



21

March 23, 2000

To: The Board of Governors of Exhibition Place

From: Kathryn Reed-Garrett  
Director of Business Development & Special Events

Subject: CHIN Picnic 2000

**Recommendation:**

It is recommended that the Board approve the rates for rentals and services to CHIN Radio-TV International ("CHIN") for CHIN Picnic 2000 as contained in this report.

**Background:**

Since 1981, the Board approved of entering an annual licence agreement with CHIN on certain terms and conditions.

**Discussion:**

CHIN has been operating a three-to-four day festival, "The CHIN Picnic", at Exhibition Place during the July 1<sup>st</sup> long weekend for nineteen (19) years. This admission-free event has, in the past, featured a number of international entertainment acts (from Spain, Italy, China, etc.) as well as amusement rides, an annual bicycle race, Mr. Bikini and Miss Bikini contests, concessions, and a marketplace which has been situated in the Better Living Centre.

While the fee structure for CHIN has changed over the last 19 years, there has always been a recognition by the Board of the broad community basis of this Festival in the City of Toronto and has provided some reductions to the standard Board fee structure. The following table indicates the fee structure presently in place together with proposed changes for 2000, which are being recommended by staff. The recommended changes recognize the request from CHIN for further reductions because of its reported loss in 1999. Despite CHIN's efforts to raise additional funds through corporate and community sponsorship, CHIN reports a net loss of approximately \$130,000.00 for the 1999 CHIN Picnic.

	EXISTING FEE STRUCTURE	PROPOSED FEE STRUCTURE (2000)
<b>BUILDING RENT</b>		
Better Living Centre:	40% of posted rate	No change
Bandshell:	100% of posted rate	No change
Grounds (including stage in Centennial Park):	No charge	No change
<b>CLEANING</b>	50% of cost	No change
<b>PARKING REVENUE</b>	Of the \$12.00/vehicle posted rate \$9.00 to Board and \$3.00/vehicle to CHIN	No change
<b>CONCESSION COMMISSIONS</b>	<ul style="list-style-type: none"> <li>- first \$85,000 to Ex.Place</li> <li>- 50% @ \$85,001. - \$95,000. To Exhibition Place</li> <li>- 25% @ \$95,001. + to Exhibition Place</li> </ul>	<ul style="list-style-type: none"> <li>- first \$72,500 To Ex Place</li> <li>- 50% @ \$72,501. - \$85,000. To Exhibition Place</li> <li>- 25% @ \$85,001.+ to Exhibition Place</li> </ul>
<b>RENTALS</b>	100% of posted rate	No change
<b>MARK-UP ON LABOUR</b>	12%	No change

CHIN is a profitable event for Exhibition Place. In 1999, CHIN paid \$43,675.00 (excluding GST) for rent for the Better Living Centre and the Bandshell Stage (as per above fee structure) and \$125,614.00 in labour and rentals (including appropriate mark-up and excluding GST), and received a rebate of \$14,377.00 (excluding GST) in parking revenues and a credit of \$17,892.05 (excluding GST) against cleaning costs (there was no rebate from concession commissions), for a net cost to CHIN of \$137,019.95.

The reduced building rental for the Better Living Centre is based on the actual occupation of CHIN Picnic Market Place (approximately 40% of the building area). Fifty (50%) percent of cleaning costs have been paid by the Board based on the fact that a larger share of the food concession commissions have been returned to the Board. The combination of reduced mark-up on labour (with the exception of IATSE which is 15%) and revenue from increased parking costs were agreed to on the basis that operating costs at Exhibition Place are higher than at other competing venues (Ontario Place, Toronto Islands, etc.).

The 2000 Fee Structure proposes a new concession commission to allow CHIN to have a greater opportunity to realize some revenue from the concession operations while at the same time protecting the 2000 Operating Budget allocation for this event. Concession revenues are one of the most important revenue lines for public festivals such as CHIN as typically they are the major or only revenue source. Furthermore, as in the past, CHIN and the Board have worked cooperatively to license concessionaires that provide foods which service the needs of the attendees and add to the festivities of the Picnic.

Staff has had several meetings with CHIN, both in 1999 and this year, to explore opportunities to expand the Picnic (such as a big-ticket entertainment act) and have and will continue to take every possible step to ensure that maximum efficiencies are delivered to CHIN in the execution of the CHIN Picnic.

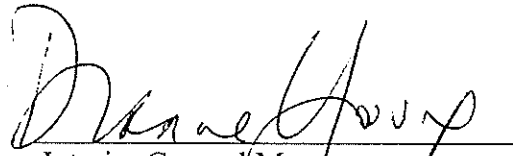
**Conclusion:**

It is recommended that the Board approve the fee structure contained in this report for the CHIN Picnic 2000.

Submitted by:

Reviewed by:

  
Director of Business Development  
& Special Events

  
Interim General Manager

