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October 24, 2008

To: The Board of Governors of Exhibition Place

FOR INFORMATION ONLY

From: Dianne Young, CEO

Subject: Conference Centre September 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 September 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.

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.
Board of Governors September 19, 2008	Board approval of A. Buchanan Floor Coverings Ltd for the supply and installation of the carpet

Issue Background:

The Board requested frequent reports to update 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 September 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 which was completed for the meeting room chairs and tables with the ballroom chairs and table scheduled for October 2008. Recommendations on this FF&C will be reported to the Board once RFQ are assessed
- Completion of specifications for audio equipment and release for a competitive bid from Allstream per the Board's naming agreement
- Heritage Easement agreement is completed except for the attachment of photos by City Heritage staff
- 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 December
- Revision based on the final construction drawings of the LEED Silver assessment tool by Enermodal and ongoing monitoring of the project by Enermodal
- Approval of naming rights sponsorship agreement by City Council - Allstream Centre – a Conference and Convention Facility - and development of logo and marketing materials underway with marketing materials to be presented to the Board in November. Design of the building signage has commenced.
- Completion of detailed mechanical/electrical design for kitchen completed by NORR under contract to Centerplate and mechanical/electrical design for pantries on second floor has commenced.
- Revisions to ground floor space for video-conferencing board room; green room and permanent office for Centerplate staff now finalized and costing requested from Vanbots
- Main demolition is complete, north lobby demolition complete, south lobby demolition 30% complete, demolition of beam at elevator shaft 30% complete; backfilling complete

- Caissons completed, structural steel deck complete at low roof and 90% complete at high roof
- Low roof base membrane 80% complete
- Steel studs at perimeter 45% complete
- Washroom rough-ins 60% complete
- Mechanical and electrical rough-in ongoing
- Backfilling for grade beam foundations 95% complete
- Exterior scaffold required for window repairs and replacement 25% complete
- Roof decking of high roof 20% complete

Since the last report the change orders over the dollar value of \$50,000 are as follows:

- (a) Abatement/removal of lead paint across the mezzanine level for \$77,000.
- (b) Removal of lead paint on existing steel members required for tie-in locations for \$64,000.
- (c) Replace all wiring that is severely corroded in the basement for \$67,000.
- (d) Rework sanitary lines in the basement to meet the OBC for \$78,000. Exhibitio Place staff are exploring with City Works the possibility of some financial support from the City for this cost.
- (e) Repair of collar joints for all window openings for \$100,000 and roof parapet stabilization for \$160,000.

Contact

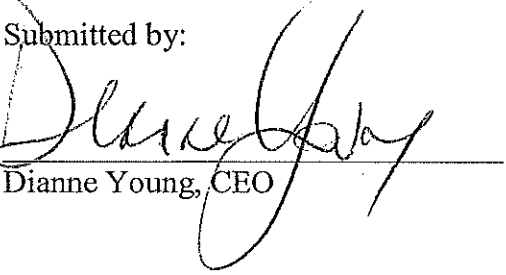
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Submitted by:


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