



Exhibition Place

Item No. 18

April 10, 2015

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Subject: **License Agreement – Canadian National Sportsmen’s Shows Ltd. 2016 and 2017**

Summary:

This report recommends the Board’s license agreement (the "Agreement") with the Canadian National Sportsmen's Shows Ltd. (CNSS) for the use of Halls A, B, C, a portion of G, and Heritage Court within Direct Energy Centre for 2016 and 2017, be cancelled on the terms and conditions of the Agreement.

Recommendations:

It is recommended that the Board:

- 1) Receive the letter dated March 4, 2015 from Canadian National Sportsmen’s Show (1989) Ltd. as formal notice of cancellation of License Agreement #1382A and #1383A for 2016 and 2017 respectively; and**
- 2) Direct that the confidential report contained in Attachment 1 to this report not be released publicly in order to protect the competitive position, future economic and legal interests of the Board.**

Financial Impact:

The cancellation of these licence agreements has a negative financial impact on the Board in 2016 and 2017, and are set out in the Confidential Attachment.

Decision History:

The Exhibition Place 2014-2016 Strategic Plan had a Financial Goal to *maintain a positive operating financial performance across Exhibition Place and all its businesses* 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 June 24, 2011, the Board approved a report entitled “Council Policy on the Display of Guns at Exhibitions / Events”, that requested the CEO meet with the City Manager to address issues relating to the interpretation of the City policy on “City-Based Measure to Address Gun Violence” (the “Policy”) and its detrimental effect on trade and consumer shows being held at Exhibition Place.

Following the CEO’s discussions with the City Manager’s Office, a motion was submitted and approved by City Council at its meeting of May 8 and 9, 2012, which exempted the Board from the City Policy prohibiting use of City facilities for the promotion of firearms, for the purpose of permitting the Toronto Sportsmen's Show to host its annual five-day show at Exhibition Place on certain conditions.

Based on the Council direction above, at its meeting of May 25, 2012, the Board approved a five-year license agreement with CNSS to rent Direct Energy Centre for 7 days or less in any one year for a term commencing in 2013 and expiring in 2017 for the Toronto Sportsmen's Show.

At its meeting of September 28, 2012, the Board approved the terms of a license agreement for Direct Energy Centre to be the host venue for the NBA AllStar Jam Session sporting event.

Issue Background:

On March 2, 2015, CNSS issued a Media release (Appendix A) announcing that the 2016 Toronto Sportsmen's Show was moving to the International Centre on March Break dates. The Media release advised that CNSS had finalized a multi-year agreement with the International Centre, and that the Toronto Sportsmen's Show would be held there March 16 to 20, 2016.

Comments:

The Toronto Sportsmen's Show was held at Exhibition Place from 1948 to 2009. However, because of the Policy adopted by City Council at its meeting of June 23, 2008 with respect to "City-Based Measure to Address Gun Violence", the Toronto Sportsmen's Show moved from Exhibition Place to the Metro Toronto Convention Centre, a provincially owned facility which permits such activities. This resulted in a loss of \$1.1 million of annual gross income to Exhibition Place.

When the City policy was changed in 2012 to exempt the Board from the Gun policy with respect to the Toronto Sportsmen's Show, the Board entered into licence agreements dated May 29, 2012 with CNSS for the use of Direct Energy Centre for their annual Toronto Sportsmen's Show for each of the years 2013, 2014, 2015, 2016 and 2017. The traditional dates for the Toronto Sportsmen's Show had always been over March Break, however because this time period were contracted by another major event at the DEC, The Toronto Sportsmen's Show contracted for new dates in February.

As noted in the Media release attached as Appendix "A", the reason cited by CNSS for the change of venues is to revert to its traditional March Break dates.

Contact:

Arlene Campbell
General Manager, Sales & Events Management
Tel: 416-263-3030
Fax: 416) 263-3019
Email: ACampbell@directenergycentre.com

Appendix A



For Immediate Release

March 2, 2015

GREAT NEWS! In 2016 the Toronto Sportsmen's Show is Moving to The International Centre on March Break!

MULTI-YEAR AGREEMENT

The Canadian National Sportsmen's Shows is pleased to announce that a multi-year agreement has been finalized that will see the 69th edition of the Toronto Sportsmen's Show being held March 16-20, 2016 at The International Centre, located at 6900 Airport Road in Mississauga.

RETURN TO A 5 DAY FORMAT

Canada's Greatest and Most Historic Sportsmen's Show will return to its traditional five day format at The International Centre.

EASILY ACCESSIBLE LOCATION AND FREE PARKING

Jennifer Allaby, Ontario Regional Manager of the Canadian National Sportsmen's Shows and Show Manager of the Toronto Sportsmen's Show is excited by the prospects offered by this new venue. "The International Centre is positioned in the middle of the Greater Toronto Area (GTA), at the junction of seven major Ontario highways. It's also one of the only facilities of its kind to offer free parking for over 5,000 vehicles. The benefit of complimentary parking at The International Centre is that it dramatically lowers the cost of attending the show", said Allaby.

LISTENING TO EXHIBITORS AND ATTENDEES

"In discussions with many of our valued exhibitors and attendees it became very clear that they preferred the show's traditional family oriented March Break dates" remarked Walter Oster, Chairman & CEO of the Canadian National Sportsmen's Shows. "I am sure everyone realizes how difficult it is to relocate a show the size of the Toronto Sportsmen's Show, therefore I am extremely pleased that we have been able to enter into a new long term agreement with The International Centre to hold the 2016 Toronto Sportsmen's Shows on the March Break time slot."

LAYOUT AT THE INTERNATIONAL CENTRE WORKS WELL FOR THE SPORTSMEN'S SHOW

Peter Lockhart, President, Canadian National Sportsmen's Shows believes the Toronto Sportsmen's Show will thrive in its new location. "In addition to the free parking, ease of access and more moderate weather on the March Break dates, the facility layout at The International Centre dovetails perfectly with the many diverse elements of our show," said Lockhart. "As the attendees travel through the Toronto Sportsmen's Show they will see that each hall represents all of our great heritage activities. This builds a rewarding, interactive, family experience that benefits our attendees and exhibitors alike."

OVER 40 YEARS OF HOSTING MEMORABLE EVENTS

"The Toronto Sportsmen's Show is a truly iconic event and we are excited they have chosen our venue for the 2016 show," said Michael Prescott, Chief Executive Officer, The International Centre. "As a leading consumer show venue for over 40 years we pride ourselves on providing our clients and visitors with the highest level of services and expertise possible to create exceptional experiences. Welcoming the Toronto Sportsmen's Show to The International Centre continues to showcase our focus on providing outstanding events produced by exceptional teams."

About Canadian National Sportsmen's Shows:

Canadian National Sportsmen's Shows (CNSS) is a not for profit corporation and the largest producer of boat, fishing, hunting, sportsmen's, ski and outdoor shows in Canada. Through its family of shows, the corporation raises funds to ensure that generations of young Canadians can benefit from Canada's great outdoors. Since the first show held in 1948, more than \$32 million has been contributed towards to these causes.

About The International Centre

The International Centre boasts over 40 years of success as the leading trade and consumer show venue in North America, and one of Canada's largest privately owned multi-purpose conference facilities. Located at 6900 Airport Road, offering complimentary parking for over 5,000 vehicles and surrounded by more than 10,000 hotel rooms, The International Centre is easily accessible from any point in the Greater Toronto Area. For more information visit www.internationalcentre.com.

For more information about the 2016 Toronto Sportsmen's Show, please contact:

The Canadian National Sportsmen's Shows:

Jennifer Allaby
Ontario Regional Manager and Show Manager of the Toronto Sportsmen's Show
T: 905.361.5248
E: allaby@sportshows.ca

Meagan Sheehan, Account Manager (Outfitters & Travel)
T: 905.361.5233
E: meagan.sheehan@sportshows.ca

Saj Rahman, Account Manager (Retail)
T: 905.361.5242
E: saj.rahman@sportshows.ca

www.sportshows.ca