

City Council Report

Background

Saskatoon Prairieland Park Corporation was originally formed in 1886 to run the Annual Summer Exhibition for the City of Saskatoon. In fact, the corporation has operated the Summer Exhibition for 131 consecutive years. Since its early years, the corporation has grown into four major divisions. The Events Department operates the Saskatoon "Ex" which has grown into the largest annual event in Saskatchewan, with over 210,000 patrons each year. This department also produces the annual Gardenscape Show each spring and provides event staffing for SaskTel Centre.

The Racing Department operates Marquis Downs Race Track; offering live thoroughbred horse racing to the satisfaction and enjoyment of thousands of fans each summer. This is a unique attraction for Saskatoon employing several hundred horsemen throughout the summer. This department requires the operation of Sports on Tap to run its Off Track Betting Theatre. Without Sports on Tap, horse racing at Marquis Downs would not be financially viable.

The Agriculture Department operates six major events each year and operates the Prairieland Park Ag Centre which hosts 30 additional events per year. The Western Canadian Crop Production Show operates each January to support the entire grain industry in Saskatchewan. The other agriculture shows provide opportunities for youth to grow their knowledge of this important provincial industry. Please see Appendix "A" for a list of Prairieland Park produced events.

The Trade and Convention Centre operates a 200,000 square foot, five building facility to meet the critical needs of a long list of clients in industry, culture and agriculture. Please see Appendix "B" for the list of our annual clients. Prairieland Park has an economic output of \$125 million for the City of Saskatoon, and sees about 1.5 million visits per year.

Saskatoon Prairieland Park Corporation has been allowed to operate on City of Saskatoon land without charge since its inception to provide its valuable contribution to the community. With the massive requirement for space to run the "Saskatoon Ex" and The Marquis Downs Race Track, a property tax levy would be untenable. This agreement is consistent with other jurisdictions in Canada such as Calgary, Edmonton and Regina. In 1995, the City of Saskatoon and Saskatoon Prairieland Park Corporation signed a formal 50 year lease agreement with payment of \$100 per annum. This lease agreement allowed Prairieland Park to enter into a bank financing agreement secured by the assets of the corporation. Funds received from the \$5 million loan were used to redesign the park according to a new master concept plan approved by City Council on November 1st, 1999. Included in these upgrades was a new underground storm water management system with an outflow to the South Saskatchewan River.

The advantages of this lease are substantial for the City of Saskatoon as it has not been required to invest large amounts of capital funds on the park. Prairieland Park has invested over \$30 million in upgrades to the Park without requiring contributions from the City of Saskatoon. Over the past seven years, Prairieland Park has spent \$5 million on electrical infrastructure without any City contribution. This is very unique in the "fair" industry as other cities such as Calgary, Edmonton and Regina have had to invest millions to keep their parks operational. In fact, the City of Regina has invested over \$30 million at Regina Exhibition Park over the last decade.

The market's demand for expanded trade facilities is substantial. The most immediate challenge comes from the annual Prairieland Park produced Western Canadian Crop Production Show. This leading edge grain producer event takes place each January and brings over 20,000 grain producers and businesses to Saskatoon. Hotels and restaurants are very busy during this event in what is normally a quiet month. Over thirty companies are on wait lists and many more existing clients are requesting additional space. In 2017, Prairieland Park erected a 7,000 square foot tent to accommodate excessive demand. Heating a tent in January is a major challenge and did not work well. This event alone makes a new facility financially viable.

A number of existing clients are currently requesting additional space. Folkfest is expanding to the point that seven tents will be erected on the Park in 2017 to meet demand. A list of these clients is attached in Appendix "D".

Prairieland Park Corporation is currently working with Tourism Saskatoon on a number of potential bids for major national events. Each one of these events will have in excess of 1,000 delegates and a trade show component which requires increased capacity. None of these events can be accommodated within other civic or private facilities. Each and every one of these events creates a large economic impact to the City of Saskatoon. Please see the list of potential bids in Appendix "E". You will note that several of the bids are in partnership with "SaskTel Centre". In fact, the 2019 Juno bid in partnership with SaskTel Centre cannot be accommodated by Prairieland Park without a new facility. SaskTel Centre wants to bid on this event for March, 2019 in order to avoid a "playoff buyout" to the Saskatoon Blades. Prairieland Park facilities are booked on those dates; however, a new facility will accommodate this bid.

Over the years, there have been a number of smaller events that Saskatoon Prairieland Park competes with other venues and civic facilities on. However, these events are seen as insignificant and instead Saskatoon Prairieland Park is perceived as a major contributor to economic activity in the City of Saskatoon by filling thousands of hotel room nights per year. In fact, Saskatoon Prairieland Park has not received any complaints from the hotel industry in regard to competition for events.

Saskatoon Prairieland Park Corporation operates "Sports on Tap" (SOT) on the park to support the live thoroughbred horse racing industry. In the current gaming environment, live horse racing is not sustainable on its own admissions, wagering handle and food and beverage sales. With the proliferation of the gaming industry in

Canada and with new casinos and VLT's in bars, the horse racing share of the market has declined significantly over the last several decades. In order to mitigate this loss of revenue, the Canadian Pari-Mutuel Agency (CPMA) licensed live racing track operators to conduct off-track wagers (OTB) via satellite on race tracks across North America. This revenue source, plus VLT and other revenues at SOT sustains the live racing industry in Saskatchewan.

SPPC is fortunate to have the space adjacent to SOT to operate beach volleyball leagues to meet the demand for this sport in Saskatoon. Except for the Sutherland Hotel, no other bar has the land base to accommodate this demand. To our knowledge, the Sutherland Hotel volleyball league is at capacity and therefore SOT is not in competition for their clients. Most of the volleyball teams playing at SOT came from the closure of the courts operated by "Louis' Pub" on the campus of the University of Saskatchewan. With new pubs operating in Stonebridge; Brown's Ale House, the Great Canadian Brewhouse, Tony Roma's and Rock Creek, it is doubtful that SOT is "taking away" or "competing" substantially in the local market area.

The City of Saskatoon assesses an amusement tax of 9% of sales from the carnival rides held during the annual Saskatoon "Ex" operated by Prairieland Park. This tax equates to approximately \$75,000 per year. No other business or industry is currently being assessed this tax by the City of Saskatoon. According to senior management of North American Midway Entertainment, no other major fair in North America has a tax levied on them by the local municipality. This tax created a competitive disadvantage for the Saskatoon "Ex". Several years ago, City Council agreed to return the tax levy to Prairieland Park in the form of a capital grant. The net effect of this grant is that it is revenue neutral to the City of Saskatoon. An argument could be made to eliminate the current amusement tax and corresponding grant in the name of redundancy.

Prairieland Park meets a critical need in the community with its unique programming and specialized park and facilities. A number of major special events will be attracted to Saskatoon with the expansion of the Trade Center Complex. The corporation respectfully requests the approval by City Council for this project.

Appendices

- Appendix A: Prairieland Park Produced Events**
- Appendix B: Existing Prairieland Park Clients**
- Appendix C: Exhibition Park Long Term Development Concept - 1999**
- Appendix D: Current Clients Requiring Expanded Facilities**
- Appendix E: Potential Bids**

Appendix A
Prairieland Park Produced Events

1. Western Canadian Crop Production Show - January
2. Marquis Downs Race Track - June - September
3. Gardenscape - March
4. The Saskatoon "Ex" - August
5. World Professional Chuckwagon Association - Chuckwagon Races - June
6. Prairieland Junior Ag Showcase - July
7. Ag Experience for Students - October
8. New Year's Eve House Party - December
9. Equine Expo - February
10. Prairieland Youth Leadership Conference - February
11. Saskatchewan Beef Expo - April

Appendix B**Existing Prairieland Park Clients**

1. Sherwood RV - RV Show and Sale
2. Lardners Trailer Sales - RV Show and Sale
3. Glenwood RV - RV Show and Sale
4. MMX Ventures (formerly TRX RV): RV, Leisure and Motorsports Liquidation Event
5. Drive Nation - Car Sale
6. MacNeil Motors - Car Sale
7. Legend Holdings - Car Sale
8. Bourgault - Agriculture Equipment Training
9. Seed Hawk. - Agriculture Equipment Training
10. Redhead Equipment: - Agriculture Equipment Training
11. Saskatchewan Men's Apparel Club - Midwest Buymart
12. Saskatchewan Safety Council - Industrial Safety Seminar - Conference and Trade Show
13. Saskatoon Wildlife Federation:- Sports and Leisure Show
14. Saskatoon and Region Homebuilders Association - Homestyles
15. Saskatchewan Association of Rural Municipalities: SARM Convention and Trade Show
16. Federated Cooperatives Ltd - Spring Buymart
17. Federated Cooperative Ltd. - Fall Buymart
18. Saskatchewan Mining Association - Mining Supply Chain Forum
19. Saskatchewan Mining Association - Mine Rescue Competition
20. Draggins Rod & Custom Car Club - SuperRun
21. Project Posh Events - Modern Woman Show and Exhibition
22. Hub City Kennel and Obedience Club - Hub City Kennel and Obedience Dog Show
23. Pow City Kinsmen - Top of the Hops
24. Islamic Association of Saskatoon - Muslim Prayers
25. Ahmadiyya Muslim Community - Muslim Community Event
26. Mount Royal Collegiate - High School Graduation Ceremony
27. Bedford Road Collegiate - High School Graduation Ceremony
28. Aden Bowman Collegiate - High School Graduation Ceremony
29. Marian Graham Collegiate - High School Graduation Ceremony
30. Walter W. Brown High School (Langham) - High School Graduation Ceremony
31. Evan Hardy Collegiate - High School Graduation Ceremony

32. St. Joseph High School - High School Graduation Banquet
33. Bethlehem High School - High School Graduation Banquet
34. Holy Cross High School - High School Graduation Banquet
35. Marian Graham Collegiate - High School Graduation Banquet
36. Aden Bowman Collegiate - High School Graduation Banquets
37. Walter W. Brown High School (Langham) - High School Graduation Banquets
38. Saskatoon Folkfest Inc - Scottish Pavilion
39. Saskatoon Folkfest Inc - Philippine Pavilion
40. Saskatoon Folkfest Inc - Caribbean Pavilion
41. Saskatoon Folkfest Inc - Ukrainian Pavilion
42. Saskatoon Folkfest Inc - Greek Pavilion
43. Alberta Entertainment Expo - Saskatoon Comic & Entertainment Expo
44. Saskatchewan Snowmobile Association - Saskatchewan Snowmobile Show
45. Boyan Ukrainian Dance Group - Malanka
46. U of S Huskie's - Dog's Breakfast
47. Superrun - Western Canadian Car Show
48. Mennonite Central Committee - MCC Saskatchewan Relief Sale and Auction
49. Saskatchewan Indian Institute of Technologies - Sask. Regional Mental Wellness Knowledge Exchange

New Folkfest Pavilions This Year

1. Saskatoon Folkfest Inc - Brazilian Pavilion
2. Saskatoon Folkfest Inc - Chinese Pavilion
3. Saskatoon Folkfest Inc - Francophone Pavilion
4. Saskatoon Folkfest Inc - Ghana Pavilion
5. Saskatoon Folkfest Inc - Hungarian Pavilion
6. Saskatoon Folkfest Inc - Indian and Metis Pavilion
7. Saskatoon Folkfest Inc - Bangladesh Pavilion
8. Saskatoon Folkfest Inc - Nepal Pavilion
9. Saskatoon Folkfest Inc - Pakistan Pavilion
10. Saskatoon Folkfest Inc - Peru Pavilion
11. Saskatoon Folkfest Inc - South Sudan Pavilion
12. Saskatoon Folkfest Inc - Sudan Pavilion
13. Saskatoon Folkfest Inc - Vietnamese Pavilion
14. Saskatoon Folkfest Inc - Global Village Pavilion

Appendix D

Current Clients Requiring Expanded Facilities

1. Western Canadian Crop Production Show
2. Sport and Leisure Show
3. MMX Ventures (formerly TRX RV): RV - Leisure and Motorsports Liquidation Event
4. Drive Nation - Car Sale
5. MacNeil Motors - Car Sale
6. Legend Holdings - Car Sale
7. Hub City Kennel and Obedience Club - Hub City Kennel and Obedience Dog Show
8. Saskatoon Folkfest Inc.
9. Saskatchewan Association of Rural Municipalities - SARM Convention and Trade Show
10. Saskatchewan Mining Association - Mining Supply Chain Forum
11. Alberta Entertainment Expo - Saskatoon Comic & Entertainment Expo

Appendix E
Potential Bids

1. Federated Cooperatives Ltd. – Federated Co-op Food Show
2. Canadian Gaming Association – Canadian Gaming Summit 2019
3. Western Retail Lumberman’s Association – WRLA Showcase
4. Pirelli World Challenge Grand Prix
5. Juno Awards – 2019/2020 – PARTNER WITH SASKTEL CENTRE and TCU PLACE
6. Canadian National Animal Welfare Conference
7. Saskatchewan Union of Nurses – CFNU Biennium
8. Skills Canada National & Provincial Competition