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March 6, 2001

TO: The Board of Governors of Exhibition Place

FROM: Dianne Young
General Manager & CEO

SUBJECT: Hospital for Sick Children "Teddy Bear Picnic" Event

Recommendations:

It is recommended that the Board enter into a three-year License Agreement with the Hospital for Sick Children ("HSC") for the Teddy Bear Picnic (the "Picnic") for the years 2001, 2002 and 2003 on the terms and conditions contained in this report and such other terms and conditions as are contained in the Board's standard License Agreement.

Background:

At its meeting of June 23, 2000, the Board approved of entering into a one-year licence agreement with HSC for the 2000 Picnic on terms and conditions outlined in that report which included the waiver of all commissions for HSC and Picnic licensed merchandise; the supply of Board labour time and materials plus a mark-up of 12%; a sharing of the \$12.00 parking fee (\$3.00/vehicle returned as a credit to HSC); sharing of food and beverage concession commissions to allow the Picnic to achieve the revenue target of \$20,000.00; and HSC to pay full building rentals for the use of the Better Living Centre, including move-in and move-out days, less the standard 15% discount for charitable organizations in accordance with Board policy.

Discussion:

Since 1988, the HSC had held a Picnic to serve as a media launch for the Sick Kids Telethon. The Picnic, which has traditionally been held on the front lawn of the Hospital, welcomed an average attendance of 3,000 staff members, patients and their families annually. After the 1999 Picnic HSC realized a need to expand the Picnic and approached Exhibition Place to investigate the possibility of relocating the Picnic to Exhibition Place in 2000. The 2000 Picnic was a resounding success and, while it did not generate the surplus funds that were originally expected by HSC, HSC is fully committed to the growth and expansion of this event. The Picnic generated net income to the Board of \$34,900.00 and brought more than 11,000 visitors to the grounds over the two-day period. Furthermore, in a post-event audit conducted by HSC,

Exhibition Place received recognition as the exclusive venue sponsor in all promotional materials and in all advertising (which included newspaper, television, radio and outdoor) equal to 8,034,385 gross impressions (which is a measurement used in the advertising industry to measure how many times an advertising message is seen or heard). Using standard advertising industry conversion methods, this equates to an approximate value of \$80,344.00.

HSC has asked that the Board consider entering into a three-year license agreement under the same terms and conditions as the 2000 Picnic. Throughout this three-year "incubator" period, it is expected that the Picnic will become completely self-sustaining. Accordingly, it is recommended that the Board enter into a three-year license agreement with HSC on the following terms and conditions:

- a) The Board shall waive all commissions for HSC and Picnic licensed merchandise, as all proceeds go to the HSC Foundation for funding of HSC programs and research;
- b) The Board shall agree that all labour shall be supplied at the rate of time and materials plus a mark-up of 12% (consistent with Molson INDY contract pricing);
- c) The Board shall allow a share of parking revenue similar to the CHIN Picnic agreement, whereby the standard parking fee for the two days of the Picnic is \$12.00/vehicle (\$3.00/vehicle of which will be returned as a credit to HSC);
- d) The Board shall contribute a share of food and beverage concession commissions to allow the Picnic to achieve an annual revenue target from concessions of \$20,000.00;
- e) HSC shall continue to pay full building rentals for the use of the Better Living Centre, including move-in and move-out days, less the standard 15% discount for charitable organizations that is presently the Board's policy. In keeping with the Hospital's mandate to keep the Picnic accessible to everyone, there will be no admittance fee charged, but donations will be accepted at the door (suggested donation in 2000 was \$1.00/person). The budget for this event continues to be projected at approximately \$180,000.00, and the balance of expenses related to the event will be addressed through the contributions from the other corporate sponsors and partners;
- f) HSC shall agree that Exhibition Place will continue to be recognized as one of the top-level sponsors of the Picnic. This Sponsor recognition will include acknowledgment in all pre- and post-event advertising including (but not limited to) the National Post, CTV, local radio, in-school advertising, Sick Kids Health Magazine and the internal This Week hospital newsletter, recognition on the Teddy Bear Picnic Event Map, and acknowledgment on the web page and on the Donor of the Week plaque at the Hospital; and
- g) Standard provisions will apply regarding indemnities and insurance.

Conclusion:

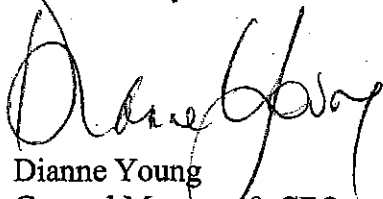
The HSC Picnic is the type of event that has been identified by the Board as desirable – it is rooted in the community and is a family-oriented destination event that has the potential to grow and

expand in the years to come. It is recommended that the Board enter into a three-year License Agreement with HSC on the terms and conditions set forth in this report.

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Submitted by:



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