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EXHIBITION PLACE

September 9 2008

FOR INFORMATION ONLY

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

From: Dianne Young, CEO

Subject: Conference Centre August 2008 Construction Update

Summary:

This is the fourth 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 August 31, 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.

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 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 August 31, 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 which was scheduled for August 2008 but will be released through a series of RFQ's from September to the end of 2008
- Completion of specifications for audio equipment and then issuance of RFQ which was scheduled for August 2008 but will now be released mid-September with recommendation reported to the Board at its November meeting
- Finalization of the Heritage Easement agreement and a conservation plan with the City will likely be completed by the end of September
- Negotiations of an Exclusive Catering Agreement with Centerplate and George Friedmann are well underway with an exchange of the second draft between legal staff
- Development of the heritage interpretation materials and program is well underway with schedule to do presentation to the Board in November
- 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 now being undertaken by NORR under contract to Centerplate
- 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 now finalized
- Main demolition is 99% complete, north lobby demolition completed, south lobby demolition 30% complete, backfilling 95% complete
- Caissons completed, structural steel deck complete at low roof
- Low roof base membrane 80% complete

- Steel studs at perimeter started
- Mechanical and electrical rough-in ongoing
- Backfilling for grade beam foundations 95% complete

Since the last report there have been no change orders over the dollar value of \$100,000. However, some of the more costly change orders are as follows:

- (a) Revisions of Fire Panels – Tender document specified single-stage fire alarm system and change order valued at \$42,000 changed this to a two-stage fire alarm system.
- (b) Extending Depth of Caissons – As a result of the actual conditions found on excavation, extension of caissons was required at a cost of \$50,000.
- (c) Structural Revisions – As reported in June additional steel was ordered following the decision to replace the low roof. The cost of the erection of this structure has been priced at \$91,000.
- (d) Structural Revisions to the Roof Connections – Because of the pre-existing condition of the beams to the edge of the high roof structure revisions and additional steel work was required at a cost of \$67,000.
- (e) Marshall, Murray – As a result of the decision to replace the lower roof completely and also replace the entire floor slab under the ballroom, Marshall, Murray was contracted to review this pricing at a cost of \$13,000.

Contact

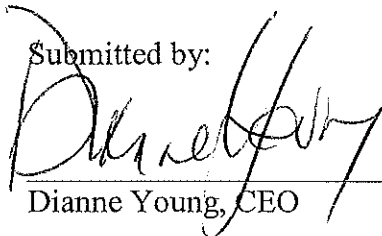
Dianne Young, CEO

Tel: 416-263-3611

Fax: 416-263-3670

Email: dyoung@explace.on.ca

Submitted by:



Dianne Young, CEO