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## EXHIBITION PLACE

July 6, 2008

To: The Board of Governors of Exhibition Place

FOR INFORMATION ONLY

From: Business Development Committee

Subject: **Conference Centre June 2008 Construction Update**

Summary:

At its meeting of June 20, 2008, the Business Development Committee received for information the second construction update report on the Conference Centre. Also attached to this report was the monthly status report from the project manager, MHPM Project Managers Inc. which was confidential as it involves the security of property belonging to 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:

All financial items noted in this report will be financed within the construction contingency.

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

THE BOARD OF GOVERNORS OF EXHIBITION PLACE



	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 was made 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 to the Business Development Committee respecting the state of the construction of the Conference Centre and any issues related to the construction. Attached to this report is the monthly status report from the project manager, MHPM Project Managers Inc. which is confidential as it involves the security of property belonging to 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.

Comments:

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

- Issuance of an RFP for the supply and installation of the carpet
- Developing design specifications for FF&E for approval and then issuance of RFQ
- Completion of specifications for Audio equipment and then issuance of RFQ
- Finalization of the Heritage Easement agreement and a conservation plan with the City
- Negotiations and finalization of an Exclusive Catering Agreement with Centerplate and George Friedmann
- Development of heritage interpretation materials and program
- Demolition permit was issued and receipt of full building permit is pending
- Revision based on the final construction drawings of the LEED Silver assessment tool by Enermodal
- Application completed for funding from Better Buildings Partnership/Ontario Power Corporation and for Enbridge for funding related to energy initiatives
- Application completed for funding from Federation of Canadian Municipalities for funding related to energy initiatives
- Development of marketing materials and marketing plan for the Conference Centre
- Finalizing detailed drawings for replacement of low roof structure
- Engagement of Brama to complete the detailed mechanical/electrical design for kitchen
- Incorporation of accessibility report recommendations into design by NORR

Because of design changes, change orders have been issued for the following:

- (a) North Lobby Modifications – In order to address issues related to fire code and accessibility and to avoid a design of the north lobby which would involve the installation of multiple stairs, it was necessary to develop a design which would involve the regrading of the sidewalk area in front of the North Lobby. This regrading plan could not be developed until all information was obtained with respect to services and other structures located under the sidewalk. Because of the complicated nature of this design, it was not available until after the award to Vanbots and now pricing has been quoted by Vanbots and the cost of this change is \$290,000.
- (b) Structural Steel Allowance - The decision to replace the low roof because of the substantial deterioration of the roof panels and the design of this new roof was not developed until after the award of the provision of steel by Benson and the cost for the additional steel is \$87,000.
- (c) Retractable Seals for Moveable Partitions: On a further detailed review of the moveable partitions Vanbots bid, it was noted that they did not provide for retractable seals which we presently have on the operable partitions in the Direct Energy Centre and essential as a sound barrier. The cost of this change is \$44,000.

Contact

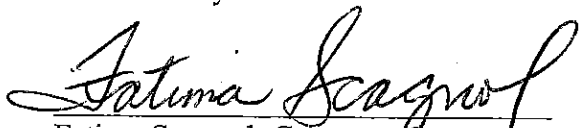
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Submitted by:

A handwritten signature in cursive script that reads "Fatima Scagnol". The signature is written in black ink and is positioned above a horizontal line.

Fatima Scagnol, Corporate Secretary