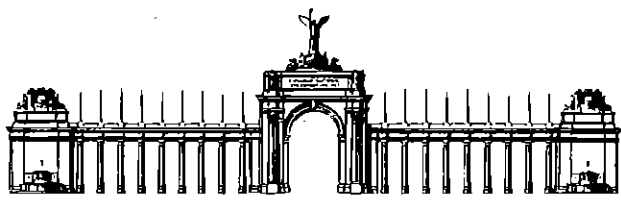


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EXHIBITION PLACE

February 9, 2001

TO: The Board of Governors of Exhibition Place

FROM: Kathryn Reed-Garrett
Director of Business Development

SUBJECT: 2001 Mobile Vending Program

Recommendation:

It is recommended that the Board approve of the issuance of licences and the licence fees for the 2001 Mobile Vending Program as provided in this report.

Background:

At its meeting of November 28, 1997, the Board approved a 5% increase for Mobile Vending Licensing Fees. These rates were in effect through to December 1999 (with no increase). At its meeting of January 28, 2000, the Board approved an increase to the mobile vendors licensing fees for 2001 in keeping with increases/licence fees throughout the City of Toronto, which resulted in increases of 1.5% for all mobile vendor license fees except for ice cream trucks, which were increased by 50%.

Discussion:

Presently, 17 licenses are issued on an annual basis and except for the popcorn vendor, who operates all year, the licence is for the period from May to September. None of the licences cover the three-week CNE period. These vendors have designated locations near the NTC, at the entrances of the bridges across Lake Shore Boulevard and at Dufferin Street entrance and these locations are enforced by Exhibition Place staff. In 1999 these licences generated \$15,368.10 and in 2000, they generated income of \$17,381.76 as set out below.

Number & Type of License	Operating Period – 2000 (excluding CNE period and all events on the grounds)	License Fee (excluding GST)	TOTAL (excluding GST)
(7) mobile popcorn/peanut cart licenses	January 1 to December 31	@ \$598.42	\$4,188.94
(3) ice cream truck licenses	May 1 to September 30	@ \$467.30	\$1,401.90
(3) hot dog carts (to service Ontario Place Fireworks only)	Per event day (average 5 – 6 events per year, depending on schedule)	@ \$159.08 per event per day	\$2,386.20
(4) hot dog carts to Service the two Ontario Place Bridges	May 1 to September 30	@ \$2,351.18 each	\$9,404.72
TOTAL REVENUE TO THE BOARD 2000	(excluding GST)		\$17,381.76



Following the January 28, 2000 meeting of the Board, staff met with all mobile vendors to finalize details and issue licenses for 2000. The vendors elected not to purchase two (2) of the hot dog cart licenses, stating a decrease in the previous year's traffic and sales as their reason. In order to meet the 2000 budget, staff approached new vendors who had not previously operated at Exhibition Place. As a result, two new operators joined the group of mobile vendors. These new vendors performed without incident, and complied with all Board rules and regulations.

Staff met again with the mobile vendors in December 2000 to review the year's performance and to seek feedback. At that meeting, vendors expressed concerns about the significant drop in summer traffic specifically related to Ontario Place, the summer concert series at the Molson Amphitheatre and the Benson and Hedges Symphony of Fireworks Festival. Poor weather conditions and a decrease in marketing efforts by Benson & Hedges/Ontario Place for the Symphony of Fire Festival greatly impacted summer attendance. All vendors agreed that changes were necessary for the 2001 season and, in preparation for the 2001 season, staff asked that the vendors submit their concerns and recommendations. The following is a summary of the recommendations and comments received from the vendors:

- (a) Decrease the number of hot dog cart locations from two (2) to one (1) for each bridge (East and West) to Ontario Place.
- (b) Decrease the number of hot dog cart locations from three (3) to two (2) at the Bailey Bridge for the Symphony of Fire Festival only.
- (c) All licensing fees for 2001 be decreased.
- (d) Create an additional licence for a french-fry truck at Exhibition Place similar to those operating on the Martin Goodman Trail.
- (e) Increase the number of licenses for ice cream trucks from 3 to 4 and create a new location at the GO/TTC Station or alternatively, expand the licences with the current 3 ice cream vendors to give them latitude as to their locations.
- (f) Special events such as CHIN, Caribana and Hoop It Up be added to the existing mobile vendor licence at no additional fee.
- (g) A master license be issued to this individual operator who would either operate all locations itself or, in turn, issue licenses to sub-operators at its sole discretion.

Staff do not support proposals (e), (f) or (g) relating to increase licences; variable locations; operation during special events; or single sourcing of all licences. In light of the decreases in traffic on the site, it would not be advisable to increase the number of ice cream licences at this time. Neither does staff support the suggestion to allow "latitude" in designated locations as such a policy would be counter to the City of Toronto Municipal Licensing and Permitting Policy and could create conflict on the grounds. However, staff will explore with the ice cream vendors moving one of the designated licence locations to the GO station.

With respect to operation during special events not presently covered by the mobile vendor licence, the ice cream cart operators already do so under a Special License Agreement whereby they remit 21% of their gross sales for that event (which is in addition to the Mobile Vendors License Fee). In addition, during events such as CHIN, Caribana and Hoop It Up, Exhibition Place enters into licences with concessionaires to operate in specific locations for each special event. Each of these concessionaires pays a license fee to the Board equal to 21% of gross sales. Therefore, to allow the mobile vendors to also work these events with no additional payment of a concession/licence fee would not be beneficial to the Board and would be detrimental to the concessionaires working these events. For the Board's information, the average commissions paid to the Board by concessionaires over the past several years for CHIN Picnic has been approximately \$65,000.00; Caribana approximately \$25,000; and Hoop It Up approximately \$2,500.00.

Staff does not support proposal to single-source all vendor licences. Many of the present mobile vendors have been operating at Exhibition Place for more than 20 years and staff enjoy a good working relationship with them. This proposal could result in these vendors being displaced and in addition, this suggestion is counter to the direction that has been adopted by the City of Toronto.

Despite a loss of revenue that will be experienced as a result of proposals (a) and (b) above, staff support the proposals for slight decrease in the number of licences. There has been a steady and consistent decrease in traffic to Ontario Place via the bridge in 1999 and 2000 which has had a negative impact on sales. This is likely to continue in 2001 with the holding of the Benson & Hedges Fireworks Festival in jeopardy. In addition, the Bailey Bridge location traffic is often restricted by the Toronto Police during the fireworks and the location of vendors in this area also impacts the Board's permanent tenant in the Bandshell Café which operates during the Festival as well.

In part, the loss of revenue from the decrease in licences will be offset by a licence fee increase which staff are recommending be equivalent to the Consumer Price Indexing of 1.4%. In addition, staff support the creation of a french-fry truck as a positive addition to the vending program and propose that this licence be designated at Dufferin Gate.

In summary, staff recommends the Mobile Vendors Program and license fees for 2001 as follows:

Number & Type of License	Operating Period – 2001 (excluding CNE period and all special events on the grounds)	License Fee (excluding GST)	TOTAL (excluding GST)
(7) mobile popcorn/peanut cart licenses	January 1 to December 31	@ \$606.80	\$4,247.60
(3) ice cream truck licenses at three licensed locations	May 1 to September 30	@ \$473.84	\$1,421.52
(2) hot dog carts (to service Ontario Place Fireworks only – if this program does not occur, these carts may operate at other Exhibition Place events, TBD at a later date)	Per event day (average 5 – 6 events per year, depending on schedule)	@ \$161.31 per cart per event day	\$1,613.10
(2) hot dog carts to Service the two Ontario Place Bridges	May 1 to September 30	@ \$2,384.10 each	\$4,768.20
(1) french fry truck to operate at Dufferin Gate	May 1 to September 30	@ \$2,384.10 each	\$2,384.10
TOTAL REVENUE TO THE BOARD	(excluding GST)		\$14,434.52

Conclusions:

Following discussions with the mobile vendors, this report presents a compromise position for the 2001 Mobile Vending Program decreasing the number of licences issued from 17 (in 2000) to 15 in total and increasing the licence fee by 1.4%. Staff believe that these reductions will help to improve the overall sales productivity of the remaining vendors, particularly in light of the somewhat uncertain future of the Symphony of Fire Festival which has, in the past, attracted as many as 250,000 people to the final night of competition. The addition of a new license for a

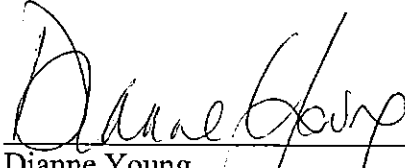
french fry truck will add to the overall experience at Exhibition Place and will also partially mitigate the loss in revenue that will be experienced as a result of reducing the number of licenses to be issued in 2001.

Submitted by:

Reviewed by:



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