



## Exhibition Place

### Item No. 23

June 7, 2011

To: The Board of Governors of Exhibition Place

**ACTION REQUIRED**

From: Dianne Young, Chief Executive Officer

Subject: **Assignment of Agreement with Clarity Outdoor Media Inc. for Existing Strachan Outdoor Billboard Sign**

#### Summary:

This report recommends that the Board consent of an assignment of the existing agreement that Clarity Outdoor Media Inc. (“Clarity”) currently has with the Royal Bank of Canada (“Royal”) to Roynat Capital Inc, a Division of Scotiabank (“Roynat”) as it relates to the loan refinancing of the existing Strachan outdoor billboard sign. As set out in the Board agreement between the Board and Clarity, such assignment requires the consent of the Board. Clarity had obtained financing from Royal to finalize the agreement with the Board in 2010 and is in the process of refinancing the initial loan as set out in the confidential attachment to this report.

#### **Recommendations:**

**It is recommended that, the Board:**

- 1) Grant its consent to the assignment of the financing agreement with Clarity Outdoor Media Inc. with Roynat and the attached Confidential Attachment 1 and such other terms and conditions as may be satisfactory to the Chief Executive Officer and City Solicitor;**
- 2) Direct that the confidential information in Confidential Attachment 1 not be released publicly as it concerns the security of the property of the Board and the City and contains financial information on a third party and communication matter subject to solicitor-client privilege.**

#### Financial Impact:

Approval of the financing assignment of the agreement between the Board and Clarity has no financial implications.

#### Decision History:

At its meeting of June 20, 2008, the Board approved of entering into an agreement with Allvision for the provision of outdoor signage consulting services given the expiration of the CBS agreement on August 31, 2009.

At its meeting of May 29, 2009 the Board approved of Clarity as the successful proponent of the Billboard Sign (Strachan) RFP which was issued through the City of Toronto Purchasing Department and approved of the terms and conditions of the long-term agreement with Clarity which was subsequently approved by City of Toronto Council on August 5, 2009.

At its subsequent meeting of December 4 2009, the Board approved an amendment to the agreement as originally approved regarding the payment schedule as requested by Clarity which was subsequently approved by City of Toronto Council on January 26, 2010.

At its meeting of July 23, 2010, the Board and City Council respectively, approved the Board entering into an agreement with Clarity for new amended terms to finalize an agreement with Clarity Outdoor Media Inc. related to the operation of the existing Gardiner outdoor billboard sign at Strachan Avenue. These amended terms were negotiated and finalized with Clarity following the Council Approvals in August 2009 and January 2010 and basically focused on the financial terms of the contract and reflect the financial return on investment in this industry.

Issue Background:

The Board agreement between the Board and Clarity requires the consent of the Board to an assignment by Clarity of its loan to a new financial institution.

Comments:

On May 5, 2011 Clarity advised Exhibition Place staff that it was in the process of refinancing its initial loan currently with the Royal Bank of Canada to Roynat Capital Inc, a Division of Scotiabank. On May17, 2011 finance staff met with one of Clarity owners to obtain additional information on the assignment as set out in the confidential attachment. To date, Clarity has met all contractual obligations per Board agreement and has no monies owing to Exhibition Place. City Legal Department has reviewed the draft Assignment of Agreement with the Board attached to the confidential report.

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Submitted by:

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Dianne Young,  
Chief Executive Officer