

# EXHIBITION PLACE

July 15, 2003

TO: The Board of Governors of Exhibition Place

FROM: Dianne Young  
General Manager & CEO

SUBJECT: Agreement with Screemers Inc. ("Screemers") for 2003 attraction

**Recommendations:**

**It is recommended that the Board enter into a licence agreement with Screemers for the operation of a Haunted House entertainment attraction in the Horticulture Building in 2003 in accordance with the terms and conditions set out in this report and such other terms consistent with the Board's standard licence agreement.**

**Background:**

At its meeting of May 26, 2000, the Board considered a report from staff recommending a three-year strategy for licensing this event and terms and conditions for increasing the charges for building rental, equipment rental and labour services during this three years to reach full rental prices for all. While the Board approved a one-year license agreement in 2000 and again in 2001, staff has continued to use the original proposed increases as a guideline. For example, in 2000, Screemers paid 50% of all posted building rentals, in 2001 they paid 65% of all posted building rentals, and in 2002 they paid 100% of building rentals and 75% of all equipment rentals.

**Discussion:**

Screemers has been operating a Haunted House entertainment venue in the Horticulture Building for a term of approximately two weeks each year, including Halloween, since 1993 pursuant to a report considered by the Board at its meeting of September 24, 1993. During the period 1993 to-date, the Horticulture Building was one of the least utilized buildings on the site outside the CNE period since it had no heating or air conditioning and, following the Screemers event each year, the building has been closed for the winter months. The Screemers event was a new event designed to use this building and the terms and conditions initially negotiated by the Board took this into consideration.

However, in an effort to update the terms of the License Agreement between Screemers and the Board to bring rental rates in line with the Board's policy, staff has continued to move the terms forward in incremental steps for both building and equipment rental fees. The recommendations continue that direction by providing that both building and equipment rental fees are at approved

THE BOARD OF GOVERNORS OF EXHIBITION PLACE

rental rates. In addition to building and equipment rental and a 25% mark-up on labour, the Board earns approximately \$26,000.00 in parking revenue.

Because this building has been leased long-term to a developer who will take possession in November 2003, this report recommends a one-year agreement for 2003 on the following terms:

- i) Minimum Rent: posted rate of \$2,250.00/day for approximately 13 operating days (approximately \$29,250.00), plus applicable taxes with dark days at no charge;
- ii) Possession/Termination: Possession is no earlier than 30 days prior to the event, and termination no later than 15 days after the event (for a total of approximately 45 dark days) at no charge;
- iii) Labour, Rentals and Services: Equipment rentals to be charged at 100% of posted rates plus applicable taxes, which if based on 2002 requirements will equate to approximately \$8,500.00; Labour services to be charged at time plus materials plus 25% mark-up plus applicable taxes, which in 2002 was equivalent to approximately \$38,000.00;
- iv) Pixel Board Advertising: 2 week rotation prior to event plus full coverage during event, in accordance with standard Board policy;
- v) Concessions: Standard Concession License Agreements, terms and conditions in effect throughout the term of this agreement, and a shared commission structure as follows: Food and Beverage Sales (28% licensing fee, with 5.5% remitted back to Screemers) and Merchandise and Novelty Sales (0% licensing fee, with 100% remitted directly to Screemers), which are the same terms as in 2002.

For the information of the Board, staff is working with the operators of Screemers to find a suitable venue on-site that can accommodate this attraction beyond the 2003 season.

Conclusions:

This report recommends entering into a one year license agreement with Screemers for the operation of a Haunted House entertainment venue in the Horticulture Building for 2003 on the terms and conditions noted above and such other terms as set out in the Board's standard Licence Agreement or as required by the General Manager and the City Solicitor.

Contact:

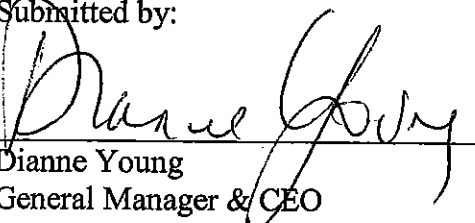
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Submitted by:

  
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