

**EXHIBITION PLACE**

November 13, 2003

To: The Board of Governors of Exhibition Place

From: Dianne Young  
General Manager & CEO

Subject: Caribana 2003 Update

**Recommendation(s):**

**It is recommended that the Board receive this report for its information.**

**Background:**

At its meeting of April 25, 2003, the Board received a staff report which report presented the proposed plans for the 2003 Caribana event at Exhibition Place, the recommended costs for these plans, and further recommended that the Board enter into a license agreement for one year with the City and the Caribbean Cultural Committee ("CCC") for the 2003 Parade and Events and requested that the Board be paid directly by the City grant for all costs associated with the events at Exhibition Place.

**Discussion:**

The newly restructured Board of Directors for the Caribana Cultural Committee ("CCC") worked very diligently with staff and City representatives to develop an expanded program at Exhibition Place for the 2003 Caribana Festival. In addition to the Mas Band Parade, which has historically been staged from the grounds, the CCC developed a new event called "Fusion" for Bandshell Park that featured a number of well-known Caribbean-inspired artists and musical groups. Staff and CCC worked to minimize the additional set-up costs required for this concert which had a paid admission by utilizing as much of the set-up from Bluesfest as possible (which held in Bandshell Park on the previous weekend).

The costs for this year's two events (parade and Fusion) totaled \$127,482.00 plus taxes, which is approximately \$80,000.00 more than the average cost of staging just the Parade. The additional cost of creating a secure perimeter around the Park (approximately \$10,000.00) was shared with Bluesfest and the costs to CCC would have been considerably more had it not been possible to share the expense of the perimeter fencing. Other additional costs included sounds and light production for the three acts that performed during the Fusion event and supporting services such as cleaning.

The concept of expanding programming for Caribana at Exhibition Place is sound and it was unfortunate that a number of negative forces, such as poor weather and the SARS threat, reduced overall attendance in 2003. Concession commissions payable to the Board were significantly reduced (approximately \$8,000.00 as compared to \$21,000.00 in previous years) and both advance and on-site ticket sales for the Fusion event were significantly lower than had been projected.

While CCC was very diligent with respect to its contractual and financial obligations to the Board (the City would not pay Exhibition Place from the grant but CCC paid their deposit of \$120,000.00 in advance of this year's events), its account is short-paid by \$13,274.05 and in a letter dated September 18<sup>th</sup> (attached as Appendix "A") CCC advised that it was unable to remit a final payment to the Board until such time as they have had an opportunity to consult and negotiate with their funding partners (the City, Provincial and Federal Governments). For the Board's information, a credit of \$6,428.00 representing a rebate from parking revenues has already been applied to CCC's account. Since concession commissions to the Board did not exceed the threshold of \$21,000.00 there was not a rebate to CCC from concessions.

Staff remains in contact with representatives of CCC and will report to the Board when the final payment has been received and has written again to the City outlining the shortfall to Exhibition Place. In the meantime, staff has been asked to participate in the preliminary planning for the 2004 event and will report back to the Board once a proposal has been received from CCC.

Conclusion:

This report provides the Board with information on the status of the 2003 Caribana events held at Exhibition Place.

Contact:

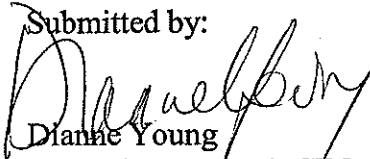
Kathryn Reed-Garrett, Director of Business Development

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Submitted by:



Dianne Young  
General Manager & CEO



**THE CARIBBEAN CULTURAL COMMITTEE**

138 Hamilton Street, Toronto, Ontario, M4M 2E1 Tel: (647) 777-1018 Fax: (416) 777-1020

APPENDIX "A"

**September, 18, 2003**

**Kathryn Reed Garret,  
Director, Business Development  
Exhibition Place  
Toronto Ontario  
Toronto, M6K 3C3**

Tel 416-263-3600

Attn: Kathryn Reed Garret

**Dear Kathryn**

On behalf of the Board of Directors, I want to thank you all for participating and assisting the CCC in producing an excellent 2003 CARIBANA Festival.

The editorials and general feedback have all been praiseworthy of the efforts and professional management applied and implemented in delivering a most wonderful festival to the tourists and citizens of Toronto.

Indeed, the CCC is pleased with your contribution towards making this year's festival one of the best produced and organized.

Regretfully the CCC has suffered a significant shortfall in its expected revenue to no fault of its own. SARS, Mad Cow, West Nile, and finally severe rain on Saturday and on Sunday on Olympic island all contributed in one way or another to undermine our anticipated revenue despite the excellent planning and production of our events.

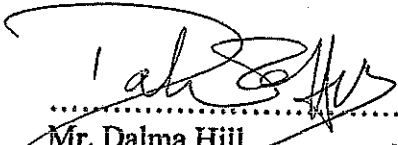
Indeed, we did not counter nor conquer SARS despite the intense promotion and advertising we engaged. The fallout was evidenced by the significantly reduced number of American tourists that traditionally come to enjoy and participate in our events.

We cannot, therefore, at this time meet all of our contractual obligations, yours included. Our commitment at this time to our affirmation that we will pay all monies owed to you. We cannot provide a firm date for current payables as our negotiations for assistance from all levels of government is subject to the completion of our financial statements and audit. We are anticipating completion of these by the end of October. The Board of Directors created a special task force to engaged in a number of fundraising initiatives to generate funds to pay off all outstanding balances. Payment plan on the current payables will depend on arrangements that can be made with the Governments and new business partners once the CCC audit is completed and final reports are available.

We must, therefore, solicit your patience, understanding and cooperation as we wrestle with our debt and earnestly strive to bring in additional funds to fill the shortfall, including yours, sometime in the future. Regretfully we must reiterate that at this time the CCC has zero cash flow and cannot make any payments.

Thanks for your continuing support in this regard.

Sincerely,



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Mr. Dalma Hill  
Treasurer

c.c Owen Leach Secretary

c.c John Kam Chair