

March 26, 2001

EXHIBITION PLACE

TO: The Board of Governors of Exhibition Place

FROM: Dianne Young
General Manager & CEO

SUBJECT: Amendment to Wayfinding Signage Agreement

Recommendations:

It is recommended that the Board authorize the amendments to the proposed agreement with Eller Canada ("Eller") as outlined in this report and forward this report for approval to the City Policy and Finance Committee and City Council.

Background:

At its meeting of June 23, 2000, the Board approved, subject to approval of City Council, entering into an agreement with Eller for the design, installation and maintenance of the Wayfinding Signage Program at Exhibition Place. City Council approved of Clause No. 26 of Report No. 10 of the Policy & Finance Committee at its meeting of August 1, 2, 3 & 4, 2000.

Discussion:

In June 2000 the Board issued an RFP for the design and construction of a Wayfinding Signage Program at Exhibition Place. The object of the RFP was to enter an agreement with the private sector whereby the private sector would provide all the capital for the construction of the Wayfinding Signage Program along with some financial return to the Board. Three (3) proponents submitted proposals and on review staff recommended entering into an agreement with Eller on the basis that it provided the best wayfinding signage program and the best financial return to the Board.

Generally, the design and installation of the Wayfinding Signage Program was to take place in two phases. The first phase was the installation of three (3) Lake Shore Entrance Gate signs which would include not only Exhibition Place identification with an LED component to advertise Board events, but also include third party advertisement which would be sold by Eller. The second phase of the Program was the internal Wayfinding Signage Program which was to be implemented at the option of the Board depending on final configuration and developments on the site pending future decisions on initiatives such as the 2008 Olympics and the Waterfront Task Force recommendations.

The original design submitted by Eller in their RFP proposal for the three Entrance Signs was a 14x48 foot standard billboard design which was unacceptable. At the time of the report to the

Board, Exhibition Place staff had worked with Eller and their design partners, Keith Muller and Associates, to arrive at overall specifications for the signs of approximately 24x32 with an advertising panel of 24x24. However, the report approved by the Board and City Council directed staff to work with City of Toronto Urban Planning & Development Services to develop an appropriate sign design for the site. Therefore, at the time of the report to both the Board and to City Council, the design and the cost to manufacture and construct the signs had not been finalized.

The new design which has now been approved by staff of the City of Toronto Urban Planning & Development is attached as Appendix "A" to this report is a high-quality design for advertising signs of this type and one that incorporates the design elements of the National Trade Centre along with clear identification of the Exhibition Place and an LED portion which will be for the exclusive use of Exhibition Place. In addition, the actual third party advertising space has been reduced from 24x24 to 20x20 in order to meet the specifications approved by Council yet incorporate many of the unique design elements.

The original Eller proposal for the RFP included an allowance of \$225,000.00 for the construction for the three (3) Lake Shore Entrance Gate signs. However, the final cost to manufacture and install the three (3) signs in the new design is \$475,000.00; \$160,000.00 for the LED message centres and \$315,000.00 related to the new design. Eller proposes that it will absorb the additional costs to manufacture and install these new designs, with some modifications to the original agreement as follows:

- (a) The Term be amended from 10 years with a renewal option for 5 additional years to 10 years with an automatic renewal for 5 years provided that Eller is not in breach or default of the agreement, with no option to renew;
- (b) Increase the Total Capital Fund contributed by Eller by \$250,000 from \$840,000 to \$1.09 million;
- (c) The Board entitlement to the Net Balance of the Capital Fund for construction of the internal Wayfinding Signage Program will remain at \$615,000.00 (\$1,090,000.00 less an allocation not to exceed \$475,000.00 which represents the revised cost to manufacture and install the three Lake Shore Entrance Gate sign structures);
- (d) The payment to the Board of the Net Balance of the Capital Fund (\$615,000) from Eller will not be on substantial completion of the three (3) Lake Shore Entrance Gate signs but will occur two (2) years following substantial completion. Substantial completion will be no later than September 30, 2001. During the two year period, Eller will remit to the Board annual interest equal to Prime +1% or 6%, whichever is greater on the Net Balance of the Capital Fund. At the end of the two year period Eller will pay the Board the Net Balance of the Capital Fund which the Board may use to construct the internal Wayfinding Signage Program or for any other purpose as the Board determines, at its sole discretion.
- (e) The value of the Maintenance and Repair Reserve Fund for the internal Wayfinding Signage Program is reduced from \$33,000 annually (\$45,000 annually less \$12,000 allocated for

servicing of the Lake Shore signs) to an amount equal to approximately \$21,000.00 annually (\$47,700.00 annually, less \$26,700.00 annually which represents the allocation required to service the three revised Lake Shore Entrance Gate sign structures). This Maintenance and Repair Reserve Fund (\$21,000) will accrue over the two-year period above as additional revenue to the Board. If, at the end of the two years, the Board elects to proceed with the internal Wayfinding Signage Program, this revenue would either be added to the Net Balance of the Capital Fund or disbursed to the Board as additional income. If the Board elects not to proceed with the internal Wayfinding Signage Program, this accrued revenue will be disbursed to the Board as additional income, and for the balance of the Term will be included as additional base rent (approximately \$21,000.00 annually);

- (f) The minimum rent to be paid by Eller to the Board from years 11 to 15 will be increased from \$252,000.00 to \$420,022.00 which is to be paid annually as follows: Year 11 - \$79,908.00; Year 12 - \$81,906.00; Year 13 - \$83,953.00; Year 14 - \$86,052.00; and Year 15 - \$88,203.00. Eller will pay additional rent as per the previous proposal; and,
- (g) All other terms and conditions remain as previously approved.

As indicated above, Eller has worked in good faith with staff to provide a unique and high quality design that meets with all the approvals of staff of City of Toronto Urban Planning & Development. However, this sign design is not only more costly to produce but has less third party advertising area to sell and therefore, the financial terms previously proposed need to be modified slightly.

City of Toronto Urban Planning & Development staff have been consulted about the proposed amendments and are fully supportive of the recommendations in this report.

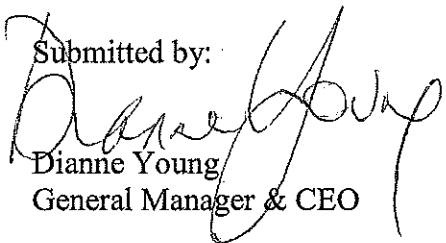
Conclusions:

This report recommends that the Board approve of the amendments to the proposed agreement with Eller as outlined above and forward this report to the approval of the City Policy and Finance Committee and City Council.

Contact:

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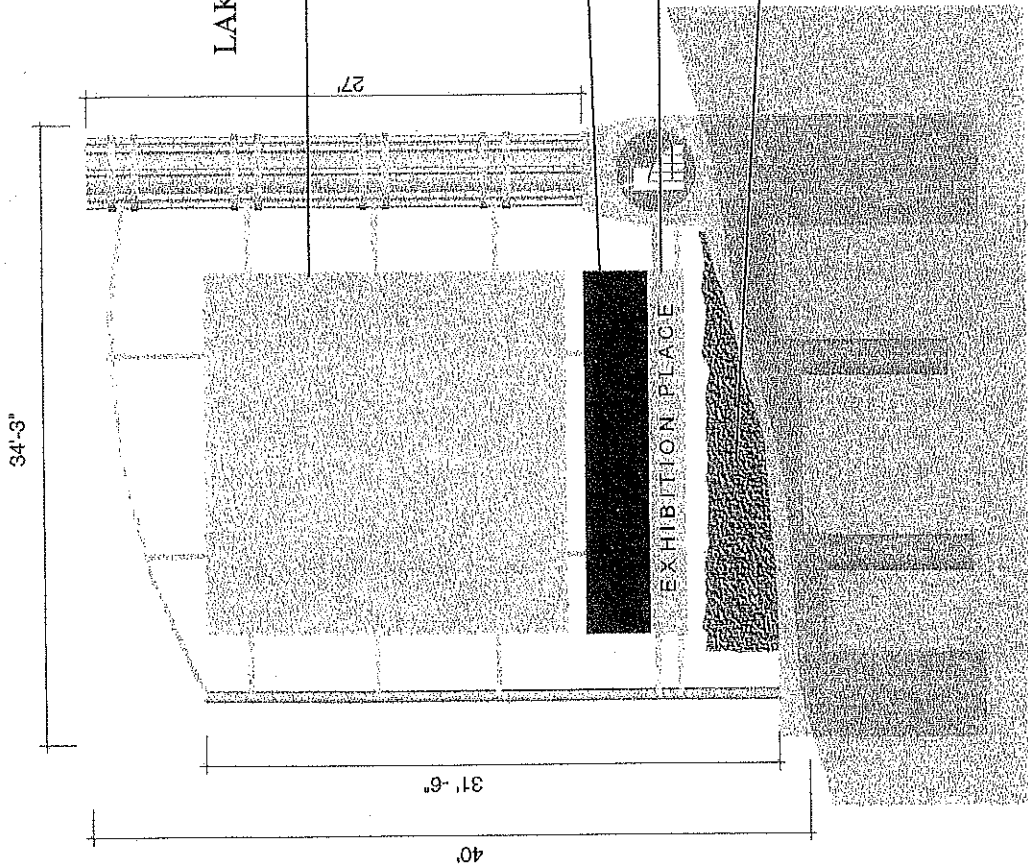
Submitted by:



Dianne Young
General Manager & CEO

WAYFINDING SIGNAGE PROGRAM APPENDIX "A"

LAKE SHORE ENTRANCE GATE SIGN STRUCTURES



20' x 20' advertising panel
on both sides of sign

3' x 20' LED message centre
on both sides of sign
1 1/2' x 20' site identification panel
with pin mounted metal letters
on both sides of sign
evergreen shrubs planted in
hollow of reinforced concrete base

East elevation

Grade beam on both sides of sign
leaving reinforced concrete base
hollow for planting of shrubs

Sign support reinforced
concrete foundations/caissons

Sonotube reinforced concrete
foundations to frost depth
supporting grade beam

