

Pickering Developments inc.

Pickering Developments (Bayly) Inc.

January 22, 2024.

By email: mmahzoningorders@ontario.ca
Municipal Services Office - Central Ontario
16th floor, 777 Bay Street
Toronto, ON., M7A 2J3

Subject: Proposed partial revocation Ministers Zoning Order
O.Reg.607/20 ERO Posting 019-7993

Pickering Developments (Bayly) Inc. and Pickering Developments (401) Inc. own the properties bordered by the CN Rail line (north), Church Street (east), Bayly Street (south) and Squires Beach Road (west). The portion north of Kellino Street is owned by Pickering Developments (401) Inc. and the portion south of Kellino Street is owned by Pickering Developments (Bayly) Inc. The portion of the lands which are proposed to be removed from Minister's Zoning Order O.Reg. 607/20 (the "MZO") are on lands owned by Pickering Developments (Bayly) Inc.

The ERO posting states that the reason for the proposed revocation is "Substantial progress not made on part of project lands". Respectfully, this is not true as detailed in this letter.

The lands both north and south of Kellino Street are collectively known as Durham Live. Durham Live more than 100 acres in size and is the premier mixed-use entertainment destination in the City of Pickering and the Region of Durham. In fact, due to the unique nature of the attractions, Durham

Live is poised to be a national draw. The City of Pickering has always and continues to fully support Durham Live. With the city's help we were able to bring Pickering Casino and Resort to Durham Live. Pickering Casino and Resort has already contributed tens of millions of dollars to the city which money is making a real difference to the citizens of Pickering. Pickering Casino and Resort was never intended to operate alone; it was always intended to be part of the larger Durham Live.

Durham Live is a transformational project and, accordingly, it is very important to get it right. It is inevitable that any concept plan established at the outset will be refined and improved over time to respond to changing market conditions. Projects of this magnitude demand meticulous curation, intricate negotiation, and precise finalization given their scarcity. The city and Pickering Developments (Bayly) Inc. recognized this in their joint request for the MZO approximately three years ago. The developable portion of Durham Live (i.e. the lands outside of the natural heritage system), are all zoned *Mixed Use Major Tourist and Entertainment Zone* by the MZO. That use permits a wide variety of entertainment and supportive uses. When the MZO was requested, a film studio was proposed for the portion of Durham Live now subject to potential removal from the MZO. Building a film studio from scratch takes time and we were ready to commence that process but events beyond our control proved that there was a better alternative. Not long after the MZO was issued and plans were underway to commence construction of the film studio, a trio of unforeseen challenges arose. Covid-19, the Hollywood writer's strike and unprecedented construction cost increases due to supply chain issues, made it impossible to meet the completion timelines and nimble operational deadlines that studios like Netflix and Paramount were demanding of us. We were committed to bringing those productions to the city and went so far as to have prepared comprehensive plans for the film studio along with detailed construction drawings. We can provide a copy of these to you upon request. But despite our best efforts we would not have been fast enough to secure the production companies as soon as they ramped up following the Hollywood Writer's strike. Faced with the imperative to secure tenants, we opted to undertake substantial renovations of approximately 200,000 ft² of existing industrial buildings at 915 Sandy Beach Road. The renovations allowed for a much faster turn-around meaning we were in prime position to lock up productions when the Hollywood Writer's strike

ended.

The parcel at Durham Live which was originally planned for the film studio was re-imagined for something special. In November of last year, prior to Minister Calandra's December 13, 2023 announcement, we signed a Letter of Intent with LaunchPad Golf. A copy of that LOI is attached to this letter but the commercially sensitive elements have been redacted to protect the commercial interest of the parties. LaunchPad Golf is an innovative and very popular entertainment concept that centres on golf but is so much more. I encourage you to view their website, <https://www.launchpadgolf.com/>, for more information. LaunchPad golf will make its eastern Canada debut right here at Durham Live. The proposed location is ideal for LaunchPad Golf and fits nicely in the overall major tourist and entertainment vision for Durham Live. Unfortunately, the very site LaunchPad Golf has chosen for its first facility in eastern Canada is the parcel proposed to be removed from the MZO.

LaunchPad Golf is not the only "first" at Durham Live. Currently under construction on west side of Church Street and north of Bayly Street is Canada's first Porsche Experience Centre. There are only nine (9) other Porsche Experience Centres in the world and each are strategically located to enhance their patrons' experience. The same is true for the one scheduled to open in late 2024 at Durham Live. Porsche wanted to be in the centre of the action at Durham Live, just like Pickering Casino Resort did, and just as LaunchPad Golf does. These uses create synergies between them which makes them greater than the sum of their parts. They foster synergies between them, increase interest and attendance, all of which results in increased revenue for both the private and public sector.

More, much more, is planned for Durham Live. Pickering Casino Resort attracts more than 2 million patrons per year and the Porsche Experience Centre is planned to attract over 85,000 patrons per year. LaunchPad Golf is expected to attract more than 275,000 visitors per year. In addition to this Durham Live is planned to include:

- A Link building straddling Kellino Street which will connect Pickering Casino Resort to the rest of Durham Live. The Link building is 60,000 ft² with three restaurants, a supper club, a lobby bar and outdoor patios.
- World-class hotels, retailers and restaurants.
- A 60,000 ft² of designated indoor entertainment space which is expected to attract more than 375,000 patrons per year.
A year-round outdoor entertainment facility with capacity for 5,000-6,000 people and which is anticipated to attract more than 250,000 patrons per year.; and
- 1,650 residential units of which a minimum of 150 units will be affordable housing.

Transformational projects like Durham Live create and thrive on momentum. The MZO made it possible to attract world-class, first in country, entertainment venues. That momentum is growing and new users are attracted to Durham Live for the synergy that the MZO created. LaunchPad Golf hopes to open to the public in 2024 and that date relies on land remaining within the MZO.

Our family is proud to have brought Durham Live to the city and region. Our success is the city's success and the province's success. Durham Live is fully serviced and shovel ready. Portions are under construction and more is on the way. If it was reported to the Province that a portion of Durham Live (the former site of the film studio) was not proceeding, then this was incorrect. As the LaunchPad Golf LOI clearly demonstrates, the site is progressing and relies on the MZO to build momentum. On behalf of my family and the existing and new facilities at Durham Live, I request that none of the MZO be revoked. Thank you.

Yours very truly,

A handwritten signature in black ink, appearing to read "Steve", with a large, stylized flourish that loops back over the name.

Steve Apostolopoulos, Director and CEO

Encl. (LaunchPad LOI redacted)

November 17th, 2023

Via Email:

Launch Pad Golf

c/o Jones Lang Lasalle Real Estate Services Inc. (JLL)
22 Adelaide Street West, Suite 2600
Toronto, Ontario
M5H 4E3

Attention: Mr. Tim Sanderson

Dear Tim:

**LAUNCHPAD GOLF CANADA INC.
RE: LAUNCH PAD GOLF - LAND LEASE OPPORTUNITY**

Handwritten initials: JBC

For approximately 9.63 acres of Land located on the Durham Live Resort, legally known as 2028 Kellino Street, in the City of Pickering, Ontario (the “Leased Premises”).

Further to our recent meeting, Pickering Developments (Bayly) Inc. has attached the following land lease proposal for your client, Launch Pad Golf Alberta Corp., with respect to the proposed Leased Premises.

LANDLORD: Pickering Developments (Bayly) Inc. *JBC*
LaunchPad Golf Canada Inc.
TENANT: Launch Pad Golf Alberta Corp. *JBC*

TERM: 

POSSESSION DATE: Spring 2024 (estimate)

FIXTURING PERIOD &
FIXTURING PERIOD RENT: 

[REDACTED]
[REDACTED]
[REDACTED]

BASE RENT
COMMENCEMENT DATE:

[REDACTED]
[REDACTED].

LEASED PREMISES:

The area outlined in red on the attached Schedule "A", with useable area of approximately 9.63 acres. Area subject to change and to be confirmed by survey. [REDACTED]
[REDACTED].

The Tenant shall have an exclusive option to expand their Leased Premises to include the additional 2.18 acres outlined in Blue on the attached Schedule "A" from execution of the LOI to within the first 24 months of opening for business to the public. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Tenant will have Thirty (30) days thereafter to exercise its option to expand the Leased Premises as per the terms and conditions of the Lease Agreement failing which the Landlord will be free to lease the additional Land to any person, including the person who delivered the offer for the additional Land.

NET ANNUAL BASE RENT:

Based on a useable area of 9.63 acres outlined on the attached Schedule "A"

Years [REDACTED] [REDACTED]

Years [REDACTED] [REDACTED]

Years [REDACTED] [REDACTED]

Years [REDACTED]

Years [REDACTED]

LEASE EXTENSIONS:

[REDACTED], at then prevailing market land lease rents but not less than the rent for the last year of the previous term or extended term, as the case may be.



CONNECTIVITY CHARGES:



No binding agreement will arise until a formal land lease agreement is fully executed. We look forward to speaking with you further once you have had an opportunity to review the proposal with your client.

Yours truly,

Pickering Developments (Bayly) Inc.:

Name: Steve Apostolopoulos

Managing Partner

Date: Nov 28, 2023

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The Tenant:

Launch Pad Golf Alberta Corp.:
LaunchPad Golf Canada Inc.

Name: Barry Ehlert, CEO

Date: December 6th, 2023

Schedule A "The Property"

Red – Land Lease Area
Blue – Optional Land Lease Area

