

October 1, 2009

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Infrastructure Stimulus Fund Projects (ISF) 2009 to 2011**

Summary:

This report is being submitted to provide information on the Federal Infrastructure Stimulus Fund (ISF) with the City of Toronto which includes projects for the replacement and construction of Exhibition Place infrastructure projects that are shovel ready and can therefore be completed between October 2009 and March 31, 2011. The specific accelerated projects from the 2009 to 2018 City approved Capital Budget and Plan, the cash flow requirements for each fiscal stimulus year and the eligible project costs are detailed in Attachment 1.

Recommendations:

It is recommended that the Board:

- (1) In order to meet the strict requirements of the Federal Infrastructure Program regarding the acceleration of projects and expenditures for the first fiscal year ending December 31, 2009, delegate to the Chief Executive Officer, in consultation with the Chair of the Board the authority to award the tenders for the eligible projects as discussed in this report on the following basis:**
 - a) Subject to clause (b) below, all awards shall be made strictly in accordance with the Board's tender process to the lowest qualified bidder in each case meeting the specifications and requirements of the tender document;**
 - b) The restoration work of the Allstream Centre will be awarded pursuant to the existing agreement with Clifford Construction to provide for an increase in the scope of work as discussed in this report for an additional price not to exceed \$1.250M.**
 - c) The contract price shall in all cases be within the approved budget for the project as approved under the Federal Infrastructure Program and approved by City Council at its meeting of September 30 and October 1, 2009;**
 - d) The Chief Executive Officer shall report the details of all contracts so awarded to the Board's first meeting in 2010 for ratification; and,**
 - e) ISF projects slated for 2010 and 2011, will follow regular Board procedure.**
- 2) Approve changes to the 2009 – 2018 Capital Budget and Plan as follows:**
 - a) As a result of the ISF funding, increase the total projects costs for 2009 to 2011 by \$27.370M as outlined on Attachment 1.**
 - b) On account of ISF funding, decrease capital projects costs by \$27.370M for the years 2010 to 2018 to offset clause 2 (a) above as outlined on Attachment 1.**

Financial Impact:

The total cost of \$27.370M for stimulus projects as approved by Council are fully committed and funded by the Federal Government (1/3 share) and the City of Toronto (2/3 share) with no financial impact to the Board's operating or capital budget.

Decision History:

At its December 10, 2008 Special Meeting, Council approved the Board's and City 2009 - 2018 Capital Plan which included a requirement for the Board and City to report any adjustments required to the approved 2009-2018 Capital plan in the event that the Federal and/or Provincial

Government announce any new infrastructure programs that require the City participation and funding.

At its meeting of September 30 / October 1, 2009, Council approved the ISF Program for all City Departments, Agencies, Boards and Commissions.

Issue Background:

The 2009 Federal Budget implemented an economic stimulus provisions to help address the negative impacts of a weakening global and Canadian economy in the form of an Infrastructure Stimulus Fund aimed to boost infrastructure spending over the next two years in the areas of rehabilitation and construction infrastructure projects that are shovel ready. While Exhibition Place have been working with City of Toronto Finance Department on “shovel-ready” projects, the final announcement of what projects were accepted within the ISF only happened on September 11, 2009. Exhibition Place is stated to receive \$27.370M, of which \$5.405M.

Comments:

The City of Toronto and the Board stimulus projects were selected based on their ability to meet City and Federal criteria. The submitted projects had to demonstrate:

- Incremental – the selected projects could not be constructed by March 31, 2011 without the stimulus funding;
- Readiness - projects are construction-ready and will be substantially completed by March 31, 2011;
- Merit - projects, whether a rehabilitation of an existing asset or new construction, must meet the outlined stimulus objectives;
- Financial leverage - in addition to a federal contribution, the project funding would be cost-shared with the City of Toronto; and
- Endorsement – the projects are supported by Toronto City Council through their approval of the City’s long-term Capital Program 2009 - 2018.

The tight time line and magnitude of the projects to be undertaken will be a challenge; Exhibition Place staff will have to work diligently over the next two years to complete the various stimulus projects as the City will lose this ISF funding if the monies are not spent. Staff has already met to prioritize and manage the \$5.405M to be spent by December 2009.