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May 27, 1999

EXHIBITION PLACE

TO: The Board of Governors of Exhibition Place

FROM: Dianne Young
Interim General Manager
The Board of Governors of Exhibition Place

Arlene Campbell, O&Y/SMG Canada
Interim General Manager
The National Trade Centre

SUBJECT: Agreement with Molson Breweries of Canada Limited

Recommendation:

It is recommended that the Board enter into an agreement with Molson Breweries of Canada Limited ("Molson") on the terms and conditions outlined in this report and such other terms satisfactory to the Interim General Manager and the City Solicitor.

Background:

At its meeting of September 5, 1997, the Board approved of a two-year sponsorship agreement with Molson for the NTC which agreement expires on September 8, 1999.

Discussion:

Exhibition Place has had an ongoing arrangement with Molson for 17 years. Prior to entering the existing sponsorship agreement the Board issued an RFP to the industry and received proposals from the competing beer companies. On weighing the responses received it was determined that an agreement with Molson was most advantageous to the Board.

The present official beer sponsorship agreement with Molson provides for a right of Molson to have the first right of consideration for renewal of its sponsorship. Molson has now expressed an interest in entering into a further two-year agreement with the Board on the following general terms and conditions subject to finalization of specific contract terms:

(a) Term: Two years commencing September 9, 1999 and expiring September 8, 2001;

- (b) Signage: Molson will have the right to signage displays in the following locations in the NTC: Three dioramas (3 feet x 5 feet) in Exhibit Halls A and C; one diorama (3 feet x 5 feet) in NTC Hall of Names; two dioramas (3 feet x 5 feet) in Coliseum; two dioramas (2 feet x 3 feet) in Coliseum; and signage around POP areas. The parties may mutually agree to alternative sign locations. Molson will continue to be responsible for the provision of all sign faces and POP materials; and,
- (c) Sponsorship Fee: Molson will pay the Board a minimum fee of \$110,000.00 which fee will be reviewed by the parties at the end of the first year of the term with regards to the benefits of this sponsorship to the parties and the level of the fee.

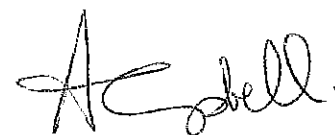
Staff believe that the terms offered by Molson are fair to the Board, securing a set sponsorship fee for the NTC the next two years and allowing both parties to assess the benefits of the sponsorship at the end of the first year of the term. The agreement is also co-terminus with the agreement between Molstar and the Board which is crucial for Molstar given the non-exclusivity of sponsorship rights within the Molstar agreement. Accordingly, the Molstar agreement with the Board will allow Molstar the exclusive rights to beer sponsorship on the grounds during the Molson Indy subject to that limits on such rights as set out in the Report No. 18 on the Board agenda of May 28, 1999.

Conclusions:

This report recommends entering into a two-year sponsorship agreement with Molson on the terms and conditions outlined above and such other terms and conditions satisfactory to the Interim General Manager and the City Solicitor.



Dianne Young
Interim General Manager
Exhibition Place



Arlene Campbell
Interim General Manager
National Trade Centre