

EXHIBITION PLACE

October 17, 2001

To: The Board of Governors of Exhibition Place  
From: Dianne Young  
General Manager & CEO  
Subject: Proposed 2002 Capital Works Budget as part of the  
Five-Year (2002-2006) Program Submission

Recommendation(s):

It is recommended that the Board approve the 2002 Capital Works Budget as detailed in Appendix "A" attached as part of the Five-Year (2002-2006) Program submission to the City of Toronto.

Background:

Enclosed please find the proposed 2002-2006 Five-Year Capital Works Program for Exhibition Place. The Five-Year Program submission incorporates the guidelines and policies as established by the Finance Department of the City of Toronto. According to the City schedule, review of the Capital Budget will begin in October and approval of City Council by February 2002.

Discussion:

The Proposed Exhibition Place 2002 Capital Works Program below totalling \$3.940 million is budgeted in accordance with the following categories established by the City of Toronto:

- (a) State of Good Repair (53.8% for 2002) – A capital project that allows for the maintenance, repair or replacement of existing assets including asset rehabilitation required to meet health and safety issues or extend the useful life of the asset by 10 or more years.
- (b) Health and Safety (19.3% for 2002) – A capital project having an urgent requirement for repairs due to concerns of a health and safety hazard.
- (c) Growth Related (5.1% for 2002) – Any capital project that supports growth and development across the City.
- (d) Service Improvement and Enhance (21.8% for 2002) – Any capital project that improves service delivery above the current Council-approved standard or provides for the introduction of new services.

Outlined below is a summary showing the capital budgets previously approved by City Council and the respective expenditures for the Capital Works Program for the last five years.

Year	Approved Budget	Expenditure
1997	\$4.070M	\$3.360M
1998	\$3.345M	\$3.100M
1999	\$3.285M	\$2.575M
2000	\$4.245M	\$4.243M
2001	\$3.650M	\$3.640M

Building assessment studies have been carried out as necessary for all the major historical buildings and other properties at Exhibition Place and the recommendations on the work required in these buildings are used as guidelines to formulate this proposed Capital Program. Each year, staff assesses the necessity of the proposed work and prioritizes the work with update cost estimates in order to maximize available resources.

In accordance with City policy, the cost of permanent staff devoted directly to the development and implementation of the Capital Works Program at Exhibition Place (totalling \$0.235M) is included as a percentage within each specific sub-project. The percentage is based on an estimate of staff time involved in any particular project.

The following is an outline of the twelve major projects within the 2002 Capital Works Program in order of priority. All budgets include estimated costs of construction, project management, engineering, disbursements, and administrative where applicable.

1. Pre-Engineering Program (Estimated Cost \$0.125M)

This project supports all necessary pre-engineering services for study and investigation, design and engineering to ensure successful planning and execution of the Capital Works Program and is vital to the success of the annual budget. These studies and investigations specifically target required work and budget preparation for 2002 and 2003 projects.

2. Automotive Building (\$1.280M) (APPROVED BY CITY in 2001)

The total 2002 budget of \$1.280M was previously approved by the City as cash flow in 2001 City of Toronto capital budget as the second year of a two-year financial commitment. Included in the total fund is \$1.120M for the continuation of air-conditioning project started in 2001. The feasibility study for this project indicated that there was sufficient capacity of both air-conditioning and heating from the National Trade Centre which can be directed to the Automotive Building through the existing tunnel across Princes' Blvd. By doing so, the existing inefficient and leaking steam heating system in the Automotive Building will be eliminated with annual energy savings of \$15,000 to \$20,000. The remaining \$0.160M approved funding was reserved for repairing the badly deteriorated cast iron window panels and 12 decorative grilles, as well as \$0.075M for the purpose of refurbishing the terrazzo floor of the washrooms and worn out stair treads.

3. National Trade Centre (\$0.200M)

A budget of \$0.100M is required to rectify an unsafe working condition. The 298 foot wide Huffcore wall system in the National Trade Centre is the largest of its kind and the enclosed bulkhead 35 feet above floor level contains the mechanical motor, chain and drive that guides the wall. The bulkhead space is about 10 feet wide and does not have any proper access door, entrance or work platforms for maintenance. Repairs to the motor and chain require maintenance workers without safety equipment to balance on a 10 inch wide steel beam.

Roll-Up Door No. 20 at the north east corner of the National Trade Centre beside the east loading dock is subject to frequent breakdown. Due to its central location providing access to the main halls, it is the most frequently used entrance. The brake system is showing signs of deterioration and the design of the door makes it impossible to remove the slats above the one foot level without removing the entire door (24' x 30'H). The necessary repair or replacement of the door is estimated to cost \$0.100M.

3. Coliseum Complex (\$0.065M)

The 2001 building assessment identified serious structural safety concerns with 22 columns that were damaged or severely twisted and 12 trusses that were bent or pushed out of line. Preventive reinforcing is required for the remaining 50 columns and 20 lower-roof trusses to prevent the same type of damages in future. \$0.065M is set aside for the column/truss repair and a further \$0.055M is requested for year 2003.

4. Better Living Centre (\$0.230M)

Repair of spalling and cracking exterior bricks was approved in 2000. During the 2000 project, more extensive brick damages than was originally estimated were identified and the approved budget was insufficient to repair all the deteriorated areas. Therefore, two years of further work is required. The expansion movement of the floor has torn the sealant from floor joints and as a result, chunks of concrete have broken away creating a tripping hazard. Lighting fixtures located on the underside of the high roof overhung canopy have deteriorated to a very serious condition that no burn out tubes can be replaced without damages to the sockets. This project proposes the replacement of all lighting fixtures with energy efficient fixtures. All three components of work in 2002 is budgeted at \$0.230M.

5. Other Building (\$0.820M)

A total of \$0.820M for five (5) sub-projects is proposed.

Inspection in 1997, revealed that new open cracks and joints on the pre-cast panels, losing adhesion at many joints and serious cracking are in a mid-to-advance state and are found in all portions of the Princes' Gates. Wind-driven rain entering through these open cracks and joints is trapped and due to the resultant freeze and thaw action, the joints and masonry have been further damaged. \$0.250M is budgeted to repair, replace and seal the damaged stone faces and joints. A further two (2) phases are required in 2003 and 2004.

A general budget of \$0.100M is proposed to fund repair and partial replacement of the most seriously defective windows and doors in buildings across the grounds. Buildings requiring attention in priority are the Better Living Centre Courtyard, Automotive Building 2<sup>nd</sup> Floor, Bandshell, Stanley Barracks, Music Building, and Horticulture Building.

A similar budget of \$0.200M is proposed for the repair of damaged roofs. If roof leaks are not fixed promptly, damage to building structure, equipment and contents can quickly occur. Under this project, repairs to roof, downspouts and flashing will be performed. Buildings requiring attention in priority are the Industry Building, North Extension, Mid-Arch, West and East Annex, Arena, roofs of Substations, Halls of Fame, Better Living Centre, Horse Palace and Stanley Barracks.

Washrooms deteriorate through age and heavy public usage. Funds in this line budget will be used to replace fixtures, partitions and accessories, and correct any code violations on air changes, hot and cold water lines, w/c height, etc. Buildings requiring attention are Princes' Gates, Mid-Arch, Queen Elizabeth Exhibit Hall, Better Living Centre, Horticulture Building and Horse Palace. \$0.050M is proposed for this budget.

Finally, \$0.220M is proposed for the repair of building envelope and HVAC equipment for the Music Building. Pursuant to the lease agreement between the Board and the present tenant, Exhibition Place is required to provide a structurally sound building for year-round use. Perforating metal roof, deteriorating joints, spalling bricks, and cracking stones are noted in numerous areas and in very poor condition. Efflorescence on building faces are noted in many places. The balustrade of roofing railing is almost non-existing. Condensation is common during winter months and the existing 15 year-old rooftop air-conditioning unit with badly damaged ductwork is frequently malfunctioning.

#### 6. Equipment (\$0.550M)

Four (4) sub-projects are included in this project. A line budget program was approved and set up for year 2000 to invest in electrical equipment required to supply in-house electrical services for all shows and events on the grounds. The provision of in-house electrical services continues to be profitable business for the Board generating over \$1.0M in net profit annually. In order to increase and maintain the effectiveness and profitability of this service, it is necessary to continue to make further capital investments and \$0.300M is proposed to be spent in 2002 for this purpose.

Much of Exhibition Place electrical power equipment dates back to the original installation over 70 years ago. Total inspection and overhaul of this equipment in various substations is long overdue. An essential line budget program is proposed to inspect and assess transformers, electrical switchgears, feeder cables, and do necessary repairs and replacements. Corrective action can then be taken before a failure occurs, which failure could result in property damage, personal injury, and or loss of electrical service to a building for days and corresponding loss of rental revenues. A line budget of \$0.100M is proposed for a complete assessment program of 76 sets in 37 locations beginning in 2002.

Following demolition of the Stadium, the site has become the home of CNE Midway and other

outdoor shows and activities, including Molson Indy. Additional 600V electrical cable and telecommunication cables are required at these locations to service this 20-acre site to meet heavy customer demands and eliminate tripping hazards created by cables at ground level. This project will cost \$0.100M and is estimated to generate \$20,000 revenues annually.

The provision of parking services is a major business for Exhibition Place, generating \$4.0M annually. In order to maximize efficiencies, revenues and cost controls, Exhibition Place in 2001 converted all the outdoor parking kiosks at the Stadium site with automatic cash registration receipts and wireless equipment. With the opening of Liberty Grand in the Ontario Government Building at the west end adjacent to Medieval Times, this subproject is recommending additional computerized revenue control system and access control equipment for Parking Lot J to accommodate the parking requirements of these two major tenants. The new kiosks, entry gates, platforms and other necessary hardware and software will cost \$0.050M.

#### 7. Environmental Restoration (\$0.050M)

Exhibition Place, in keeping with its mandate as a park, has established a program for greening the Exhibition Place grounds, planting new trees and replacing dead ones. Exhibition Place has a total of 198 acres of land and 36 acres of this is green space (18%). This program will help create a rich, natural and humane environment to enhance the attractiveness of Exhibition Place with landscaping.

#### 8. Horse Place (\$0.155M)

The windows of the Horse Palace are the original steel sash windows since 1931 (71 years old). They are custom designed and single glazed, consisting of one operable and one fixed sash. With rusted side jams, broken side bar hinges and missing locking devices, the windows have lost their operability and are a major source of heat loss during the heating season. A two-year program with \$0.155M in 2002 and \$0.100M in 2003 is proposed for the purpose of replacing the windows with thermopane windows.

#### 9. Parks, Lots, Roads (\$0.265M)

A major goal of Exhibition Place is to provide a safe and pleasing environment for the 4.75 million visitors that come to the site. Roads, parking lots and sidewalks need to be kept safe for the patrons who use them. Dufferin Street was found by the Toronto Police to record one of the highest traffic accident rates in the City. The majority of accidents are due to over speeding at a tight turn in adverse conditions. A series of safety measures were introduced in 2001 and the number of accidents have dropped significantly. However, the loss of friction of the pavement due to heavy usage in the last 10 years remains an outstanding issue and is proposed to be corrected in 2002. A second line budget is for a new sidewalk along Prince Edward Island Crescent where pedestrians are forced to walk on the street. \$0.125M is needed for this sub-project.

Lighting is important for safety in parks, parking lots and roads. Public areas should maintain an adequate moral lighting according to City policy. Many areas at Exhibition Place are below the recommended light level of 1-foot candle (fc). City standard lighting is proposed for the Dufferin

Gate Vicinity which is a major pedestrian entrance to the grounds. The average light level in the immediate vicinity of Dufferin Gate is 0.8 fc and falls off rapidly moving away from the gates. \$0.140M is proposed to restore the area to proper lighting.

10. Food Building (\$0.150M)

Both the condensate return tank and deareator in the Food Building are heavily corroded and deteriorated. Both devices are part of the hot water system and given the state of corrosion there is a potential for this system to be seriously affected. Up to 65% of all 1.4 million visitors to the annual CNE visit the Food Building. \$0.050M is proposed to retrofit components in this heating system in the Food Building.

To provide a diverse mix of safe food and on-site food production for public consumption, additional kitchen hoods and exhaust fans are required for the Food Building. Exhibitors renting booths without this equipment are forced to have food products prepared off site and transported to the Food Building. This compromises food quality and restricts the volume that can be prepared. Off site preparation also limits CNE's ability to ensure that food products are being prepared in a safe and clean environment. \$0.100M is needed for more exhaust system installation and these upgrades will allow for additional annual revenues of \$15,000.

11. Queen Elizabeth Building (\$0.050M)

The paint on the ceiling in the Queen Elizabeth Building Exhibit Hall is peeling extensively with the potential of falling on exhibitors or patrons during shows and events. In places, sufficient paint has come off that patches of concrete are visible. This condition violates Health and Safety regulations. \$0.050M is required to prepare the ceiling surface and repaint the ceiling.

12. Coliseum Project (\$9.000M)

At its meeting of October 4, 2000, City of Toronto Council approved the recommendations in Clause No. 25 of Report No. 12 of the Policy and Finance Committee as amended, which approved of a \$9.0 million loan to Exhibition Place to be a one-third contribution to the capital cost of \$32.0 million to renovate the Coliseum Arena as a state-of-the-art hockey and concert venue. This project is scheduled to commence construction in November, 2002.

Conclusion:

This report recommends that the proposed 2002 Capital Works Budget in which 73% of the proposed budget is for the purpose of returning assets of Exhibition Place to a state-of-good-repair and retrofitting for a health and safety environment, be approved as part of the five-year (2002-2006) Capital Program submission to the City of Toronto.

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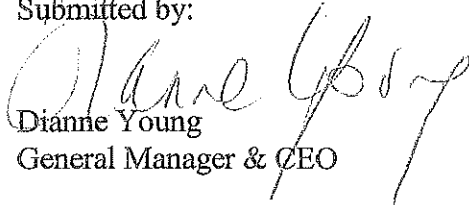
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Submitted by:

  
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**ATTACHMENT "A"**  
**EXHIBITION PLACE PROPOSED 2002 – 2006**  
**CAPITAL WORKS PROGRAM**  
**SUMMARY**

Oct.1/01

PROJECT NAME	(PG. NO.)	CAT. 2002	PRIORITY POINT RATING for 2002	2001 (Approved)	2002	2003	2004	2005	2006	FIVE-YEAR PROGRAM TOTAL
					Dollars in Thousands					
1. Pre-Engineering	2	1,2	26.5	125	125	125	125	125	125	625
2. Automotive Building	3	1,2,4	25.7	1,250	1,280	400	435	550	100	2,765
3. National Trade Centre	4	1,2	24.9	0	200	320	100	440	0	1,060
4. Coliseum Complex	5	1	22.5	0	65	355	585	315	1,100	2,420
5. Better Living Centre	6	2	21.0	785	230	220	170	960	825	2,405
6. Other Buildings	8	1,2	19.2	0	820	1,150	1,185	350	835	4,340
7. Equipment	10	1,2,4	18.5	530	550	785	965	1,335	1,000	4,635
8. Environmental Restoration	13	1,2	17.9	260	50	300	150	50	50	600
9. Horse Palace	15	1,2	16.7	0	155	295	345	180	100	1075
10. Parks, Parking Lots, Roads	17	2	16.5	290	265	165	570	325	500	1,825
11. Food Building	15	1,2	16.0	0	150	275	100	160	300	985
12. Queen Elizabeth Building	16	1,2	15.6	0	50	200	350	650	800	2,050
13. Stanley Barracks	19	N/A	N/A	410	0	140	65	0	310	515
14. Horticulture Building	20	N/A	N/A	0	0	0	0	400	0	400
<b>TOTAL 2002-2006 PROGRAM (NET)</b>				<b>3,650</b>	<b>3,940</b>	<b>4,730</b>	<b>5,145</b>	<b>5,840</b>	<b>6,045</b>	<b>25,700</b>
<b>PROGRAM RECEIVED BY COUNCIL FOR 2001-2005, EXCEPT 2006</b>				<b>3,650</b>	<b>3,283</b>	<b>3,555</b>	<b>4,955</b>	<b>5,850</b>	<b>N/A</b>	<b>N/A</b>
<b>Project Mgmt. Costs (PMC) Included</b>				<b>230</b>	<b>235</b>	<b>240</b>	<b>245</b>	<b>250</b>	<b>255</b>	<b>1,225</b>
<b>Percentage (%) of PMC</b>				<b>6.3%</b>	<b>6.0%</b>	<b>5.1%</b>	<b>4.8%</b>	<b>4.3%</b>	<b>4.22%</b>	<b>4.8%</b>
A. Coliseum Renovation	21			2,000	9,000					9,000
B.. Green Energy Initiatives (Tri-Gen)	22					2,500	2,500			5,000
<b>TOTAL PROGRAM (GROSS)</b>				<b>5,650</b>	<b>12,940</b>	<b>7,230</b>	<b>7,645</b>	<b>5,840</b>	<b>6,045</b>	<b>39,700</b>

NOTE: Inflation Factors are applied to all figures in the program as per City's Guidelines  
G.S.T. is not included in budget  
Priority: Point Rating as per City's guidelines  
Approved by the City as cashflow of 2001 budget

CATEGORY (2002):  
1. State of Good Repair (\$2.120M - 53.8%)  
2. Health & Safety (\$0.760M - 19.3%)  
3. Growth Related (\$0.2000M - 5.1%)  
4. Service Improvements (\$0.860M - 21.8%)  
5. City Legislated (N/A)  
6. Reserved Funding (N.A.)

TOTAL (\$3.940m-100%)