

April 11, 2010

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To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young, CEO

Subject: **Toronto 2015 Pan American/ParaPan American Games**

Summary:

This report provides information with respect to the City of Toronto's participation in the Bid to host the 2015 Pan American Games and ParaPan American Games and provides information on the proposed uses of Exhibition Place. It also outlines infrastructure/building issues related to the Industry Building (Hall G) in the Direct Energy Centre that is scheduled to be used as a practice facility for karate and provides a costing to address these building issues. This report is recommending that the Board of Governors support a position to require upgrades to the Industry Building (Hall G) in order to be able to host the Karate sport at our site.

Recommendation:

It is recommended that the Board:

- 1. Strongly support the direction to completely renovate the Industry Building (Hall G) for the 2015 Pan American Games;**
- 2. Have a delegation from Exhibition Place meet with the Chair of the Pan American Games Host Corporation and the CEO of that organization;**
- 3. Direct Exhibition Place staff to meet with City officials about possible funding for this project and to consider this project as part of future City Capital Program; and**
- 4. Approve of the direction for the expenditure of the \$2.86M allocated within the 2010/11 Infrastructure Program as set out on page 4 of this report.**

Financial Impact:

The financial details on the 2015 operating budget for the use of Exhibition Place are not available at this time. It is anticipated that the Games will generate substantial economic impact for the City and will be cost neutral for Exhibition Place.

With respect to the required upgrades to the Industry Building (Hall G), a recent costing analysis done by Exhibition Place estimate these costs to be \$53.7M (with underground parking included) and \$45.6M (without underground parking).

Decision History:

City Council endorsed the City of Toronto's participation in the Bid at its meeting held December 1-3, 2008.

As part of 2009 Strategic Plan the Board approved of an Infrastructure Goal to *Enhance and sustain our dynamic and diverse public assets and integrate these assets with the surrounding urban fabric.*

Issue Background:

With the announcement of the award of the 2015 Pan American Games to Toronto, Exhibition Place undertook an exercise to consider essential upgrades to Hall G in order to host the Pan American Games – Karate sport.

Comments:

The Pan Am Games occur every 4 years and are a multisport event with competitors from 42 countries in the Americas. The last games were held in 2007 in Rio de Janeiro, Brazil and in 2011 will be in Guadalajara, Mexico. Exhibition Place staff worked with staff from Bidco and the City in 2008/09 to bring the games to Toronto and on November 6, 2009, the 2015 Pan American Games were awarded to Toronto and since that date a Host Corporation has been formed chaired by Roger Garland with Ian Troop as its CEO.

The Province has estimated that the Games could generate approximately \$2 billion to Ontario's GDP and generate an estimated 17,000 jobs. The Pan Am Games will bring 8,000 athletes and officials to Toronto, and the Para Pan Am Games will bring an additional 2,000 athletes and officials. The Province predicts the Games will attract 250,000 tourists and will provide great exposure of the City to the Americas.

The Pan American Games are scheduled for July, 2015 and the ParaPan American Games August 2-9, 2009. As noted below, Exhibition Place is a key venue for the Pan American Games although it will not be used for the ParaPan Games which will be concentrated in just one location.

Venues

The venues which are under consideration for the Pan Am Games at Exhibition Place and the respective sports are identified below:

Venue	Sport	Dates	Training	Competition
Direct Energy Centre	Fencing	Training – July 13-15, 2015 Competition – July 18-25, 2015	X	X
Direct Energy Centre Hall "A" & Ricoh Coliseum	Gymnastics	Training – July 9-10, 2015 Competition – July 11-14, 2015	X	X
Exhibition Place	Beach Volleyball	Training – July 9-12, 2015 Competition – July 13-20, 2015	X	X
Direct Energy Centre Halls "C" & "D"	Team Handball	Training – July 12-17, 2015 Competition – July 17-26, 2015	X	X
Direct Energy Centre Hall "B"	Karate	Competition – July 11-13, 2015	X	x
Direct Energy Centre	Karate	Training – July 9-10, 2015	X	X

Hall "G"				
BMO Field	Soccer	Training – July 9-24, 2015 Competition – July 9-24, 2015	X	X

We also understand that the courses for the triathlon and cycling road races will be in Toronto, beginning and finishing at Exhibition Place.

Industry Building (Hall G)

When working with the Pan American Bidco staff, Exhibition Place raised the issue of the condition of the Industry Building (Hall G) for use as the Karate training area in the month of July. This area is not air conditioned and has minimal air circulation. It is one of the oldest structures on the grounds (circa 1927) and since opening has been heavily used by the Royal Agricultural Winter Fair for housing livestock.

This Hall is used by some of our major shows either as event space (Boat Show, Home Show, Royal Agricultural Winter Fair, CNEA,) and it is also used by many shows as a staging area for move-in and move-out (IIDex, One of a Kind, Canada Blooms). All of the shows using it for event space would readily agree that Hall G is in dire need of renovation and upgrades.

With the announcement of the Pan American Games coming to Toronto, staff engaged PCL Constructors to do a costing exercise for the following upgrades to the Industry Building (Hall G):

- Remove roof and floor
- Upgrade structure to allow for a long-span roof with columns every 90 feet and the ceiling height similar to the adjoining Heritage Court and swing space (adjoining area between Hall G and Hall B)
- Construct underground parking garage which would be an extension to the existing garage under Direct Energy Centre
- Upgrade all windows
- Convert some of the roll-up man doors to doors in keeping with heritage style; extend the height of the roll-up doors between Industry Building (Hall G) and swing space to allow for more efficient loading; and add door inserts to some of the roll-up doors to increase occupancy of the Hall
- Install Huffcore wall between Industry Building (Hall G) and Hall B
- Increase washrooms and exits in order to meet code for an occupancy of 8,000 to 10,000
- Reinstall new floor with sufficient drainage to accommodate housing livestock and sufficient load to allow for move-in and move-out of shows such as Canada Blooms
- Upgrade "plug & play" system for electrical and telecom
- Provide Huffcore wall between Industry (Hall G) and Hall B (new hall) – part of the upgrades for this Huffcore wall were built as part of the Direct Energy Centre project in 1997 but this would complete this construction and would be useful for present operations of Direct Energy Centre
- Reinstall new "cool" roof
- Add air conditioning and upgrade heating system
- Add necessary escalators/elevators and stairs from underground garage and for accessibility

PCL Constructors have estimated the cost of this renovation is \$43.5M with various exclusions. However, in consultation with the Board's consultant, Mr. Roger Floyd, staff has provided a final construction estimate of \$53.7M, which provides for these exclusions, escalations, Owner's costs and a project contingency.

Funding of this major project will be a challenge as it would have to be supported and funded from the City, Province and possibly the Federal government in support of the 2015 Pan American Games. In addition, securing of this funding is unlikely to be finalized in 2010 given that the 2010 Capital Budget for the City is already finalized and planning of the capital program for the 2015 Pan American Games has just commences.

However, in the 2010/2011 Capital Budget (both State-of-Good Repair and Federal Infrastructure Funding) \$2.86 million has been allocated to the Industry Building and these funds have to be committed on or before March 31, 2011. Therefore, in consultation with PCL Constructors and Mr. Roger Floyd, Exhibition Place staff have reviewed those parts of the Industry Building (Hall G) Renovation project that could be undertaken in 2010/2011 and would not interfere or have to be removed when the final Industry Building Renovation proceeds and would be useful additions to the Direct Energy Centre operations in the interim. These renovations are as follows:

- Upgrade all windows
- Increase washrooms and exits in order to meet code for an occupancy of 8,000 to 10,000
- Convert some of the roll-up man doors to doors in keeping with heritage style; and extend the height of the roll-up doors between Industry Building (Hall G) and swing space to allow for more efficient loading
- Install the Huffcore wall between Industry Building (Hall G) and Hall B

While funding is a major challenge, the other challenge of upgrading the Industry Building is one of timing. The Industry Building is critical space for the Royal Agricultural Winter Fair as it houses the livestock so construction cannot impact this event. The Boat Show and National Home Show use this as prime exhibit space, for example the Dream Home is located in the north end of the Industry Building. While some exhibits may be relocated, if the renovation is done during their show it will reduce their sellable exhibit square footage, which effects the profitability of their show, and while their facility rent would be reduced, the implications for their show revenue from this space is far greater. It is anticipated that relief beyond the reduction of facility rent would be required.

Accordingly, another option to upgrading the Industry Building would be an expansion of Direct Energy Centre westerly by one hall although this option is likely even more costly than the Hall G renovation and as yet has not been costed.

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