



May 13, 2000

To: The Board of Governors of Exhibition Place

From: Joe Pantalone
Chair, Board of Governors of Exhibition Place

Subject: CHIN Picnic 2000

Recommendation:

It is recommended that:

1. **The Board enter into a two-year agreement with CHIN Radio-TV International ("CHIN") for the CHIN Picnic 2000 and 2001;**
2. **In recognition of the CHIN Picnic as a important community festival in the City, the Board grant financial relief to CHIN of \$60,000 in 2000 in the form of either decreased expenses or increased revenues as set out in further detail in this report; and,**
3. **Following the 2000 CHIN Picnic, the Chair of the Board and Mr. Sniderman, member of the Board work with CHIN on developing a financial strategy and plan for the 2001 CHIN Picnic.**

Background:

At its meeting of April 7, 2000, the Board considered a staff report recommending entering into a licence agreement with CHIN on the same terms and conditions existing in 1999. The Board also had before it a letter dated March 31, 2000 from Mr. Lombardi outlining the losses experienced by CHIN in 1999. The Board adopted a motion to establish a CHIN Subcommittee to meet with Mr. Lombardi to develop a long-term strategy to assist CHIN in maintaining this very important multi-cultural festival.

Discussion:

Mr. Sam Sniderman and I met with Mr. Lenny Lombardi, CHIN to discuss the financial challenges faced by CHIN in sponsoring this multi-cultural festival which is free to all those who attend and enjoy. Mr. Lombardi indicated that in 1998 and 1999, CHIN experienced losses of \$179,268 and \$172,619, respectively. Exhibition Place staff also prepared a detailed summary of the revenues received from CHIN in 1999 and the Exhibition Place costs and determined that the net revenue earned by Exhibition Place relating to CHIN in 1999 was approximately

\$120,000. Given this information, the Subcommittee determined that any financial relief given to CHIN would be limited by the net profit presently earned by the Board.

Therefore, I am proposing that in 2000 Exhibition Place provide immediate financial assistance to CHIN in an amount of \$60,000. This financial assistance would be either by way of reduction in expenses charged to CHIN or increase in revenues earned by CHIN. Because the 2000 Operating Budget has been set for Exhibition Place and includes net profits of \$120,000, I am proposing that in the first year of the two year agreement with CHIN, the Board provide a financial benefit to CHIN of \$60,000 to be achieved as follows:

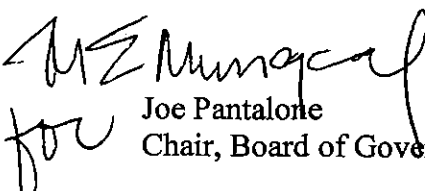
- (a) Increase the parking charge per vehicle from \$12.00 to \$15.00. At present all income earned from parking (less PST & GST) is shared between the Board and CHIN, \$8.50 and \$3.50 respectively. I am proposing that all the increase in parking revenues from the \$15.00 charge (less PST & GST) be remitted to CHIN (ie \$8.50 to the Board and \$6.50 to CHIN). Based on 1999 attendance figures this has the potential of increasing CHIN's revenues by \$31,000 or more (if attendance increases).
- (b) Remit to CHIN all net revenues from concessions following deductions of all Board costs which in 1999 total approximately \$40,000 and include cleaning (\$34,000), auditing of concessions (\$2,300) and safety engineering inspections of concessions (\$2,000). Based on 1999 actuals, this has the potential of increasing CHIN's revenues by \$28,000 or greater. It will cause a decrease in the Board's 2000 revenues of \$28,000.

In addition, the agreement with CHIN would require CHIN to submit, in confidence, to the Board a financial statement (certified by an independent accountant) for the CHIN Picnic. This financial statement will form the basis for subsequent discussions between CHIN and the CHIN Subcommittee on how best to achieve further financial savings or benefits in 2001. The aim of these discussions would be to develop a strategy that would result in financial returns for both CHIN and Exhibition Place. The financial implications of any strategy could then be reflected in the 2001 Operating Budget.

The other terms and conditions of the two year Licence Agreement will be in accordance with the standard form for the Board and such other terms and conditions as agreed to by the General Manager and City Solicitor.

Conclusions:

This report recommends a plan to provide financial assistance to CHIN over a two-year period.


Joe Pantalone
Chair, Board of Governors