



Exhibition Place

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August 30, 2016

To: Business Development Committee

FOR INFORMATION

From: Dianne Young
Chief Executive Officer

Subject: **Summary of Tenant Presentation – August 29, 2016**

Summary:

The Committee has determined that it would be very informative to meet with each of the tenants on the Exhibition Place grounds in order to understand the tenant operations and to explore ways that Exhibition Place could assist the tenants. The Committee has asked staff to record all matters explored with the tenants by the Committee in order for a final report to be sent to the Board after the Committee has met with all tenants.

This report provides information on the Tenant Presentations made to the Committee at its meeting of August 29, 2016.

Recommendation:

It is recommended that the Board receive this report for information.

Financial Implications:

There are no financial implications to this report.

Decision History:

The Exhibition Place 2014 – 2016 Strategic Plan had a Public Space and Infrastructure Goal to *establish Exhibition Place as a destination and gathering place for the community, and as a strategy to support this goal we will in partnership with the private sector, enhance public amenities to service our patrons and local community visitors*

A communication from Jim Karygiannis was submitted to Medieval Times and MLSE, extending an invitation to attend the meeting of the Business Development Committee scheduled for August 29, 2016, to canvas tenant views on events being held at Exhibition Place and how working together can make the grounds a more attractive and more family friendly destination for Toronto citizens and visitors.

Issue Background:

Peter Church, General Manager of BMO Field and Ricoh Coliseum was in attendance at the August 29, 2016 meeting of the Business Development Committee.

David Ross, General Manager of Medieval Times was to be in attendance at the meeting but unfortunately had an emergency and could not make it but will be invited to the next meeting of the Committee.

Comments:

The Chair of the Committee confirmed with the tenant representatives in advance that each of them understood this was a public meeting and they had no objection to speaking in public.

Peter Church was given the opportunity to present his current and/or ongoing concerns and the discussion at the meeting is detailed in Appendix "A" attached.

Contact:

Dianne Young
Chief Executive Officer
Tel: 416-263-3611
Fax: 416-263-3690
Email: dyoung@explace.on.ca

Appendix "A"
 Tenant Comments at the Committee
 Meeting of August 29, 2016

Peter Church – BMO Field and Ricoh Coliseum

The major concern for MLSE operating these venues is the cost of doing business at Exhibition Place. The Ricoh Coliseum lease and rent costs are overpriced by AHL standards. However, it is the staffing / labour costs that are the biggest concern and have the greatest effect on the business.

MLSE estimate that there has been a loss of at least six major events per year at Ricoh Coliseum due to costs. For example, two recent concerts that were lost from Ricoh, MLSE were able to book at the Air Canada Centre (ACC) and therefore, MLSE has accurate estimates of the cost premium paid at Exhibition Place because of the Exhibition Place IATSE Collective Agreement which have premiums in excess of the MLSE IATSE Collective Agreement at ACC.

- Theresa Caputo show saved \$9K on IATSE costs by not booking at Ricoh Coliseum and booking at ACC.
- Cage the Elephant saved \$47K by not booking at Ricoh Coliseum. Much higher savings at the ACC due to the weekend premiums paid in the Exhibition Place Collective Agreements.
- 2011 MLSE lost an annual five-year Cirque du Soleil show directly due to IATSE costs.

Costs are very high under all of the Exhibition Place Collective Agreements and not just IATSE. The largest spend on any labour group at Exhibition Place is LiUNA Local 506 for cleaning and labour. MLSE estimate that the premium they are paying increases costs by over 30%.

- It is not just rates for LiUNA Local 506 but also efficiencies in work assignments that drive up costs. In a past jurisdictional disagreement, MLSE found significant savings during WWE conversions using Carpenters Local 27 instead of LiUNA Local 506. A conversion using LiUNA Local 506 takes an extra 93 hours or 32%, to convert the building for a WWE event.
- The core business is not Monday to Friday from 9am to 5pm and their clients are struggling to afford the rate premiums in their on-site buildings for events outside of regular business hours.
- There is a \$1.30/hr premium paid for LiUNA Local 506 labour just on work outside of the hours of 7am to 4pm.
- Weekend premiums for LiUNA Local 506 are exorbitant. At regular time during the week the rate with benefits is \$42.02/h. that increases to \$63.03/hr. on the weekend. For comparison, under the MLSE Teamsters Labourers Agreement at ACC they would be paying \$31.97 on the weekend for the same work. Hence their clients feel they are paying a 97% premium at Exhibition Place.

MLSE's issue is how the Collective Agreements are negotiated. Exhibition Place is not just featuring trade shows, the CNE and Royal Winter Fair any more. The business mix has diversified and agreements now need to represent the needs of a professional hockey team, professional soccer team, a dinner theatre, banquet hall, restaurant, night club, and a hotel.

All of these businesses have different needs for labour, cleaning and IATSE, all with different operating times and business models. But they are currently asked to operate under the same Collective Agreements negotiated by the City for Exhibition Place. It would be next to impossible to negotiate an agreement that fairly represents the needs of all of these businesses, but how this is done needs to be looked at in much greater detail as the current model is not sustainable.