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September 19, 2003

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: Letter of Intent with Ameresco Canada

Recommendation:

It is recommended that the Board:

- (1) Direct staff to enter into negotiations with Ameresco Canada for a Letter of Intent with Ameresco Canada ("Ameresco") to undertake energy efficient capital projects at Exhibition Place on terms and conditions satisfactory to the City Solicitor and GM & CEO; and,**
- (2) Request staff to report back to the Board on the results of these negotiations and feasibility studies.**

Background:

At its meeting of July 2003, the Board approved the 2004 Capital Budget and reviewed the capital needs for 2005 and forward for 10 years which 10-year budget indicated the need for capital upgrades related to energy delivery systems.

Discussion:

In July, 2003, Ameresco made a presentation to the Chair of the Board and senior staff respecting the program that they offer to companies which provides funding for projects focused on energy efficient capital upgrades. Following that meeting, Ameresco in consultation with Exhibition Place Operations Division did an initial assessment of many of the buildings on the grounds.

Ameresco is a leading provider in North America of integrated energy services and has had 30 years experience in energy management. It is a founding partner in the City of Toronto's Better Buildings Partnership (BBP) and has been highly recommended to Exhibition Place by the BBP. In addition, BBP has suggested that there may be some grants available for energy efficient projects undertaken by the Board with Ameresco.

Ameresco has worked with many government bodies, such as the Toronto District School Board, the Toronto Catholic School Board, Toronto City Hall, the Toronto Public Library and the Metropolitan Reference Library, to name only a few. It has also partnered with the private sector in major energy projects, one of the most recent being First Canadian Place and the Toronto Dominion Centre. The programs introduced by Ameresco have resulted in \$350.0M in energy savings in over 3000 buildings. The Toronto-Dominion Centre project alone resulted in savings of \$27.0M. and in 2003 Ameresco was presented with an award for partnership and innovation in the energy field by the BBP because of its partnership with the Toronto-Dominion Centre and First Canadian Place.

In very basic terms, the premise of the partnership would involve Ameresco providing the upfront capital dollars for energy retrofits with a payback to Ameresco through the energy savings achieved. Initially, Ameresco would undertake a detailed feasibility study to determine the specific project and potential savings; they would then design the project and fund it; all parts of the construction would be tendered for the lowest price; the payback to Ameresco by the Board would be in accordance with energy savings achieved and could be for an extended term.

From its very preliminary review of the buildings at Exhibition Place, Ameresco has indicated that potential savings of approximately \$300,000 annually could be achieved with a capital expenditure of \$3.0M. Many of the projects that were part of this initial review are in the Exhibition Place Capital Budget for future years. However, given the limited nature of the City capital funding envelop, the realization of actually proceeding with these energy projects is problematic. In recent years, Exhibition Place has been faced with the urgent requirement to focus its capital budget on "building envelop" projects (ie repair of the Princes' Gates) rather than energy retrofit projects. While the initial review by Ameresco is positive, Ameresco has indicated that they would have to do a detailed feasibility study for each of the buildings being proposed. Following approval of this report, Ameresco is committed to undertaking these studies as expeditiously as possible.

Accordingly, the immediate steps being recommended are the negotiation of a Letter of Intent between Ameresco and Exhibition Place while at the same time allowing Ameresco to start proceeding with its feasibility study. The terms and conditions of the Letter of Intent are to be satisfactory to the City Solicitor and General Manager & CEO. The terms of the Letter of Intent and the details of the project to be undertaken will be presented to the Board at its November, 2003 meeting, if possible.

Conclusion:

This report recommends entering into negotiations with Ameresco with respect to a letter of intent to undertake energy efficient capital project at Exhibition Place and requests that staff report back to Board as soon as possible on the terms of the letter of intent and the specific energy project to be undertaken as supported by the results of the feasibility study to be done by Ameresco.

Contact:

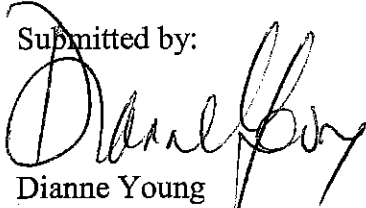
Dianne Young, GM & CEO

Telephone: 416 263-3611

Fax: 416 263-3690

E-mail: dyoung@explace.on.ca

Submitted by:

A handwritten signature in black ink, appearing to read "Dianne Young". The signature is written in a cursive style with a large initial "D".

Dianne Young
General Manager & CEO

~~IN CAMERA~~ Now PUBLIC

MOTION NO. 2*** REFER**

Clause No. 27 of Report No. 9 of The Policy and Finance Committee

Moved by: **Councillor Pantalone**

That the Clause be struck out and referred back to the Board of Governors of Exhibition Place for further consideration and further discussion with the Chinese community; that the Board of Governors of Exhibition Place and the CNEA be requested to develop and submit to City Council within six months, through the Economic Development and Parks Committee, a plan on future space requirements for the CNE, to ensure its continuing future success; and that the Commissioner of Economic Development, Culture and Tourism be involved in finding a suitable location for the China Trademart in the City of Toronto.

Date: **September 25, 2003**

Signature:

