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August 31, 1998

To: Audit Committee

From: City Auditor

Subject: Relocation of Canada's Sports Hall of Fame to Ottawa

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City Auditor

Recommendation:

It is recommended that this report be received for information.

Background:

At its meeting on July 7, 1998, the Audit Committee requested that:

The City Auditor monitor the plans to relocate Canada's Sports Hall of Fame to Ottawa and report back to the Audit Committee@

Comments:

Canada's Sports Hall of Fame (the Hall) came into existence in 1955 and has been located at Exhibition Place since that time. It currently occupies 16,500 square feet of space in the Sports Hall of Fame building.

At present the Hall is managed by 22 elected Governors of which two Governors are nominees of the Board of Governors of Exhibition Place and one Governor is a nominee of the Canadian National Exhibition Association.

The main objects of the Hall are:

- a) to encourage, improve, develop and advance all sports and athletic endeavour by establishing, operating and maintaining a repository or centre for the official archives of sports in Canada.
- b) to recognize and honour teams and persons who by their achievements bring special distinction to Canada in any field of sport or athletic endeavour and those persons who make a special contribution to the development and advancement of sport and athletic endeavour in Canada.

- c) to record and publish achievements of persons and teams in national and international competition and to honour teams and persons directly or indirectly responsible for such achievements.
- d) to seek national and public support and receive grants, donations, bequests and contributions for such objects.

The annual average attendance at the Hall is in the range of 300,000. However, the vast majority of attendees (280,000) is concentrated in the 18 day period of the Canadian National Exhibition. Attendees outside the Canadian National Exhibition period generally consist of school groups and visitors attending other events at Exhibition Place. There is no admission charge to the Hall.

The majority of funding for the Hall has been in the form of government assistance mainly from the former Municipality of Metropolitan Toronto and the Federal Government. The extent of the funding is outlined in a summary of operating results attached to this report as Appendix 1. As can be seen from the Summary, financial assistance has been steadily declining from approximately 1992.

Faced with declining revenues, the Board of Governors reevaluated the long term prospects and financial viability of the Hall. Recognising the limitations provided by the present location the Board explored opportunities to relocate to an area which provided greater opportunities for additional public exposure.

As a result of this process two potential sites were identified for the location of the Hall. One was in Ottawa and the other near the CN Tower in Toronto.

The site in Ottawa offered significant advantages over the Toronto location and as a result the Board approved the relocation of the Hall to Ottawa. In general terms these advantages were as follows:

- C The Federal Government was able to provide suitable accommodation on a rent free basis.
- C The proposed location of the Hall was in a prime downtown location at the Government Conference Centre.
- C The competition in regards to the Hall as a tourist attraction in Ottawa was limited. In general terms the Board determined that competition from the Hockey Hall of Fame in Toronto would not make a Toronto location viable.

The available space of the new location is in the range of 64,000 square feet which is approximately four times the size of the present location and approximately 10,000 square feet larger than the Hockey Hall of Fame in Toronto.

Targetted for opening in the year 2000, it is anticipated that the new Hall will be the most technologically advanced facility of its kind in North America.

While the Board is committed to moving to Ottawa in the year 2000, significant fund raising is required for this to happen. The proposed capital budget for the new facilities is estimated to be in the range of \$21,000,000. All of these funds must be provided by the private sector as no public funding has been committed.

Conclusion:

While the Board of Governors is committed to the relocation of the Hall to Ottawa, negotiations with the Federal Government in regards to the proposed location of the facility have not yet been finalized. The move to Ottawa is also dependant on the success of the financing activities in relation to the capital cost requirements.

There is a willingness on the part of all parties to proceed with the relocation of the Hall to Ottawa. A further report will be prepared for the Audit Committee once plans relating to the move are further advanced.

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