

EXHIBITION PLACE

17

February 22, 2008

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: Extension and Amendment of Agreement for Sponsorship Consulting Services

Summary:

This report recommends an extension of the previous agreement with Wakeham & Associates Marketing Inc. (WAM) for a six month period commencing January 1, 2008, and expiring June 30, 2008 for specific sponsorship consulting services relating to the naming of the proposed conference centre in the Automotive Building. The previous agreement expired in December 2007 by which time the Board and WAM had anticipated to have negotiated a final agreement with a naming sponsor. At a meeting on January 25, 2008, the Business Development Committee approved of a Memorandum of Understanding between the Board and a potential naming sponsor with the intent to bring forward the full agreement in this matter to the Board on May 2, 2008. Accordingly, this report is recommending the extension of the agreement with WAM so it can continue to work on this very important matter. The extension is on the same terms and conditions except for an amendment to the commission payment as explained in the Confidential Attachment I.

Recommendations:

It is recommended that the Board approve of:

- 1. A further agreement with WAM for six months commencing January 1, 2008 and expiring on June 30, 2008 for sponsorship consulting services related solely to the naming of the proposed conference centre in the Automotive Building on the terms and conditions set out in this report and the Confidential Attachment 1 and such other terms and conditions satisfactory to the CEO and the City Solicitor; and,**
- 2. Direct that the confidential information contained in Attachment 1 to this report not be released publicly in order to protect the competitive position and future economic interests of Exhibition Place and the City of Toronto.**

Financial Impact:

There are no negative financial implications to the recommendations in this report.

Decision History:

In 2003, an RFP was issued through the City of Toronto Purchasing Department for exclusive sponsorship services for the DEC and Exhibition Place (excluding any sponsorships for the annual CNE) and seven proposals were received. Following an evaluation, a three-year agreement with WAM was recommended and approved by the Board at its meeting of July 25, 2003. This agreement with WAM expired on July 31, 2006 and a new agreement was entered between the Board and WAM solely with respect to finding a naming sponsor for the proposed Conference Centre. This agreement expired on December 31, 2007.

At its meeting on January 25, 2008, the Business Development Committee considered a report on the proposed naming partner for the Conference Centre and approve of the terms and conditions of an exclusive memorandum of understanding (Naming MOU) between the proposed company and the Board with the intent of finalizing the terms and conditions of an agreement by May 2, 2008.

Issue Background:

Since the approval of the Naming MOU by the Board at its meeting of January 25, 2008, WAM is working very closely with the Board and the proposed sponsor to finalize all the terms and conditions of a full agreement between the Board and the proposed company. The intent is to reach agreement on the terms and conditions to report to the meeting of the Board on May 2, 2008. If successful, WAM will be working with Exhibition Place staff to report this matter to City Council and also be working closely with staff to activate the account. When Exhibition Place launched the Direct Energy Centre naming account, WAM was very helpful in ensuring the activation went smoothly.

Comments:

WAM was incorporated in early 1999 in Toronto as a full-service sponsorship marketing agency providing consulting, property valuation, sales strategy, venue naming execution, strategic planning, event development/management/execution and affinity program services to both corporations and properties. WAM is a leader in the sponsorship industry and manages such global accounts as the Beaches International Jazz Festival, Chicago Theatre, The Hummingbird Centre; The Forbidden City (China) and most recently developed a sponsorship strategy for the Toronto World Expo 2015. Because of its accounts, WAM has numerous contacts with CEO's and head offices of multinational corporations.

In 2006, WAM was successful in the sale of The National Trade Centre naming rights to Direct Energy Services. Sale of the naming rights had been very difficult for the Board with two other sponsorship companies making unsuccessful attempts. WAM had also successfully negotiated naming rights for the Canon Theatre, Toronto; Ford Centre for Performing Arts, Chicago; AT&T

Centre for the Performing Arts, Toronto; and the Ford Centre for the Performing Arts, New York.

Since the Fall 2006, WAM has put together a marketing package for naming rights of the proposed conference centre in the Automotive Building. As indicated in the Conference Centre Update report, financing of this \$46.88 million project must be managed by Exhibition Place and a naming rights partner would be a real asset in funding the project. The Business Development Committee approved of the MOU in January 2008 with a proposed naming sponsor and WAM and Exhibition Place and City Legal, are working on a long-form agreement.

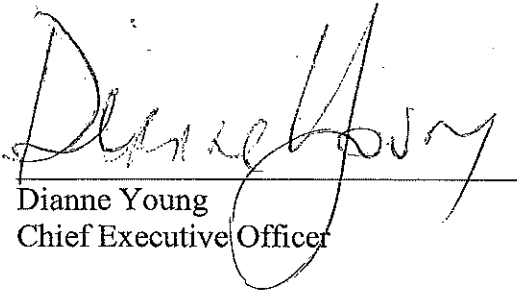
Staff is recommending a naming rights sponsorship consulting agreement with WAM for an additional six months on the same terms and conditions as in the previous agreement as set out below and the changed commission fee outlined in Confidential Attachment 1 and any others required by the City Solicitor:

- a) Term – a six month term from January 1, 2008 to June 30, 2008
- b) Out-of-Pocket Expenses – Reimbursement of all reasonable pre-approved expenses.
- c) Scope of Services – Service include the following:
 - Undertake an inventory of marketing and business opportunities for naming rights on the grounds and develop a naming rights package
 - Develop sponsorship ranges
 - Develop a target list of potential naming sponsors
 - Undertake the direct selling of the naming rights opportunity
 - Negotiate and finalize the terms of an agreement
 - Maintain good communications
 - Act as the representative of Exhibition Place and the Direct Energy Centre, including responding to all written correspondence and telephone calls and negotiating and resolving any problems and discrepancies
 - Communicate at all times in a professional and effective manner
 - Maintain confidentiality of naming sponsorship matters
 - Work with Exhibition Place staff and if required prepare and present reports to the Board of Governors or its committees
 - Provide to Exhibition Place all contact lists, follow-up reports and sponsorship leads with respect to “non-naming” sponsorships.

Contact

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Submitted by:



Dianne Young
Chief Executive Officer

Attachments 1 – Confidential Information