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October 30, 2008

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young
Chief Executive Officer

Subject: **2009 Rental and Service Price List – Amendment to Electrical and Banner Hanging Pricing**

Summary:

This report recommends an amendment to the Electrical and Banner Hanging price of the Rentals and Services pricing for 2009. A comprehensive review and update of the price list is done annually to factor in the increase in labour costs to assure a competitive return to the Board on services offered. Generally the increases that are being recommended either reflect directly the increase in labour rates associated with the supply of the service or increases that are in keeping with the market place surveys that were undertaken. However, since the original proposal for Rentals and Services was considered by the Board in July, the market place has become much more competitive due to recent economic factors which is likely to affect all shows and their Exhibitors. Staff has been working with the major show promoters, display companies and with other venues and all indications right now is that they will be freezing some of their rates in 2009 to assist not only the event but to ensure Exhibitors can repeat their attendance.

Recommendation:

It is recommended that the Board:

- 1) **Amend the Electrical and Banner Hanging Price List as attached in the confidential Attachment 1 effective January 1, 2009; and,**
- 2) **The confidential information in Attachment 1 not be released publicly except to Show Management upon execution of a License Agreement in order to protect the competitive position and the future economic interests of The Direct Energy Centre and Exhibition Place.**

Financial Impact:

Adoption of the amendment to the electrical and banner pricing will result in reduction of revenues as detailed in Confidential Attachment 1; however, the 2009 Operating Budget will not be impacted as staff will find the equivalent savings from operational efficiency.

Decision History:

At its meeting of July 18, 2008, the Board approved the third-party rentals and services price list for 2009. The price list is adjusted on an annual basis to factor increases in labour costs and market conditions and in keeping with the practice of competitive venues.

Issue Background:

Since July 2008, the market place has become much more competitive due to recent economic factors which are likely to affect all shows and their Exhibitors. Staff has been working with the major show promoters, display companies and with other venues and all indications right now is that they will be freezing some of their rates in 2009 to assist not only the event but to ensure Exhibitors can repeat their attendance.

Comments:

A comprehensive review and update of the price list is done annually in conjunction with the commencement of the Operating Budget Process. Attached as Confidential Appendix I is the 2008 Price List with the amended prices for electrical and banner services which staff are recommending be adopted effective January 1, 2009.

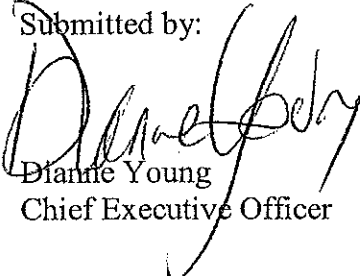
Prices in the original July report have been reviewed to factor in the increase in labour costs to assure a competitive return to the Board on services offered. However, on an ongoing basis the services and cost of services are monitored to evaluate their profitability and competitiveness in the market place which has since changed significantly and the Board risk loss of business if some favourable pricing assistance is not provided in these uncertain times.

This report recommends the amendment of the 2009 Price List for Electrical and Banner Hanging Services.

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Submitted by:



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