

May 12, 2009

FOR INFORMATION

To: The Board of Governors of Exhibition Place

From: Dianne Young, CEO

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

Summary:

This is a construction update report from with actions related to the Conference Centre since the Board meeting of April 2009. Attached to this report is a 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 the confidential attachment.

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.

#### 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 April for the information of the Board.

#### Comments:

Now that the project is underway, several activities have been started including the following:

- RFQ for meeting room tables released with intention to report out to the Board at its meeting in July 2009 and Board approved dining room chairs, tables and meeting room chairs and AV equipment
- The Exclusive Catering Agreement is being finalized by City Legal and expected to be executed in the next few weeks
- Monitoring of the project by Enermodal ongoing and on-target to achieve LEED Silver

- Design of building exterior signage approved by City heritage and engineering of sign ongoing with both sign design company working with restoration architect, James Bailey
- Washroom rough-ins complete and tiling commenced
- All new replica windows on site and over 50% installed
- Framing of ballroom ceiling clouds 75% complete and drywall boarding has commenced
- Roof decking of high roof 100% complete and installation of sarnafil roofing is near completion including sarnafil tread walk way
- Two storey entrance wall is 80% complete
- Drywall boarding of meeting rooms is 50% complete
- Installation of meeting room ceilings will be commencing shortly
- Remedial work to the high parapets is in progress but near complete
- Heritage consultants reviewing condition of south lobby to recommend restoration measures
- Mechanical and electrical rough-in ongoing
- Low parapet wall stabilization and repairs near completion
- Empty conduit work for security devices and speakers complete and wiring is ongoing
- Framing of the 2<sup>nd</sup> floor corridor and north high ceilings have commenced.

Items Completed – Demolition, installation of new elevator and escalators, North lobby slab, Heritage Easement agreement with City and heritage designation approved, Caissons and structural steel deck, Steel studs at perimeter, Backfilling for grade beam foundations, Spray foam insulation at exterior walls, Structural frame for the cast spandrel panels, Mechanical roof top units and cooling towers, Insulated metal panels at the high roof level, New steel stairs, Remedial work to the existing sprinkler lines, Stud framing and drywall for the ballroom, New concrete slab in the ballroom, Ballroom floor boxes, Structural steel framing for Juliet balconies, Plumbing for the kitchen, Pantry walls and mechanical/electrical design.

Since the April report there has only been one change order over \$50,000 which was for the North Lobby – Heritage Restoration of the plaster costing \$151,435.48.

#### Contact

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Submitted by:

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Dianne Young, CEO

Confidential Attachment I