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## EXHIBITION PLACE

January 8, 2004

To: The Board of Governors of Exhibition Place

From: Dianne Young, General Manager & CEO

Subject: **Royal Agricultural Winter Fair ("RAWF") – Request for Parking Revenues**

### **Recommendations:**

**It is recommended that the Board:**

- 1. Not provide a grant to the RAWF from the Board in the form of a share in the Board's parking revenues earned during the 2004 annual Royal fair and horse show;**
- 2. Explore with the RAWF the possibility of levying a parking surcharge for attendees on behalf of the RAWF; and**
- 3. Forward this report to the City Finance Department for consideration during the 2004 Operating Budget.**

### **Background:**

At its meeting of April 14, 2003, Council considered Clause No. 1 of Report No. 3 of The Economic Development and Parks Committee and requested that the Board consider during the 2004 budget process, transferring all or part of the parking revenues generated by the attendees at the annual Fair to the RAWF to offset RAWF expenses.

### **Discussion:**

The RAWF has held its annual Royal Fair and horse show at Exhibition Place for over 80 years. Over the last 10 years there have been significant changes on the grounds which have affected the RAWF such as the construction of the new NTC, the demolition of the Fraser Pavilion, South Extension, a reduction in the Industry Building and in 2003 the major renovation of the Coliseum Arena. The RAWF and the Board have worked closely together throughout this time to ensure the needs of the RAWF have been met to the extent possible. In turn, the RAWF has worked cooperatively with the Board to revise its programming to meet the requirements of the new conditions imposed on the RAWF, for example not using the new NTC Halls for livestock.

The City provides an annual grant to the RAWF which in 2003 was \$654,710. The Board works with the RAWF to try and minimize all service costs (i.e., ensures move-in/move-out to be done on regular time) but otherwise the RAWF pays Exhibition Place the list price for rent and

services which in 2003 was \$1,873,076 (\$1,460,826 the Board and \$412,250 to Ricoh Coliseum).

With respect to parking (as noted in the report respecting the lease for the RAWF administrative offices), Exhibition Place provides the RAWF with parking passes for its office staff and volunteers. However, the Board retains all parking revenues resulting from attendees to the annual Royal Fair. In 2003, the Board earned \$329,808.53 from parking during the Royal.

The RAWF has worked hard over the last few years at developing the Royal Fair with increased advertisement, new programming and seeking grants from other levels of government. However, despite these initiatives the RAWF has experienced annual deficits that I understand have been funded with a transfer from the RAWF Foundation. Some of the increased expenses faced by the RAWF relate to the increased space rented and move-in/move-in days licensed by the RAWF; the annual increase in facility rent rates; increases in the cost of services due to increased union wages; and (more recently) increased cost due to the conversion of the Ricoh Coliseum from ice and the technical video production work required by the RAWF.

The RAWF has approached the Board about its financial pressures and the Board has provided some relief in the past, for example in 2002 the Board waived the rent for Hall C. However, the Board has tried to maintain a business relationship with the RAWF with regards to its annual event and instead requested that the RAWF seek municipal support through the one source, the City grant process.

With respect to 2004, the Exhibition Place Operating Budget adopted by the Board at its meeting of September, 2003 is based on the premise that the RAWF is paying full rent for all space used; listed prices for services rendered; and with all parking revenues flowing to the Board. The 2004 Operating Budget is a break-even budget. Therefore, if the Board were to transfer all or part of the parking revenues to the RAWF, the RAWF may move from a negative to positive financial position but the Board in turn would move from a break-even budget to a negative financial position. For this reason, I cannot recommend such a direction to the Board.

In addition, the Board has been very protective of its parking revenue and generally, does not share parking revenues with any other licensee on the grounds. The only exception is when a premium parking charge is imposed (i.e., CHIN charges \$15.00 rather than \$9.00) and in such cases the differential between the Board's standard parking rate and the premium is transferred to the licensee. In such circumstances, Exhibition Place also insists that the licensee place appropriate signage at parking lot entrances to inform the attendee the reason for the increased parking rate and the benefiting party.

Exhibition Place could, if requested by the RAWF, charge a premium parking rate. However, one unknown factor that must be considered that is not relevant in the summer months is the parking availability at Ontario Place. Faced with a premium for parking rates, attendees to the RAWF may choose not to park at Exhibition Place but drive across Lake Shore Boulevard to Ontario Place where they can park for \$5.00. Another problem with charging a premium rate during the Royal event is that there are other shows on at the same time as the Royal event (ie Eddie Bauer Warehouse Sale). Therefore, while staff can explore this option with the RAWF, it

may have a detrimental effect on the parking revenues earned by Exhibition Place during this event.

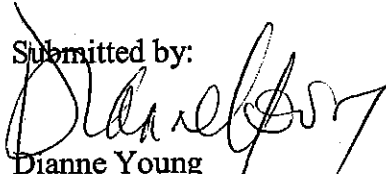
Conclusion:

This report responds to the request from Council with respect to parking revenues earned by the Board during the 2004 Royal Fair and horse show.

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Submitted by:



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