



**ACTION REQUIRED
With Confidential
Attachment**

Naming Sponsorship – Allstream Centre

Date:	September 6, 2013
To:	Executive Committee
From:	Dianne Young, Chief Executive Officer, Exhibition Place
Wards:	NA
Reference Number:	Security of the Property of the Municipality or local Board

SUMMARY

This report outlines the background with respect to the naming agreement for the Automotive Building (the “Agreement”) between Allstream Inc. (formerly MTS Allstream Inc.) (“Allstream”) and the Board and recommends amendments to the Agreement as detailed in the report and the Confidential Attachment I which have been negotiated as a result of the sale of Allstream to Accelero Capital Holdings S.a.r.l. Group (“Accelero”).

RECOMMENDATIONS

It is recommended that City Council:

- 1) Approve the amendments to the Agreement with Allstream on the terms and conditions detailed in this report and Confidential Attachment I, and such other terms and conditions satisfactory to the Exhibition Place Chief Executive Officer and City Solicitor;
- 2) If required by Allstream, approve of the assignment of the Agreement with Allstream to Accelero (or such other ownership entity determined by Allstream), subject to terms and conditions of that assignment as approved by the Exhibition Place Chief Executive Officer and City Solicitor; and
- 3) Direct that the confidential report contained in Attachment 1 to this report remain confidential in its entirety and not be released publicly in order to protect the competitive position, future economic and legal interests of the Board of Governors of Exhibition Place (“the Board”).

Financial Impact

The amendments recommended in this report will create a budget pressure of \$71,000 to the Board in 2013 but will secure this sponsorship for the future, which will have a positive financial impact as set out in the Confidential Attachment.

DECISION HISTORY

At its meeting of September 6, 2013, the Board considered subject report, and unanimously recommend it for approval by City Council.

At its meeting of May 2, 2008 the Board approved of entering into an Agreement with Allstream for the naming of the renovated Automotive Building for a term of 10-years, which was then approved by City Council at its meeting of June 23, 2008.

ISSUE BACKGROUND

Since August 1, 2008, Allstream has been the naming sponsor of the Automotive Building pursuant to the Agreement with a Term commencing in August 1, 2008 and expiring on July 31, 2019. Due to the nature of the telecommunications business and the substantial changes that affect that business environment on a year-by-year basis, Agreement allowed Allstream the right to terminate upon giving one years' notice to the Board.

COMMENTS

The sponsorship relationship between Allstream and the Board has been a very positive one since its commencement in 2008. However, on May 24, 2013 MTS Allstream announced that it had entered into an agreement to sell its Allstream business to Accelero. On July 22, 2013 Allstream advised Exhibition Place that it wished to meet to discuss the naming agreement in light of its sale to Accelero and the fact that the naming sponsor fee paid to the Board is the major part of the Allstream expenditures for marketing.

As a result of the above discussions, the Board is recommending that City Council approve the amendments to the Agreement with Allstream on the terms and conditions as set out below and the financial terms as set out in the Confidential Attachment I.

The terms of the Agreement will be amended as follows:

- a) Term: The term shall be extended by three years and 2 months expiring December 31, 2022.
- b) Notice of Termination: The existing provision which allows for termination shall be amended to remove the right to terminate for the period from August 1, 2013 to July 31, 2015.

- c) New Hotel at Exhibition Place: Exhibition Place will, as soon as possible, introduce Allstream to the management of the Princes' Gates Hotel LLC, regarding telecommunication requirements of the hotel.
- d) Exhibition Place Marketing Materials: Exhibition Place shall work cooperatively with Allstream to design a mutually agreed to tagline referring to Allstream to be used in the Exhibition Place advertising and marketing materials for Allstream Centre provided such direction has no negative financial effect on the Board.

CONTACT

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ATTACHMENTS

Appendix "A" – Substantial Terms and Conditions of Agreement with Ovations