



# Exhibition Place

10

November 10, 2016

To: The Board of Governors of Exhibition Place

**ACTION REQUIRED**

From: Business Development Committee

Subject: **Summary of Tenant Presentation – 2016**

## Summary:

The Business Development Committee had 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 had 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 during the year 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*

## Issue Background:

Councillor Jim Karygiannis, Chair of the Business Development Committee formally invited by letter each of the tenants. Councillor Karygiannis confirmed with each tenant representative that it was a public meeting and that they had no objection to speaking in public. Each Tenant was given the opportunity to present their current and/or ongoing concerns and the discussion at the meeting is detailed in Appendix “A” attached.

## Comments:

Pat Di Donato of Liberty Grand; Zlatko Starkovski of Muzik Clubs Inc.; and Bruno Sinopoli and George Dias, Q.E. Theatre/Fountainblu; were in attendance at the February 9, 2016 meeting of the Business Development Committee, and the tenant summary is outlined in Appendix A.

Peter Church of BMO Field and Ricoh Coliseum was in attendance at the August 29, 2016 meeting of the Business Development Committee, and the tenant summary is outlined in Appendix B.

Virginia Ludy of the CNEA was in attendance at the October 31, 2016 meeting of the Business Development Committee, however the CNEA’s oral presentation was made during the confidential session of the meeting, hence there is no summary provided.

Submitted by:

Business Development Committee

Appendix "A"  
Tenant Comments at the Committee  
Meeting of February 9, 2016

Bruno Sinopoli - Q.E. Theatre/Fountainblu

One of his main concerns relates to the IATSE Union issues especially IATSE Technicians who are required for the Dance Competitions which are generally related to annual performances for a children's dance studio so aimed at parents and children in attendance. At these events, IATSE insists that their technicians must setup the props from start to finish. Depending on the type of competition, students need to set-up their own staging area which becomes part of the marks / grades given to the students and there are many complaints by the event organizers given the high cost of IATSE technicians and attitudes.

The other concern is during the load out of concerts (and this would apply to the load out of the events) For example, an IATSE technician is on the production call from the start of the show to the finish of the show. There is a 1 hour at the end of show production to clear the stage. If the stage is not cleared in the hour the IATSE CA requires payment for a 4-hour call even though the IATSE Technician may not be needed and not working after that first hour. In other words if it takes the IATSE Technician 1 ½ hours to clear the stage, the IATSE Technician will be paid for 4 hours even though after clearing the stage in the 1 ½, that same IATSE Technician can go home. Because the call for the IATSE Technician was for the show production, there is no ability under the IATSE CA to reassign the production technician to load out tasks. Under the IATSE CA, it is necessary to do a call for "load out" Technicians directly as the production Technician only will work the actual concert. Mr. Sinopoli has expressed his concerns directly to the union but IATSE has not agreed with Mr. Sinopoli or waived this CA right.

Mr. Sinopoli was asked by the Committee if the IATSE Union Technicians are cleared through a Police Check given the ages of the dance competitors and Mr. Sinopoli indicated this had not happened in the past. The Committee requested that the Chief Executive Officer review this matter with City LR for checks for IATSE Technicians for the Q.E. Theatre during children's dance competitions.

Pat Di Donato - Liberty Grand

Twenty percent of Liberty's business includes IATSE Union Technicians and the issue is trying to attract corporate weekday events as it is difficult to be competitive with other venues in Toronto because of the IATSE costs. Generally, Liberty is full for weekend events although IATSE is still an issue because the technician costs are at double time on the weekend.

Lack of parking and traffic congestion is a concern when there are other events on-site, and rising expenses for heat, hydro, electrical, etc. is also a concern for Liberty.

The CEO explained to the Committee that some tenants on the site (Liberty, Muzik, Medieval Times, BMO Field/Ricoh Coliseum) employ IATSE housepersons that just service each of the particular venues managed by the tenant. At this time, the QE Theatre/Fountainblu tenant does not have an IATSE houseperson but draws technicians from the union hall.

The Committee questioned if there could be a pool of IATSE housepersons that could be used by all. Liberty Grand and Muzik Clubs Inc. responded that while possible, it may not be practical because typically, all venues are often occupied/having events at the same and therefore sharing would not be possible.

The Committee suggested a legal opinion on having 3 to 4 IATSE Technicians as a regular pool of staff that tenants can share. The Chief Executive Officer explained that meetings have been held with all tenants regarding the IATSE concerns and are being presented during the current union negotiations.

Zlatko Starkovski - Muzik Clubs Inc.

Mr. Starkovski noted that the Board has been very supportive of the Muzik's concerns related to IATSE, and urged that the tenants need this support to continue.

One of the main concerns of Muzik is the same as Liberty Grand – lack of parking and traffic congestion especially when all tenanted venues are busy on the same day/night.

Also of grave concern for Muzik are the continued negative comments in the media etc. about the club. After the incident in 2015, Muzik has worked with the AGCO and the TPS to make its premises safe but this has been a very costly exercise and certainly the incident and the ongoing negative comments has negatively impacted Muzik's event revenues. Mr. Starkovski's goal is to sort out the future of Muzik Clubs Inc. and its reputation.

Mr. Starkovski also raised the idea that Exhibition Place/ the tenants should be marketing the entire site together and all venues on the site. That it is a unique site with diverse entertainment venues and he thinks that tenants should work together on this strategy.

The Chief Executive Officer noted that a Marketing Plan for the entire Exhibition Place site is being developed by the Exhibition Place Director/Sales & Marketing for 2016 and the tenants will be consulted with respect to this plan.

Appendix "B"  
 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.