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EXHIBITION PLACE

ACTION REQUIRED

June 10, 2008

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **2009 Rental Agreement with
Merchandise Mart Properties (Canada) Inc.**

Summary:

Large trade and consumer show clients prefer to have their dates confirmed well in advance in order to ensure a consistent date and space pattern, to secure exhibitors, sponsorships, and block out competitive tradeshow. Due to the date shift of the National Home Show for 2009 and beyond, it was necessary to shift the dates of the Interior Design Show respectively. Sales staff entered into discussions with Merchandise Mart Properties (Canada) Inc. ("MMPI"), a prestigious client of Exhibition Place, to ensure the Interior Design Shows would be able to secure their dates and space patterns for 2009, 2010 and 2011 in the Direct Energy Centre. During these negotiations MMPI expressed its concerns about having to change its typical date pattern two weeks earlier because it is very difficult to re-educate the public attending the consumer part of the show. MMPI has advised that at this time they only wish to contract for 2009. In recognition of the long standing business relationship with MMPI staff are recommending an amendment to the 2009 contract.

Recommendation:

It is recommended that the Board:

- (1) Approve the discount recommended in the Confidential report for the 2009 year on the terms and conditions outlined on the Confidential Attachment 1, and such other terms as required by the CEO and 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.**

Financial Impact:

The recommended discount will be provided for in the 2009 budget.

Decision History:

At the March 6, 2008 meeting of the Board approved of entering into a multi-year agreement with Merchandise Mart Properties (Canada) Inc. for the Interior Design Show for 2009-2011.

Issue Background

On February 15, 2008, MMPI advised staff to prepare three-year contracts on the terms negotiated and approved by the Board at its meeting of March 6, 2008 which provided discounts based on a three-year agreement. On June 5, 2008 MMPI advised that they only wished to enter into an agreement with the Board for 2009 at this time. Accordingly contracts were sent to MMPI that reflected rental rates for 2009 with no lagging of rates and these contracts are now executed.

Due to the date shift recommended by Exhibition Place staff and approved by the Board for the National Home Show for 2009 and beyond, it was necessary to shift the dates of the Interior Design Show. Sales staff entered into discussions with Merchandise Mart Properties (Canada) Inc. ("MMPI") to ensure the Interior Design Shows would be able to secure the new dates and space patterns for 2009, 2010 and 2011 in the Direct Energy Centre. MMPI expressed its concerns about having to change its typical date pattern two weeks earlier, and has now advised that at this time they only wish to contract for 2009.

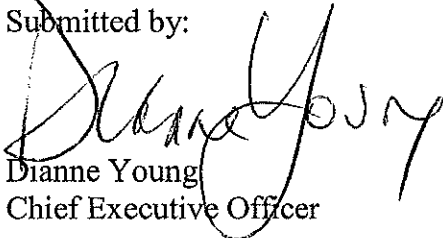
Comments

Rental rates for 2009 will be at the 2009 rate and not be lagged, as this is a one year contract, but that the previously approved discount for 2009 is recommended by staff for the 2009 show.

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Submitted by:



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