

August 30, 2009

**FOR INFORMATION**

To: The Board of Governors of Exhibition Place

From: Dianne Young, CEO

Subject: **Conference Centre August 2009 Construction Update**

Summary:

This is a construction update report from with actions related to the Conference Centre since the Board meeting of July 2009. Attached to this report is a status report from the MHPM Project Manager and detailed breakdown of the projected estimates for this project which is confidential as it involves the security of property belonging to the City of Toronto or one of its agencies, boards, and commissions and it is recommended that this information not be disclosed in order to protect the economic interests and competitive and legal position of the Board.

Financial Impact:

It is proposed that the financial items noted in this report be funded as set out in this report and the Confidential Attachment I.

Decision History:

Board of Governors, November 3, 2006	Approval of business terms for an exclusive food services agreement between the Board and Centreplate and the National Hotel Corporation (the "FSP") related to the provision of food and beverage services within the proposed Conference Centre in the renovated Automotive Building.
Board of Governors, December 15, 2006	Approval of the terms and conditions of the full LOI between the Board and the FSP for food services within the renovated Conference Centre and the financial proposal for the proposed Conference Centre which included a loan from the National Hotel Corporation for part of the construction costs.
City Council, March 5 & 6, 2007	Approval of LOI between the Board and the FSP for exclusive food services in the proposed Conference Centre. In addition, approval of a recommendation which deleted the need for financing from the National Hotel Corporation and replaced this financing with a City loan of \$21.2M.
Board of Governors, May 4, 2007	Approval of the engagement of NORR as the design architect on the Conference Centre project at a total fee of \$968,000 (excluding GST) for Phases I & II and the project schedule.
Board of Governors November 7, 2007	Approved of the increase in the overall Conference Centre capital budget from \$29.0M to \$46.88M with request to City Council to increase its loan to the Board from \$21.2M to \$35.6M with an increase in the interest rate from 4.75 to 5.0 percent and an increase in the amortization period from 20 to

	25 years; and request for the depletion of the full Exhibition Place Capital Reserve.
City Council, December 10, 11, 12, 13 & 14, 2007	Approval of the Board's recommendation as noted above and in addition, increase the term of the loan from twenty to twenty-five years and establish an obligatory reserve fund, called the "Exhibition Place Conference Centre Reserve Fund" to provide a source of funding for any shortfalls in loan payments to the City from Exhibition Place for a new conference centre and direct revenues from the Direct Energy Centre and the Conference Centre naming rights agreements into the fund along with any 2007 operating surplus for Exhibition Place.
Board of Governors, December 7, 2007	NORR Management Group presented a detailed power-point presentation with respect to the proposed design of the Conference Centre, which was unanimously received for information by the Board.
Board of Governors, January 25, 2008	Update of financial details, budget requirements and provide the explanation of the increase on costs for construction and professional services; also attaching to the update was the City Council Decision of December 2007 and supporting report of the Deputy City Manager and CFO. Report deferred to next meeting of the Board on March 6, 2008.
Board of Governors March 6, 2008	Update financial details, budget requirements and explain the increase costs for construction and professional services. Approval of amendment to the NORR Architectural fees; also attaching to the update was the City Council Decision of December 2007 and supporting report of the Deputy City Manager and CFO.
Board of Governors March 19, 2008	Award of main construction contract to Vanbots Construction Corporation at a cost of \$33,450,000, excluding GST.
Board of Governors May 2, 2008	Board extended the term of the agreement with MHPM Project Managers Inc. by 7.5 months at a total cost of \$115,000 to be drawn down from the project contingency.
Board of Governors September 19, 2008	Board approval of A. Buchanan Floor Coverings Ltd for the supply and installation of the carpet
Board of Governors December 2008	Board approval of Allstream to provide the AV system
Board of Governors April 17, 2009	Board approval of Renaissance Business Interiors Ltd. for the supply and delivery of conference room chairs.
Board of Governors May 29, 2009	Board approval of Davidson Furniture Specialties Ltd. for the supply and delivery of ballroom room chairs.
Board of Governors July 10, 2009	Board approved amendment to NORR agreement
Board of Governors July 10, 2009	Official AV Supplier agreement & purchase agreement for supply and delivery of meeting tables, ballroom tables and digital signage

Issue Background:

The Board requested frequent reports on the state of the construction of the Conference Centre and any issues related to the construction. Attached to this report as a confidential attachment is a detailed breakdown of the costs of the Conference Centre project broken down by Base Construction and state-of-good-repair Restoration Construction. Also attached is the MHPM Status Report to the end of August for the information of the Board.

Comments:

Generally, the building is on plan to be substantially completed on October 16 with occupancy by October 19, 2009. Plans are underway for the launch of Allstream Centre with a full media launch/ribbon cutting on October 22, 2009 and a Public Open House on October 25, 2009 which open house will not only celebrate the re-opening of this 80 year old building but also be a wrap-up celebration of the 175<sup>th</sup> Anniversary celebrations for the City of Toronto.

Since the July report there were the following change orders over \$15,000 (not \$50,000 as previously reported):

- Revisions to Operable Doors - \$18,433
- Additional electrical work - \$27,996
- Security system changes - \$16,064
- North Entry screens - \$44,550
- HVAC Roof Top Units Power requirements - \$18,676
- Revisions to Ballroom lights - \$21,410
- Allstream signage attachment requirements - \$44,147
- Material for Ballroom lights - \$32,941
- Electrical work for escalators & elevators - \$28,281
- Wayfinding signage - \$22,473
- Hoods for Exhaust - \$15,202
- Additional roman stone - \$31,073
- North Entry Screen bulkhead - \$24,734

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Submitted by:

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Dianne Young, CEO

Confidential Attachment I