



Exhibition Place

Item No. 21

May 1, 2012

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **2013 Rental and Services Price List**

Summary:

This report recommends approval of the Rentals and Services Pricing for 2013 as outlined in the Confidential Attachment. A comprehensive review and update of the price list is done annually to factor in the increase in labour and materials costs to assure a competitive return to the Board on services offered. Generally the increases that are being recommended either reflect directly the increase in labour rates associated with the supply of the service or increases that are in keeping with the market place surveys that were undertaken.

Recommendations:

It is recommended that the Board:

- (1) Approve the price list for third party Rentals and Services, outlined in the Confidential Attachment, effective January 1, 2013; and,**
- (2) Direct that the confidential information contained in the Confidential Attachment not be released publicly, except to Show Management upon execution of a License Agreement, in order to protect the competitive position and the future economic interests of Allstream Centre, Direct Energy Centre, and Exhibition Place.**

Financial Impact:

There are no negative financial implications resulting from the adoption of this report which proposes a 2013 Rentals and Services cost that reflect market values and increases in labour and material costs that affect Exhibition Place.

Decision History:

The Exhibition Place 2009-2012 Strategic Plan had a Financial Goal to *Effectively monitor costs and revenues* and as a Strategy to support this Goal we will *ensure operating budgets are met or show a positive surplus to budget*.

At its meeting of May 13, 2011, the Board approved the third-party rentals and services price list for 2012. The price list is adjusted on an annual basis to factor increases in labour and materials costs and market conditions and in keeping with the practice of competitive venues.

Issue Background:

A comprehensive review and update of the price list is done annually in conjunction with the commencement of the Operating Budget process as the price of services impact show revenues and ultimately the 2013 Operating Budget. In addition, the Marketing and Sales Division is already providing quotes to shows for 2013 and therefore, need to have updated rates for these quotes.

Comments:

The Confidential Attachment 1 is the proposed Price List for Rentals and Services which staff are recommending be adopted effective January 1, 2013. The price list was compiled by a staff team and the prices being recommended have been compared to other service providers in the industry, (e.g. Showtech pricing for electrical, GES for rentals and Bell Canada for telecommunication services). It is intended that some of the pricing from this list will also be used, where applicable, to the Allstream Program. However, now that we have two years of history, staff from the Marketing, Event, Facility and Finance divisions are still in the process of developing a pricing structure for the Allstream program area given that the nature of the conference and convention business is different from the trade and consumer business and will require specialized rentals and services pricing.

The Confidential Attachment provides prices have also been reviewed to factor in the increase in labour costs to assure a competitive return to the Board on services offered. On an ongoing basis the services and cost of services are monitored to evaluate their profitability and competitiveness in the market place. Generally the increases that are being recommended either reflect directly the increase in labour rates associated with the supply of the service or increases that are in keeping with the market place surveys that were undertaken. For the information of the Board where there is a price change for 2013 it is noted in the respective columns. If there is nothing noted in the "change" column then the price for 2013 is the same as in 2012.

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Submitted by:

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