans that the Western Fair Association (WFA), as the Tenant, is proposing for the remediation of the Grandstand and to obtain the consent of the City as Landlord under the Ground Lease for these proposed changes.

Under the Lease, the Grandstand is owned 50/50 by the City and the WFA. Section 9.01 requires the WFA at its expense to keep all buildings on the property, including the Grandstand, in good order and condition and to make all needed repairs and, replacements, alterations, additions, changes, substitutions and improvements, structural or otherwise.

The Lease provides that structural alterations, additions, improvements or the demolition of partial demolition of a building, including the Grandstand, are defined as a “Change” and require the consent of the City, which consent cannot be unreasonably withheld:

*Section 10.02 (c) The Tenant may at its sole cost and at its sole discretion, but subject to and in compliance with this Lease make a Change to a City-Western Fair-Building. Any such Change shall be conducted diligently and be completed in compliance with all applicable statutes, regulations, by-laws and rules. Prior to commencing any such construction the Tenant shall:*

- (i) obtain the written consent of the Landlord, which consent, save and except for the Arts Building, shall not be unreasonably withheld; and*
- (ii) obtain all of the requisite approvals or permits for the Change.*

The Lease also requires the Tenant to complete the work to a certain standard, comply with all applicable legislation, regulations and by-laws and carry appropriate insurance and worker’s compensation coverage.

The Lease provides that a Lease Oversight Committee consisting of members of administration from the City and the WFA be established for purposes which include:

- to discuss any matters arising under or related to the Lease;
- to review any requests by the WFA for consent or consultation where the City’s consent or consultation is required under the Lease;
- to review plans the WFA may have with respect to the construction, alteration, demolition, removal or change to a Building for which the WFA is required to consult with or obtain the consent of the City.

<b>DISCUSSION</b>
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At the Lease Oversight Committee meeting on June 10, 2016, the WFA proposed changes to the Grandstand as follows:

Grandstand Remediation

Project Scope:

1. Remediate deteriorated structural steel supporting the grandstand which houses back-of-house services for OLG Slots, and Racing operations.
2. Remove first five (5) rows of uncovered seating deck and access stairs. Replace with on-grade viewing platform and new stairwells. Install new, non-structural wall in opening to mitigate future damage from water penetration to underside of grandstand.
3. Replace current front guardrail with a compliant guard.

Objectives:

- i) Ensure the structural integrity of the building to maintain OLG lease revenue, and Racing operations.
- ii) Mitigate future damage by removing water access point to underside of grandstand.
- iii) Improve sightlines of the racetrack for racing faces.
- iv) Impact of Renovations:
  - a) Scope of project does not materially change the jointly owned building
  - b) Scope of project does not affect public use of the facility

A letter dated June 10, 2016 outlining the WFA's request for the City to consent to the proposed remediation works is attached as Appendix A.

The Administration have reviewed the changes that the WFA is proposing to make to the Grandstand and are recommending that the City consent to the changes proposing as set out in the attached letter. It being noted that the work will be at the expense of the WFA and that the changes will not result in a change of the ownership interest and that the grandstand will still be owned 50/50 by the city and the WFA.

<b>CONCLUSION</b>
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The WFA is proposing to remediate the deteriorated structural steel supporting the grandstand which houses the back of services for the OLG Slots, and Racing operations, remove the first five (5) rows of uncovered seating deck and access stairs and replace with on-grade viewing platform and new stairwells; install new, non-structural wall in opening to mitigate future damage from water penetration to underside of grandstand; and replace current front guardrail with a compliant guard.

These changes are required to ensure the structural integrity of the building to maintain OLG lease revenue, and Racing operations; Mitigate future damage by removing water access point to underside of grandstand; and Improve sightlines of the racetrack for racing faces.

The proposed changes with supporting materials have been discussed at the Lease Oversight Committee and Staff are recommending Municipal Council consent to the proposed changes

<b>PREPARED BY:</b>	<b>CONCURRED BY:</b>
<b>BILL WARNER MANAGER OF REALTY SERVICES</b>	<b>ANNA LISA BARBON DIRECTOR, FINANCIAL SERVICES</b>
<b>RECOMMENDED BY:</b>	
<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>	

June 10, 2016

cc: A. Zuidema  
Jennifer Smout

Attachments  
Appendix "A" - Letter dated June 10, 2016