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EXHIBITION PLACE

January 27, 2003

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: Coliseum Arena Project – January Update

Recommendation:

It is recommended that the Board receive this report for its information.

Background:

At its meeting of June, 2002, the Board requested monthly progress reports on the Coliseum Project.

Discussion:

At its meeting of November, 2002, the Board received a report outlining the actions taken by City Council at its meeting of November 28, 2003, with respect to the provision of a \$20.0 million "take-out" financing option for the Coliseum Project. Further, the Board approved of the establishment of a Coliseum Project subcommittee of the Board to include the Chair of the Board, the President of the CNEA and Councillor Lindsay Luby to address operational issues relating to the Coliseum renovations, specifically as they relate to the RAWF and the CNE events.

Pursuant to the Term Sheet approved by City Council and the Board, on December 20, 2002, Borealis Capital through an incorporated company, BPC Coliseum Inc. entered into a design-build contract with PCL Constructors Canada Inc. (with Brisbin Book Beynon Architects as the Design Consultant to PCL) for an amount of \$30,413,800.00, with a demolition permit issued by the City the same week. BPC Coliseum Inc. also engaged Borealis Real Estate Management Inc. ("BREMI") as the Development Manager for the project.

Early in January, 2003, an organizational structure was put in place to manage the project and ensure the appropriate approvals from the Board, City and Coliseum Renovation Corporation. Attached as Appendix "A" to this report is a diagram of this structure. The Board has engaged Mr. Roger Floyd to represent the Board on the Building Committee along with other Exhibition Place staff. Mr. Floyd was the founder and senior partner in the firm of RPA Inc. and was the project manager engaged by the Board for the NTC project.

As the project proceeds there will be a monthly progress report from the Development Manager to the Board and CRC giving details of financial status and project progress. It is my intent to bring these progress reports forward to each monthly meeting of the Board for its information. Any matters of an urgent nature between Board meetings will be reported to the Coliseum Project subcommittee.

Finally, in addition to establishing a construction planning process, we have put in place a communication strategy which includes the following:

- (a) Meetings in January, 2003, with all members of the Building Committee and Coliseum "users" which included the RAWF, CNE, Boat Show, Home Show and Sportsman Show;
- (b) Meeting in February, 2003, with a general invitation to all Exhibition Place tenants and other NTC clients;
- (c) Newsletter produced in January, 2003, and will be updated bi-monthly throughout project and distributed to all tenants/licencees and posted on the websites;
- (d) Monthly update meetings for RAWF and CNE;
- (e) Presentation of the project to the community at the Spring Community Liaison Meeting.

Conclusions:

This report outlines for the information of the Board the progress to date on the Coliseum Project.

Contact:

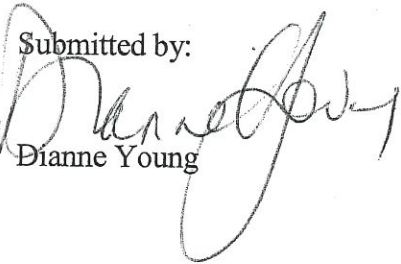
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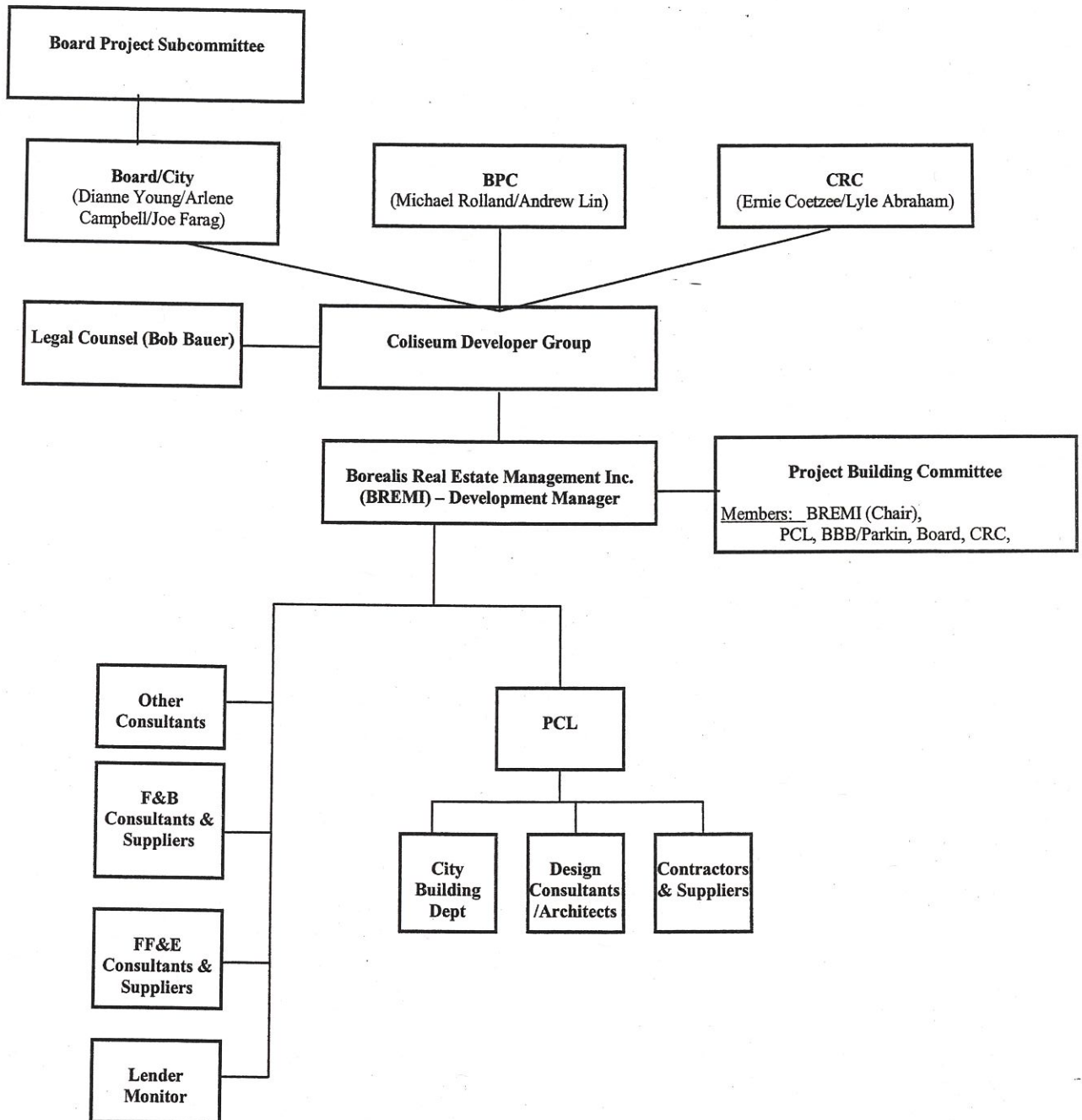
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Submitted by:


Dianne Young

Appendix "A"

Organizational Structure



Board of Governors Of Exhibition Place January 31, 2003



Borealis

- Asset manager of private equity, infrastructure and real estate assets worth over \$9.1 billion principally for Canadian Pension funds.
- OMERS property portfolio in Canada
 - \$7.4 billion
 - 97 properties
 - 52.3 million square feet
- Responsibilities include real estate development.
- Both Partner and Development Manager for RICOH Coliseum.

Borealis Development Manager

- Manage design-build contractor (PCL).
- Coordinate design and procurement of furniture, fixtures, equipment and fitting out of concessions.
- Coordinate Project Building Committee on all design, tenant/user, and operational requirements, and monitor change order process.
- Monitor and report on monthly basis to the Developer Group on cost, schedule, and overall project scope of work.

General Contractor - PCL

- Established in 1906, largest General Contractor in Canada; annual billings of \$3.2 billion.
- Leading General Contracting Organization in North America.
- Recent Projects include \$1.6 billion Pearson Airport Development, Air Canada Centre, Staples Centre, Hershey Centre.
- Design Build Contract.
- Guaranteed Maximum Price.
- Cost Savings Incentive.

Brisbin Brook Beynon - Architect

- Involved in more than 100 sports related projects internationally.
- Clients included NBA, NHL, Major League Baseball, World Cup Soccer Franchises.
- Recent projects include Air Canada Centre, Madison Square Gardens, General Motors Place, Barrie Molson Centre.
- Report to PCL under Design Build base contract and to Development Manager on FF&E (Stadium Consultants International).

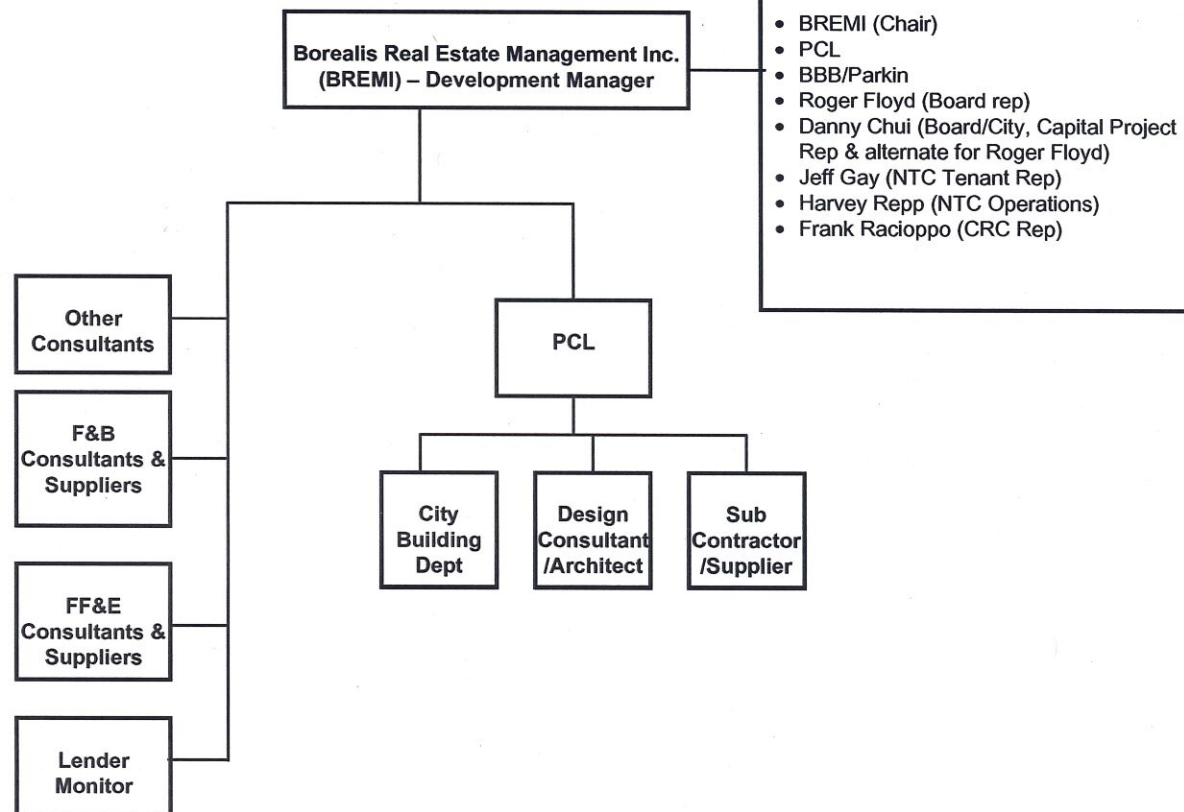


Cameron Hawkins / Marrick & Associates – Food & Beverage

- Strategic and operational experience gained over 25 years in the business.
- Past projects include National Trade Centre, Ontario Place, Skydome, Kitchener Memorial Complex, Peterborough Memorial Auditorium.
- Responsibilities include designing the food service program and coordinating procurement and installation of facilities.



Development Structure



Project Schedule

- Initial Development Due-Diligence August 2002 including tenant consultation.
- Received project approval on December 20, 2002.
- Construction commenced January 6, 2003.
- Occupancy November 1, 2003.

Board of Governors Of Exhibition Place January 31, 2003

