

EXHIBITION PLACE

April 4, 2005

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: **Proposed Settlement relating to 2003 Royal Agricultural Winter Fair (RAWF)**

Purpose:

This report provides details of the proposed settlement of the outstanding account receivable owing to the NTC from the RAWF related to the 2003 event and recommendations on actions to take which amount totals \$571,040.

Financial Implications and Impact Statement:

The unaudited consolidated financial statement for the Board for 2004 indicates a net income on a cash basis of \$537,595. Recognizing the settlement of the 2003 RAWF accounts receivable as set out in this report will reduce the 2004 net income of \$405,184.

Recommendation:

It is recommended that subject to concurrence by the City to fund one-quarter of the RAWF accounts receivable amount of \$142,500 (\$132,411 net of tax recoveries), the Board approve of the settlement proposal and payment plan outlined in the memorandum from Gloria Lindsay Luby dated March 18, 2005, attached to this report as Appendix "A".

Background:

At the April 2, 2004 meeting, the Board considered a report from the General Manager & CEO that outlined the financial pressures that the Royal Agricultural Winter Fair from 1996 to the present day. As a result of the discussion of this report the Board authorized reductions to rent and services with respect to 2004 which totaled \$189,796 but the Board did not grant any cost relief with respect to the 2003 event.

At its meeting of February 18, 2005, the Board considered a report from the General Manager & CEO that recommended a meeting with the RAWF to resolve a repayment plan for the 2003 accounts receivable amount.

Comments:

Following the February meeting of the Board, a meeting was called on March 15, 2005, with the Chair and Vice-Chair of the Board, the City CAO and Ms. Arlene Campbell, NTC GM. At that meeting, settlement terms were proposed which were agreeable to the CAO. These terms are outlined in Appendix "A" attached.

The proposed terms were subsequently communicated to the RAWF and the RAWF Board has approved the settlement terms in principle subject to the necessary approval by the Board and City. Pending approval, the RAWF has finalized its draft unaudited financial statements for 2003 and 2004 which draft statements acknowledges an obligation to pay the Board in 2003 an additional \$285,000 resulting in a loss in 2003 of (\$184,701) and the draft financial statements in 2004 showing a surplus of \$75,548.

Conclusion:

This report outlines a settlement proposal with respect to the 2003 RAWF accounts receivable.

Contact

Dianne Young, General Manager & CEO

Tel: (416) 263-3611

Fax: (416) 263-3640

Email: dyoung@explace.on.ca

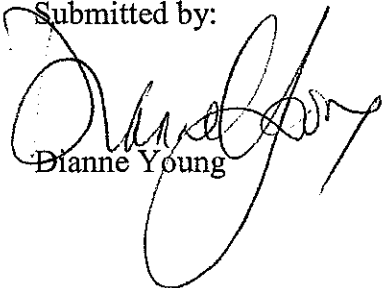
Arlene Campbell, NTC General Manager, O&Y/SMG

Tel: 416-263-3030

Fax: 416-263-3019

Email: acampbell@ntc.on.ca

Submitted by:



Dianne Young



Gloria Lindsay Luby

Councillor, Etobicoke Centre
City Hall, 2nd Floor
100 Queen Street West, Suite B38
Toronto, Ontario M5H 2N2

Tel: 416-392-1369
Fax: 416-696-4138
councillor_lindsay_luby@city.toronto.on.ca



March 18th, 2005.

MEMORANDUM

To: Councillor Joe Pantalone, Chair, Exhibition Place
Shirley Hoy, C.E.O, City of Toronto
✓ Dianne Young, General Manager & CEO, Exhibition Place

Re: **Royal Agricultural Winter Fair - Understanding**

At the meeting held on Tuesday, March 15, 2005 which included Shirley Hoy, Joe Halstead, Arlene Campbell, Joe Pantalone and myself, the following was decided:

1. That the Royal will pay \$285,000 as their portion of outstanding costs of \$571,000. No mention of interest charges were discussed. Surely interest would apply to commercial venues, not the charitable ones, eg. CNE;
2. The remainder of the \$285,000 will be split between the City and Exhibition Place;
3. It was agreed that the Royal would have up to 2 years to repay the \$285,000;
4. I indicated that the Royal is preparing a 5-year memorandum of understanding with Exhibition Place which was received positively by everyone at the meeting;
5. I have subsequently spoken with Bill Duron who indicated that the Royal would be prepared to pay the \$285,000 over two years but has requested that the amount be done in four payments. One quarter of the amount immediately, the next quarter after November 30th so that the Royal Winter Fair's finances would be known after the actual fair; in 2006 the third payment would be given immediately after receiving the City's grant; and the fourth and last payment would be at the end of November; and
6. Finally, we all understand the principle of the City's grant equaling the rent - which was re-instated in the 2005 budget.

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Apr. 11, 2005. 06:48 AM

The digital dominion

A new Canada exhibit in Japan is said to be so realistic people seeing it shiver
Behind it is a Toronto firm, game technology, and a team of keen high schoolers

RACHEL ROSS
TECHNOLOGY REPORTER

A "virtual Canada" — a 3D computer program and video-wall system that lets people experience the look and feel of the country in a virtual environment — has made this country's pavilion a hit at Expo 2005 in Japan.

In its first week, Expo 2005 visitors ranked the Canada exhibit one of the top ten pavilions at the ecology-centric, technology driven fair, which opened March 25. Funded by the Canadian government, the \$17.5 million Canada Pavilion was the only one in the top ten that didn't represent a corporation.

What has apparently wowed the gadget-appreciative Japanese visitors and their guests is a visual virtual experience that captivates them with images of a vast landscape, but then offers less familiar — to foreigners — glimpses of Canadian life.

The experience begins with video walls simulating the Aurora Borealis — the northern lights — and as visitors walk further into the pavilion they are surrounded by images of Canada as a scenic country with vast natural expanses.

But as fairgoers move further into the exhibit the images shift from the stereotypical pictures of the Canadian landscape to modern, urban views and images reflecting Canada's cultural diversity.

Expo 2005 is being held in Aichi prefecture, the region around Nagoya southwest of Tokyo. While World's Fairs don't have the profile they once did — Expo 67 in Montreal was one of the last to send buzz around the globe — they continue to draw millions of visitors and serve as showcases for technological progress and futuristic thinking.

Fair officials say they expect to host 15 million visitors by the time the event closes Sept. 25. It has made environmental issues, advanced technology and robotics its main themes.

Canada's exhibit makes liberal use of technology and digital imaging to support its theme, Wisdom of Diversity, which plays on the nation's cultural mosaic.

"Canada is a very modern, multicultural country that has found a way to make that work for it," said Rodney Hoinkes, chief technology officer and co-founder of Toronto-based I-mmersion, which developed the Canadian exhibit.

I-mmersion, which has offices in the Music Building at Exhibition Place, specializes in educational software that fuses live-action cinema, computer animation, and 3D game-type interaction.

make the world a better place. One video clip shows kids making a radio antenna. Another looks at water conservation issues.

The characters in the virtual science centre were also designed and animated by the students, with the aid of Seneca College's state of the art motion-capture studio and some helpful volunteers. Kyle Rocha, a teaching assistant for Seneca College and Derek Elliott, the school's gaming program coordinator, helped St. Patrick students learn how to create 3D worlds.

Ana Klasnja, a senior multimedia producer at the Ontario Science Centre, said it was amazing to see the transformation in the kids from "goofy kids" to "really competent professionals."

Chris Reid from Northern Secondary School in Toronto, which also participated, said he didn't know much about 3D graphics before he started on the project. Now he knows how to make a 3D avatar dance around a virtual room.

The team at I-mmersion hopes to continue to add student work to Virtual Canada, and that the project will live on after Expo 2005. Already, where once you had to travel to visit a world's fair exhibit, anyone can get a look at the image Canada is presenting at Expo 2005 in Japan by downloading Virtual Canada software from the Internet (for links, Google "download Virtual Canada").

According to the company, the software has also been made available to 8,000 schools.

Students are encouraged to build their avatars or content to help build their virtual nation.

Hoinkes said he wants Virtual Canada to be "a reflection of a wider diversity of views and inputs."

"The real ability for users to not only to experience the world but to contribute to it so that it becomes a part of them."

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Watch CNE turn green

Wind, solar systems will be providing much of its power

TYLER HAMILTON

Exhibition Place, one of Canada's largest but not now greenest urban parks, wants to turn its historic Horse Palace into the biggest solar power plant in Canada, part of its little-known but ambitious goal of becoming energy self-sufficient by 2010.

The plan is to line the roof of the building with solar photovoltaic panels, starting with a \$500,000 pilot project this fall that will test two separate PV systems and produce between 50 and 100 kilowatts of power, or enough to supply clean electricity to about 50 homes.

After some evaluation, the system will be dramatically expanded to between 1 and 2 megawatts, creating one of the few solar power facilities in North America to surpass a megawatt of output. The entire system is expected to be complete by late 2006 or early 2007.

"When you consider that the largest (installation in Canada) at the moment is 50 kilowatts, you're talking a quantum leap with this project," says Rob McMonagle, executive director of the Canadian Solar Industries Association.

"One megawatt looks impressive, and that's where you're going to get attention to drive further development."

The solar initiative, to be done in partnership with the Toronto Atmospheric Fund and the city's Energy Efficiency Office, is one of several projects going on at Exhibition Place that aim to showcase emerging clean-energy technologies while reducing the city's own fossil-fuel emissions and vulnerability to energy price hikes.

"We use a lot of hydro power," says Dianne Young, general manager and chief executive of Exhibition Place, which hosts about 300 events and trade shows and attracts more than five million visitors each year. During slow times such as May, about 5 megawatts is needed, but that shoots up to 9 megawatts in August when the lights and rides of the CNE are switched on.

"Our aim is to get that decreased as close as possible to zero and become our own power producer," she says. "Every time you cut back on any hydro use, you're cutting back on coal use."

It's a worthy goal that will hopefully inspire others throughout the city, province and country to incorporate clean-power technologies into their long-term energy plans. Other projects in place or under development at Exhibition Place include:

★ A \$4.4 million "trigeneration" power system that will become the main source of electricity, heat and cooling for the National Trade Centre. The idea is to build a 1.6-kilowatt natural gas-fired generator. In addition to electricity, waste heat produced by the generator will be recovered to help

Richard Morris, manager of the City of Toronto's energy efficiency office, is heading up the solar project and says a consultant will soon be hired to guide the city and Exhibition Place management through the process.

"In my view, we could put together a strategic plan that would just knock the socks off any other facility anywhere in North America," says Morris. "It could become a tourist attraction. People are becoming more and more aware and have a greater desire to see these kinds of technologies in action."

No decisions have been made yet on the two suppliers of solar PV equipment. Hopefully, at least one of those suppliers will be Spheral Solar, a division of Cambridge, Ont.-based ATS Automation Tooling Systems.

Spheral, as I've written about in past columns, is beginning to mass-manufacture a new flexible solar material that can be integrated into roofing materials and can convert 10 per cent of the sun's energy into electricity. Word has it that the company's products are largely pre-sold for the next three years to Germany, the world's leader in solar installations.

But Spheral management has said in the past it will hold back some of its supply for Canada, and placing its technology atop the Horse Palace as part of the largest solar project in the country would be a great showcase of a local innovation.

Morris says he's met with people at Spheral Solar and others in the industry to get as much preliminary feedback as possible. He admits that solar PV technology is expensive today, but says the benefits of acting now will become clearer over the years.

"You'll recall two years ago when the electricity marketplace opened up, and there were days when wind energy was far cheaper than the market price," he says. "Today, the photovoltaics will be much more expensive, but this investment is a hedge against higher prices a few years from now."

He adds that the rising cost of electricity, combined with the move toward two-tiered pricing, will at some point require a need for a large energy storage system. This would allow Exhibition Place to store energy when the wind is blowing, the sun is shining or when the price of grid electricity is low, then use it when it makes most sense.

"We are convinced it's time to turn our attention to that kind of system," he says. "If Exhibition Place is to become energy self-sufficient, then using different technologies to complement each other at different times of the day will require energy storage."

Amen. It's comforting to know that the city is thinking about these issues and exploring technologies for making this clean transition.

Who knows? Maybe one day Exhibition Place will be home to a World's Energy Fair.

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provide hot water and space heating in the winter, or, with the help of an absorption chiller, to provide cooling in the summer.

This system, the first of its kind in Canada to be owned by a municipality, will provide about 30 per cent of Exhibition Place's energy needs and displace 7,400 tonnes of carbon dioxide emissions.

★Of course, it's difficult to miss the 750-kilowatt wind turbine on the Exhibition Place grounds. The turbine, producing enough power for hundreds of homes, is a joint-venture project of WindShare and Toronto Hydro Energy Services Inc. and has been spinning its blades since January 2003.

Young says there's a good possibility that another turbine will be located at Exhibition Place. The original WindShare plan called for a second turbine at Ashbridge's Bay, but stalled negotiations with the Port Authority — no surprises there — have sparked a search for a new location. Talks with Exhibition Place have already taken place.

"I think it's a pretty good possibility," Young says. "If they can find the right spot that produces enough wind for them, they will look at that. If they could figure it out, we would certainly support them."

'People . . . have a greater

desire to see these technologies in action'

*Richard Morris, manager of the City of
Toronto's energy efficiency office*

★ Somewhat linked to the wind turbine is the fuel-cell demonstration project, launched in 2003 in partnership with Hydrogenics Corp., a fuel-cell developer in Mississauga. The first demonstration was a 50-kilowatt Hydrogenics fuel-cell generator, which complemented existing electricity sources at the National Trade Centre.

A hydrogen fuelling station was unveiled last August during the CNE's "green day" event. Using clean electricity drawn from a direct connection to the wind turbine, the fuelling station produces hydrogen gas that is used by a John Deere maintenance vehicle powered by a fuel cell. This summer, the station will be used to fill up a fuel-cell bus, which will tour around CNE visitors.

Of course, this stuff doesn't come cheap. The solar project, for example, aims to get half its costs covered by a Federation of Canadian Municipalities green fund. The other 50 per cent has already been approved by city council, Young says.

The Horse Palace was chosen for a number of reasons, but particularly because it's located beside the Gardiner Expressway and people driving by would get a good view. At the same time, this poses some other challenges, such as whether dust and grit kicked up from by cars and trucks will coat the panels and block the sun's rays, requiring constant cleaning.

Other issues, such as snow accumulation, performance at various temperatures and during different seasons, and the impact of strong wind will also be studied.

