



EXHIBITION PLACE

March 20, 2001

TO: The Board of Governors of Exhibition Place

FROM: Dianne Young
General Manager & CEO

SUBJECT: CHIN Picnic 2001

Recommendation:

It is recommended that the Board enter into a one-year agreement with CHIN Radio-TV International ("CHIN") for the CHIN Picnic 2001 on the terms and conditions provided in this report.

Background:

At its meeting of May 3, 2000, the Board approved and amended a report from the Chair of the Board, which recommended entering into a one-year license agreement with CHIN on the same terms and conditions as are contained in this report.

Discussion:

For the Board's information, at its meeting of April 7, 2000, the Board considered a staff report recommending entering into a license agreement with CHIN on the same terms and conditions that existed 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 strategy to assist CHIN in maintaining this very important multi-cultural festival which is free to the public, and the Chair's report was the result of the discussions and meetings conducted by the CHIN Subcommittee.

Given the importance of the CHIN Picnic for the community, Exhibition Place provided support to CHIN in 2000 in an amount of \$66,514.00 as follows:

- (a) A reduction in overall services to the event;
- (b) An increase the parking charge per vehicle from \$12.00 to \$15.00. Prior to 2000, all income earned from parking (less PST & GST) was shared between the Board and CHIN, \$8.50 and \$3.50 respectively. In 2000, the increase in parking revenues from the \$15.00 charge (less PST & GST) was remitted to CHIN (i.e. \$8.50 to the Board and \$6.50 to CHIN). In 2000 this generated \$29,318.00 in additional revenues to CHIN.

(c) Net revenues from concessions were remitted to CHIN, following the deduction of all Board costs, which in 1999 totaled approximately \$40,000 and included cleaning (\$34,000), auditing of concessions (\$2,300) and safety engineering inspections of concessions (\$2,000). Based on 1999 actuals, this had the potential of increasing CHIN's revenues by \$28,000 or more, while decreasing the Board's 2000 revenues by \$28,000. In actual fact, concession sales were higher in 2000 than in the previous years and cleaning costs were reduced by approximately \$7,500.00. As a result, CHIN received a net credit of \$37,196.00 from concessions, which is the total concession commissions of \$65,786.00 less total expenses of \$28,590.00.

In preparing the budget submission for 2001, staff used the 2000 experience to project revenues. Therefore, it is recommended that the Board enter into a one-year licence agreement with CHIN on the following financial terms and such other terms and conditions as provided in the standard form licence agreement:

	2000 FEE STRUCTURE	2001 FEE STRUCTURE
BUILDING RENT		
Better Living Centre:	40% of posted rate which is equivalent to the occupied portion of BLC	No change
Bandshell:	100% of posted rate	No change
Grounds (including stage in Centennial Park):	No charge	No change
CLEANING	100% of cost	No change
PARKING REVENUE	Of the \$15.00/vehicle rate (less GST & PST) \$8.50 to Board and \$6.50/vehicle to CHIN	No change
CONCESSION COMMISSIONS	Net revenues less actual Board expenses for cleaning, safety engineering and auditing expenses	No change
RENTALS	100% of posted rate	No change
MARK-UP ON LABOUR	12%	No change

Based on the actual billings for CHIN Picnic 2000, the above-noted fee structures resulted in a net cost to CHIN of \$57,257.00, which is the net of total expenses of \$152,361.00 less credits back to CHIN of \$29,318.00 and \$65,786.00 from Parking and Concessions respectively. These additional credits to CHIN in 2000 had a net (negative) impact to the Board's budgeted revenues of \$37,785.00, and a negative impact of \$57,000.00 to the Board's real revenues (which includes an additional \$19,215.00 in concession commissions that were realized in 2000 but were not projected), and reduced the Board's net profit for this event to \$82,563.00.

Conclusions:

It is recommended that the Board enter into a one-year license agreement with CHIN for the 2001 CHIN Picnic on the terms and conditions set out in this report.

Contact:

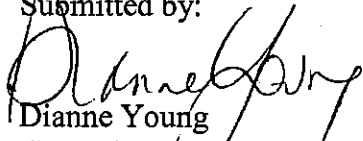
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Submitted by:



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