



August 7, 2002

TO: The Board of Governors of Exhibition Place

FROM: Dianne Young
General Manager & CEO

SUBJECT: Agreement with Screemers Inc. ("Screemers")

Recommendations:

It is recommended that the Board enter into a licence agreement with Screemers for the operation of a Haunted House entertainment venue in the Horticulture Building in 2002 in accordance with the terms and conditions set out in this report and such other terms of the Board's standard licence agreement.

Background:

At its meeting of May 26, 2000, the Board considered a report from staff recommending a three-year strategy for licensing this event and terms and conditions for increasing the charges for building rental, equipment rental and labour services during this three years to reach full rental prices for all. While the Board approved a one-year license agreement in 2000 and again in 2001, staff has continued to use the original proposed increases as a guideline. For example, in 2000, Screemers paid 50% of all posted building rentals and in 2001 they paid 65% of all posted building rentals.

Discussion:

Screemers has been operating a Haunted House entertainment venue in the Horticulture Building for a term of approximately two weeks each year, including Halloween, since 1993 pursuant to a report considered by the Board at its meeting of September 24, 1993. The Horticulture Building is one of the least utilized buildings on the site outside the CNE period since it has no heating and therefore, following the Screemers event the building is closed for the winter months and generally, there has been no interest to rent this venue. The Screemers event was a new event designed to use this building and the terms and conditions initially negotiated by the Board took into consideration this fact.

However, in an effort to update the terms of the License Agreement between Screemers and the Board to bring rental rates in line with the Board's policy, this report recommends the continuation of a stepped approach to increases to both building and equipment rental fees. The recommendations contained in this report will bring the Screemers building and equipment rental

fees partially up to posted and approved rental rates. Because this building is considered by the Board to be available for long-term developments, this report recommends a one-year agreement for 2002 on the following terms:

- i) Minimum Rent: \$23,400.00 which is 80% of the posted rate of \$2,250.00/day for approximately 13 operating days plus applicable taxes with dark days, move-in and move-out days at no charge;
- ii) Possession/Termination: Possession is no earlier than 30 days prior to the event, and termination no later than 15 days after the event (for a total of approximately 60 days)
- iii) Labour, Rentals and Services: Equipment rentals to be charged at 50% of posted rates plus applicable taxes; Labour services to be charged at 25% mark-up plus applicable taxes;
- iv) Washroom attendants services will be charged at 20% of cost plus applicable taxes (the cost of washroom attendants is normally provided and covered under the building rental, however, in cases where the Board does not receive full building rental, these costs are billed directly to the client. In the case of Screemers, staff recommend that only the difference would be billed to the client);
- v) Pixel Board Advertising: 2 week rotation prior to event plus full coverage during event, in accordance with standard Board policy;
- vi) Concessions: Standard Concession License Agreements, terms and conditions in effect throughout the term of this agreement, and a shared commission structure as follows: Food and Beverage Sales (28% licensing fee, with 5.5% remitted back to Screemers) and Merchandise and Novelty Sales (0% licensing fee, with 100% remitted directly to Screemers);

Conclusions:

This report recommends entering into a one year license agreement with Screemers for the operation of a Haunted House entertainment venue in the Horticulture Building for 2002 on the terms and conditions noted above and such other terms as set out in the Board's standard Licence Agreement or as required by the General Manager and the City Solicitor.

Contact:

Kathryn Reed-Garrett, Director, Business Development

Telephone: (416) 263-3606

Fax: (416) 263-3690

Email: kreed-garrett@explace.on.ca

Submitted by:



Dianne Young

General Manager & CEO