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## EXHIBITION PLACE

July 6, 2008

FOR INFORMATION ONLY

To: Business Development Committee of  
The Board of Governors of Exhibition Place

From: Dianne Young  
CEO

Subject: Conference Centre July 2008 Construction Update

Summary:

This is the third construction update report that the Board requested be sent to the Business Development Committee on a regular basis. Also attached to this report is the monthly status report up to the June 30, 2008, 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.

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 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 to report on 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 to June 30, 2008, from the project manager, MHPM Project Managers Inc. 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.

Comments:

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

- Closure of the RFP for the supply and installation of the carpet and assessment of bids with report expected to the September 2008 meeting of the Board
- Finalizing the design specifications for FF&E for approval and then issuance of RFQ in August 2008
- Completion of specifications for audio equipment and then issuance of RFQ in August 2008
- 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 the heritage interpretation materials and program
- Demolition permit and Building Permit issued and informal site plan approval process completed
- Revision based on the final construction drawings of the LEED Silver assessment tool by Enermodal
- Approval of naming rights sponsorship agreement by City Council - Allstream Centre - a Conference and Convention Facility - and development of marketing materials now that the name is in place
- Completion of detailed mechanical/electrical design for kitchen ongoing
- Incorporation of accessibility report recommendations into design by NORR along with revisions to ground floor space for video-conferencing board room; green room and permanent office for Centerplate staff.

The potential change orders over the dollar value of \$100,000 that have been arisen since the last status report are as follows:

- (a) Window spandrel panel restoration – Following the removal of the window panels, significant deterioration was noted. It is estimated that the cost of repairs is in the range of \$250,000. If these repairs are not completed prior to the new windows being inserted, future repair would require removal of the window. Accordingly, it is

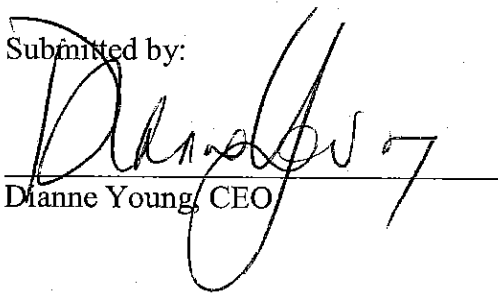
recommended that these repairs be completed as part of this project and funds to cover these costs be part of the 2009 Capital Budget.

- (b) Removal of Additional Roofing – Vanbots are claiming additional costs for the removal and disposal of old roofing materials founds beneath the exterior and visible roof membrane. The claim made by Vanbots is \$248,311. NORR is disputing this claim.
- (c) Additional Underpinning of New Elevator – While soil tests were conducted prior to issuance of the construction tender, further tests were undertaken following removal of the floor slab. These new tests indicate that additional underpinning of the new elevator is required to reach bedrock. Vanbots is claiming \$195,721 for this additional underpinning and NORR is disputing this claim.
- (d) Addition of Roof Walkways – The tender documents did not require the installation of roof walkways necessary to allow for the regular maintenance of the rooftop HVAC equipment by staff. The addition of these walkways is estimated to cost \$125,000 although Exhibition Place staff still need to review the design and extent of the walkways being proposed.

Contact

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Submitted by:

  
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