

June 22, 2010

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young, Chief Executive Officer

Subject: **Parking Rate Adjustment**

Summary:

This report seeks the Board's approval to increase particular parking rates, effective September 7, 2010. This direction is recommended based on a review of parking rates increases experienced over the last few years at Exhibition Place and other centers.

Recommendations:

It is recommended that the Board approve an increase in the regular and Exhibitor parking rates at Exhibition Place as follows:

- 1. the regular daily flat rate of \$12 inclusive of taxes, be increased to \$13 and the regular evening flat rate of \$9 inclusive of taxes, be increased to \$10;**
- 2. the regular all-day flat rate in Lots 5 and 6 west of Dufferin Street which is presently at \$9, inclusive of taxes, be increased to \$10; and,**
- 3. the multi-day Exhibitor surface parking pass rate of \$7 per day, inclusive of taxes, be increased to \$8.**

Financial Impact:

The \$1 per day increase will result in approximately \$160,000 in revenue to the Board for 2010, and approximately \$420,000 per year in subsequent years. The increase is approximately 7.5 % of budgeted net parking revenue. There will be no significant increase in costs associated with these recommendations, as software programming changes will be coordinated with previously scheduled changes.

Decision History:

At its meeting of February 27, 2009 the Board approved to increase by one dollar, only on selected show dates, the regular indoor garage daily and evening parking rates to \$15 and \$12, respectively.

Issue Background:

Staff have completed a mid-year review of parking rates and report that regular daily and evening rates have not been increased in two years, and that Exhibitor rates have not been increased in three years. The all day flat rate in Lots 5 and 6 west of Dufferin Street have not been increased in 11 years. Since the last increase in regular parking rates at Exhibition Place,

regular and exhibitor parking rates at the Metro Toronto Convention Centre have increased by \$1 per day to \$17 and \$12 respectively.

Comments:

Parking rates are reviewed on an ongoing basis and set at a level that will ensure an adequate supply of spaces for shows and events; cover the cost of operating the spaces; and contribute towards general operating costs, while remaining competitive and conducive to attracting and retaining business at Exhibition Place.

Parking rate increases are typically implemented in whole dollar amounts to maintain speed of service in cashiered operations, and to facilitate high volumes in coin operated machines. For this reason rates are not updated annually, and increases may occasionally lag or move ahead of cost-of-living increases.

This report does not propose any changes to the \$15 and \$12 daily and evening indoor garage rates on select show dates which were increased in February 2009. This report also does not propose any changes to Exhibition Place management's right to charge special event rates ranging from \$15 to \$25 throughout the year for summer events such as Honda Indy, CHIN Picnic, Caribana, and certain BMO Field and Ontario Place sporting and concert events.

However, staff are recommending increases to the daily rate (from \$12 to \$13), exhibitor rates (from \$7 to \$8) and rates for the parking lots at the west end of the grounds (from \$9 to \$10)

The table below shows the calculation of the revenue from the rate increase.

	January to August	September to December	Full Year
Number of vehicles that currently pay the \$12 rate	211,923	136,077	348,000
Number of vehicles that currently pay the \$9 rate	82,468	50,370	132,838
Number of vehicles that currently pay the \$7 rate	33,925	14,540	48,465
Total vehicles that will pay the \$1 increase	328,316	200,987	529,303
Additional parking revenue from the increase (\$1= \$.88496 net of taxes)	\$290,546	\$177,866	\$468,407
Less rebates per agreements	\$31,732	\$16,091	\$47,823
Net additional parking revenue to the Board	\$258,814	\$161,775	\$420,589

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