

## **1999 Culture Grant - The Royal Agricultural Winter Fair (RAWF) (Trinity Niagara - Ward 20)**

*(City Council on December 14, 15 and 16, 1999, adopted this Clause, without amendment.)*

**The Economic Development and Parks Committee recommends the adoption of the report (November 8, 1999) from the Commissioner of Economic Development, Culture and Tourism.**

The Economic Development and Parks Committee reports, for the information of Council, having requested the Commissioner of Economic Development, Culture and Tourism, in consultation with the Chief Financial Officer and Treasurer, to review the policy of providing funding for the Royal Agricultural Winter Fair, including a mechanism as to how the process of issuing such funds should be addressed in the future and report thereon to the Economic Development and Parks Committee for its meeting of March 27, 2000.

**The Economic Development and Parks Committee submits the following report (November 8, 1999) from the Commissioner of Economic Development, Culture and Tourism:**

### Purpose:

This report seeks approval of the 1999 Culture Grant to the Royal Agricultural Winter Fair.

### Financial Implications and Impact Statement:

The source of the recommended \$600,000.00 grant is the Economic Development, Culture and Tourism Department's Grants portfolio contained in the 1999 Consolidated Grants Budget appropriation. The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

### Recommendations:

It is recommended that:

- (1) a grant of \$600,000.00 be awarded to the Royal Agricultural Winter Fair to assist with the rental costs of the 1999 Royal; and
- (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

### Background:

The RAWF Association has been an integral part of the Exhibition Place complex since 1922. Prior to 1954, the RAWF owned the Coliseum complex and used it year-round for administration and the annual Royal. In 1954, The Municipality of Metropolitan Toronto (Metro) took over the

Coliseum complex and the first of several agreements was entered into between Exhibition Place (Metro) and the RAWF.

In the early 1990's the Metro grant was \$800,000.00 which offset the value of the space used for the annual Royal. In 1997, the grant was reduced from \$800,000.00 to \$600,000.00.

The grant awarded annually to the RAWF was a line-item grant and was not assigned to any department for review and/or assessment. In establishing the 1999 Consolidated Grants Budget, line-item grant recipients were aligned with departments that had similar mandates. For 1999, the administration and assessment of Royal Agricultural Winter Fair grant request was assigned to the Economic Development, Culture and Tourism Department.

Comments:

This is the first year that the RAWF had filed an application with the City of Toronto for the annual grant award. The Culture Division requested and received the required documentation to review and assess the application which included a standard application form that is used by several City Grants Programs.

The Royal Agricultural Winter Fair Association is a not-for-profit agricultural association with a mandate to promote excellence in agricultural, horticultural and equestrian activities through world class competitions, exhibitions and education. The annual Royal is a world class event. The cost to plan, coordinate, produce and stage the fair in 1998 was \$7,853,988.00. The projected budget for 1999 is over \$8,000,000.00. While the RAWF/Royal relies primarily on paid staff on an annual basis, the Royal could not take place without the army of dedicated volunteers. The hundreds of volunteers give about \$3,000,000.00 of in-kind labour each year.

The Royal receives an annual grant of \$100,000.00 from the Federal Government and \$140,000.00 from the Provincial Government. All government support including the municipal Government support comprises just 10 percent of the total operating budget. Other sources of funding include admissions, productive enterprises, donations, advertising and rental income, and fundraising events. Despite the best efforts to keep the RAWF financially viable, the fair had a deficit of \$125,000.00 in 1998. This was attributed to the significant negative impact on attendance on both weekends due to the closing of the Gardiner Expressway to complete work on the Humber Bridges. It is expected that attendance will far surpass these numbers this year.

The RAWF has a significant economic impact on the City and the Province as a whole. A recent economic impact study done in conjunction with the Metropolitan Toronto Convention and Visitors Association and the Conference Board of Canada indicated that:

- (a) the RAWF generated a total of \$29.45 million of spending in the City of Toronto. Of this amount, \$17.31 million was attributed to visitors outside the area of the event. This spending includes transportation, accommodation, food and beverages, other entertainment and retail;

- (b) the total operating expenditures to organizers of the RAWF accounted for the remaining \$12.13 million;
- (c) these expenditures translated into an estimated \$33.3 million share of the Gross Domestic Product (GDP) for Ontario, \$26.2 million of which originated within the City of Toronto; and
- (d) the total taxes generated for all levels of government attributed to the tourist and operating expenditures of the RAWF, together with their associated economic impacts was \$10.8 million. Expenditures and economic activity in the City of Toronto contributed \$9.2 million of the total.

The RAWF appreciates the financial support given by Metro and now the City of Toronto. It also recognizes the challenges that the City of Toronto is confronted with in apportioning budget dollars. However, any reduction in the current level of support would jeopardize the viability of the Royal. The grant once covered the total rental costs of Exhibition Place, and now reflects about 69 percent of the costs.

Conclusions:

The annual Royal is part of the tradition of the City of Toronto. It is an event that adds to the great diversity and attraction of this City. It does need the continued support of the City of Toronto to survive and continue to be a meaningful part of the City in the new Millennium. A grant of \$600,000.00 is recommended to be applied towards the rental costs of Exhibition Place for the 1999 annual Royal.

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