



EXHIBITION PLACE

November 24, 2004

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: **2005 Wizard World**

Purpose:

This report recommends the terms for a one-year license agreement with Astro Zodiac for the operation of 2005 Wizard World attraction in the Better Living Centre in March of 2005.

Financial Implications & Impact Statement:

The approval of the recommendations contained in this report will result in the Board earning approximately \$45,000.00 in gross revenues from parking and the provision of labour and services to support the execution of this event.

Recommendation:

This report recommends that the Board approve a one-year license agreement with Astro Zodiac for the operation of the 2005 Wizard World attraction in the Better Living Centre during 2005 March Break, on the terms and conditions set forth in this report and any other such terms and conditions as may be required of the General Manager or the City Solicitor.

Background:

At its meeting of January 2004, the Board approved the terms for a one-year license agreement and directed staff to report back to the Board following the 2004 event. Astro Zodiac has approached staff to repeat this event in 2005.

Comments:

At its meeting of January, 2004, the Board received a report from staff which recommended the business terms for a three-year license agreement with Astro Zodiac for the operation of a new children's attraction that would operate in the Better Living Centre during March Break. Staff's three-year recommendation was based on assisting the operators to develop and launch this new event, and the business terms recommended by staff proposed a gradual claw-back of the Board's

assistance during the three-year term. One of the major concessions for this new event was the waiver of building rent and rental costs of the Board's equipment (subject to availability).

However, the Board only approved the terms for a one-year license agreement and requested that staff report back to the Board on the actual experience and recommendations for future licence agreements. In 2004, the Board earned gross revenues of \$44,933.00 (\$10,112.00 from parking, \$32,175.00 from labour and services, and \$2,646.00 in retained concessions income). The operators report having lost approximately \$25,000.00 after expenses and capital investments totaling approximately \$220,000.00. However, despite this loss, the operators are very positive about the future of this event, citing many lessons learned from their first year of operation. Based on feedback from their patrons, the operators are proposing to adjust the attractions as well as introduce some new attractions in 2005 and have requested that the Board maintain the same level of assistance in 2005 as it provided in 2004 in order for Astro Zodiac to grow this event on the grounds as it has done with the Screemers event which is also managed by the same operator.

This is a very positive event for the grounds bringing families and children to the grounds and renting a building that has typically been vacant during the March period. Therefore, staff are recommending that the Board enter into a one-year agreement with Astro Zodiac with the following exceptions to the Board's standard license agreement:

- a) Building Rent: waive building rental (equivalent to \$45,180.00, which is 9 operating days @\$5,020.00/day);
- b) Board's Equipment: waive the standard rental rates for the use of the Board's Equipment that is available (i.e. not rented to another client);
- c) Labour and Services: waive the standard posted rates for labour and services and charge only Time+Material+12%;
- d) Food and Beverage Commissions: share 50% of all commissions from the sales of F&B;

For the Board's information, the standard License agreement provides that the Board will receive sponsorship recognition equivalent to any discounts or rebates, in a manner that is consistent with the Operators' standard recognition of its corporate sponsors. In 2004, the logo of Exhibition Place was positioned with the logos of other corporate sponsors for Wizard World in all printed materials, on the operator's website and in transit and electronic advertising.

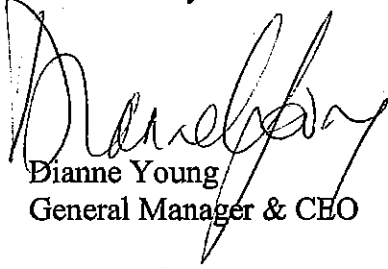
Conclusion:

This report recommends that the Board approve the terms of a one-year license agreement with Astro Zodiac for the operation of the 2005 Wizard World attraction and, furthermore, that staff report back to the Board at the consultation of this event with results and recommendations for moving forward with this operator.

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Submitted by:

A handwritten signature in black ink, appearing to read "Dianne Young". The signature is fluid and cursive, with a large initial "D".

Dianne Young
General Manager & CEO

