



Exhibition Place

Service Level Review

Standing Committee Presentation
June 30, 2015



Overview

- Recommended Service Levels by Program
 - Program Map
 - Service Levels and Service Performance
 - Service Challenges and Opportunities
 - Strategies to Address Issues/Opportunities
 - Priority Actions to Achieve Results



Exhibition Place 2015 Program Map

EXHIBITION PLACE

To foster Exhibition Place as an inclusive and accessible parkland and business destination for conventions, exhibitions, entertainment, recreation and sporting events, and public celebrations, and in doing this, operate as a self-sustaining and environmentally-responsible entity

Exhibition and Events

Purpose:

Direct Energy Centre is the largest trade and consumer show facility in Canada and the sixth largest in North America with over 1.1 million square feet of contiguous space. In addition, Exhibition Place has a 192-acre site that allows for public celebrations and events, such as the Honda Indy Toronto, and Toronto Caribbean Festival, and CNE. The Exhibitions and Events service has a direct annual economic impact of more than \$400 million to Toronto.

To provide professional management expertise to effectively run the operations, and to actively seek out business development, sponsorship, and partnership opportunities

Conventions, Conferences & Meetings

Purpose:

Allstream Centre reopened in 2009 after \$50.0M of renovations to the historic Automotive Building. It provides new meeting rooms, exhibit space, and a Class A ballroom. The new 134,000 square foot facility complements the event activities at the Direct Energy Centre, by attracting more international conferences, consumer and trade shows, and festivals to the City of Toronto.

Exhibition Place Asset Management

Purpose:

To provide building & infrastructure maintenance and construction services to Exhibition Place facilities and structures

Exhibition Place Parking Access

Purpose:

To provide convenient access to public parking for Exhibition Place events, BMO Field and Ricoh Coliseum sporting events, and general public use.





Service Levels and Service Performance



Key Service Levels – 2015 - 2016

| Service | Activity | Service Levels | |
|------------------------------------|---|---|--|
| | | 2015 Approved | 2016 Requested |
| Exhibitions & Events | Event - Trade & Consumer | 100% compliance with negotiated terms | 100% compliance with negotiated terms |
| | Event - Meetings & Corporate | 100% compliance with negotiated terms | 100% compliance with negotiated terms |
| | Event - Community / Festivals / City of Toronto / Sporting / Photo & Film | 100% compliance with negotiated terms | 100% compliance with negotiated terms |
| | Event - Major Citywide celebrations & special events | 100% compliance with negotiated terms | 100% compliance with negotiated terms |
| | Guest Services: Food & Beverage | \$4.67 food & beverage sales per attendee | \$11.33 food & beverage sales per attendee |
| | Guest Services: Facility Support | \$0.75 of Service Revenue per \$1 of Rent Revenue | \$0.53 of Service Revenue per \$1 of Rent Revenue Outsourcing Electrical/Mechanical Service |
| | Long-term Tenant Support | \$11.10 per Square foot of long term tenant space supported | \$11.61 per Square foot of long term tenant space supported |
| Conventions, Conference & Meetings | Event Space | 100% compliance with negotiated terms | 100% compliance with negotiated terms |
| | Guest Services: Food & Beverage | \$90.21 food and beverage sales per attendee | \$88.86 food and beverage sales per attendee |
| | Guest Services: Facility Support | \$0.32 of Net Service Revenue per \$1 of total revenue | \$0.30 of Net Service Revenue per \$1 of total revenue |
| | Guest Services: Parking | Labour Cost ratio of 9% of revenue | Labour Cost ratio of 8.2% of revenue |



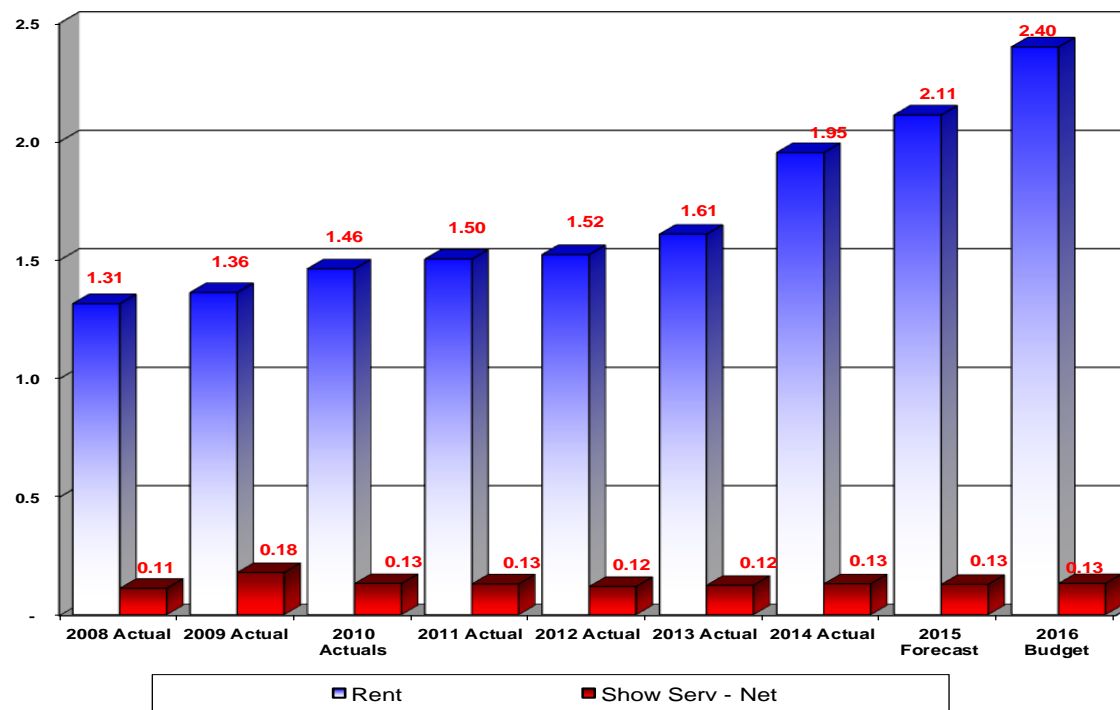
Key Service Levels – 2015 - 2016

| Service | Activity | Service Levels | |
|---------------------------------|---------------------------------|--|--|
| | | 2015 Approved | 2016 Requested |
| Asset Management | Parking Lots, Roads & Sidewalks | Maintain Parking Lots, Roads & Sidewalks in good condition for public access; increase sustainability and reduce failure of Exhibition Place Assets; effective investment of Capital funds; ensure preservation of Historical site and area | Maintain Parking Lots, Roads & Sidewalks in good condition for public access; increase sustainability and reduce failure of Exhibition Place Assets; effective investment of Capital funds; ensure preservation of Historical site and area |
| | Waste Management | Waste Management: Achieve higher than 2013 actual of waste diversion of 85.15% | Waste Management: Achieve higher than 2014 actual of waste diversion of 85.74% |
| | Fleet & Equipment Maintenance | Fleet & Equipment Maintenance: Maintain current 43 vehicles and 73 pieces of equipment and additional acquisitions | Fleet & Equipment Maintenance: Maintain current 43 vehicles and 73 pieces of equipment and additional acquisitions |
| Exhibition Place Parking Access | Surface | 100% of parking spaces available and accessible for all major events. Variable labour cost ratio of 9% of revenue. | 100% of parking spaces available and accessible for all major events. Variable labour cost ratio of 8.2% of revenue. |
| | Underground | 100% of parking spaces available and accessible for all major events. Variable labour cost ratio of 9% of revenue. | 100% of parking spaces available and accessible for all major events. Variable labour cost ratio of 8.2% of revenue. |



Performance Measures

Tenants Rent & Net Show Services (\$'s millions)



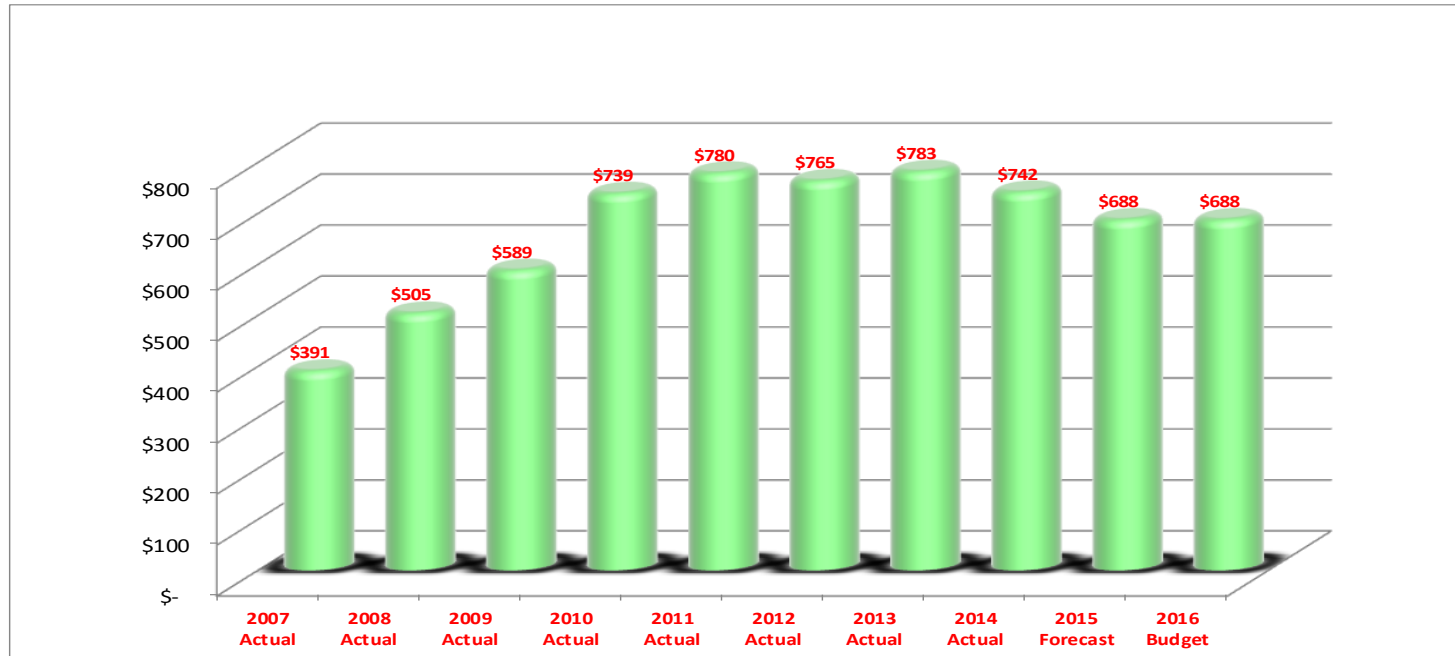
Trend:

- From 2014-2015 rent includes from Princes' Gate Hotel, and rate increase from Ricoh
- 2016 budget includes rent from Raptors training facility



Performance Measures

Utilities Savings from ERP Projects (000's)



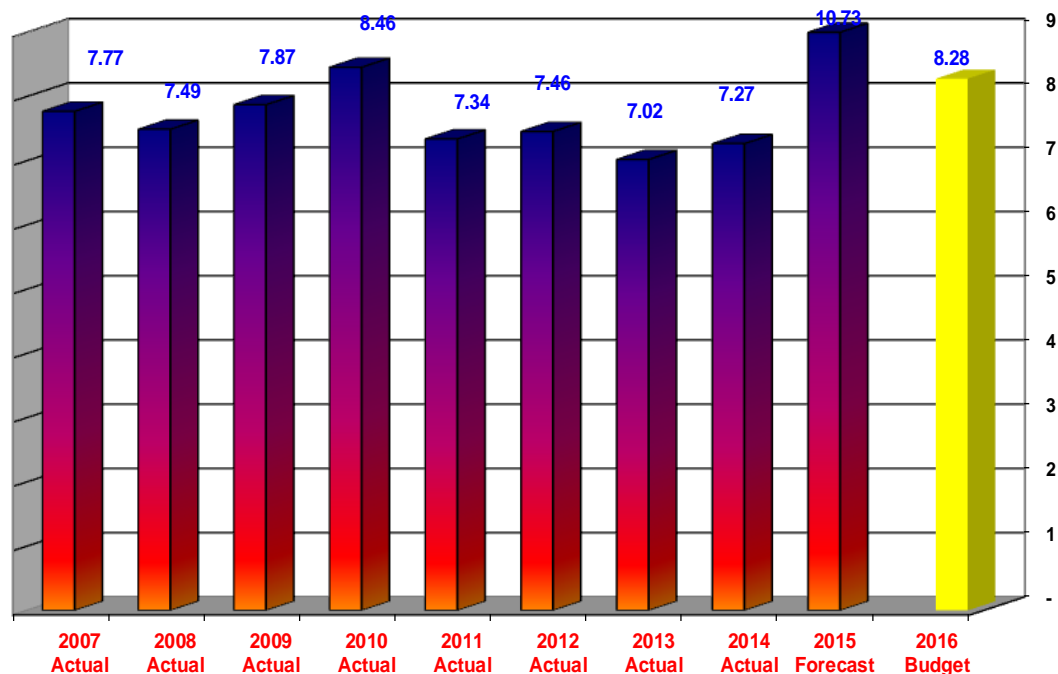
Trend:

- 2015 forecast and 2016 budget decrease to reflect actual savings realized from the boilers project
- Budget/Actuals include savings from various Energy Retrofit Projects: Photovoltaic at the East and West of the Horse Palace and East Annex, Direct Energy Centre halls lighting, Five Exhibition Place Buildings (QE, GS, EA, HP, BLC) retrofit, LED Pathway lights, Back Pressure Steamturbine, Press Building Geothermal, Underground Parking lights



Performance Measures

Events building rent – Direct Energy Centre(\$'s millions)



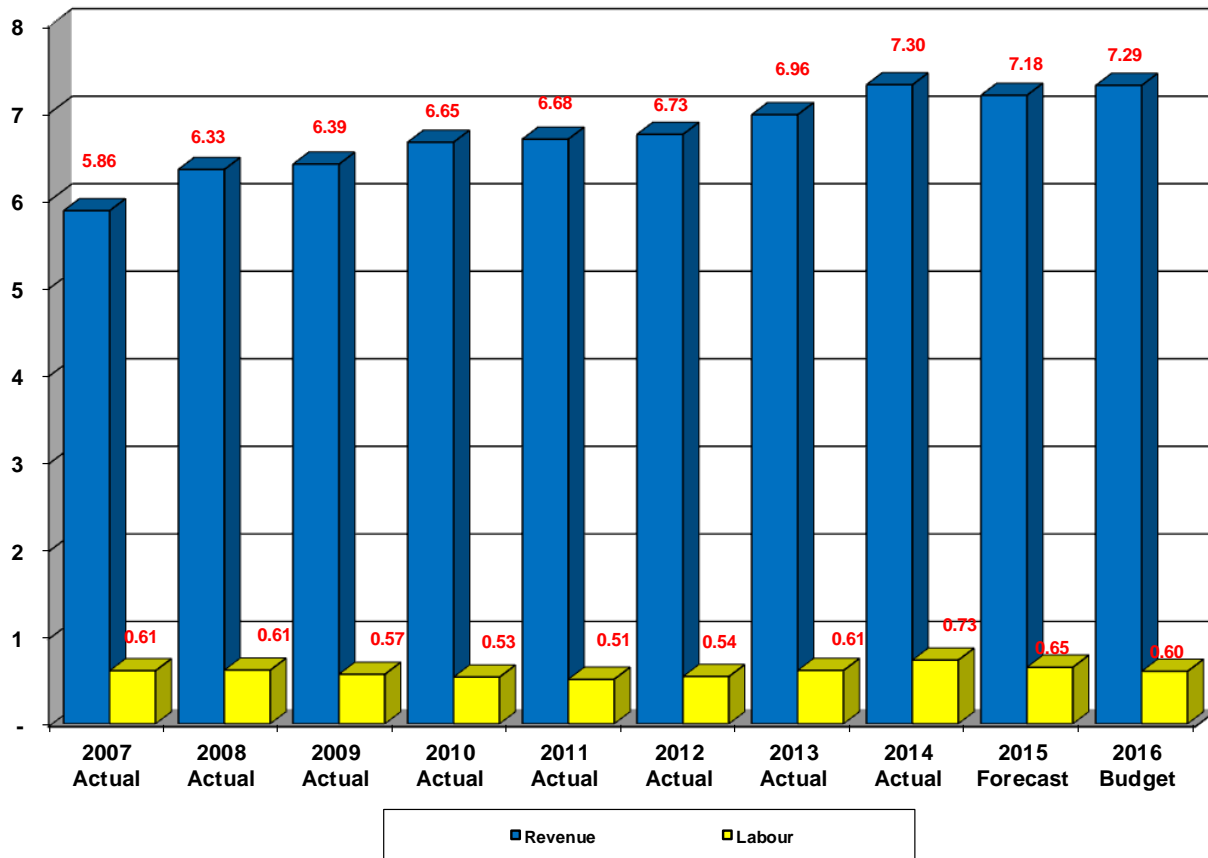
Trend:

- 2010 was high due to contribution from G8/G20 Media
- 2013-2014 decrease due to lost of major events: CMTS, Toronto Ski Show, CFA Exams, IIDEX
- 2015 includes contribution from Pan Am games
- 2016 includes contribution from NBA Jam Session



Performance Measures

Parking Revenue and Direct Wages (\$'s millions)



Service Challenges & Opportunities



Service Challenges & Opportunities

■ Challenges

- ✓ High demand and shortage of labour resources from all trades in order to provide service to clients (i.e BMO Field, 14 tenants, events, Princes' Gate Hotel)
- ✓ Unforeseen costs such as hotel contaminated soil removal
- ✓ Loss of parking revenue due to hotel, BMO Field and Raptors Training Facility construction
- ✓ Increasing cost of unionized labour (based on contractual agreements)
- ✓ Increase cost of wages, taxable benefits & health benefits
- ✓ Increase cost of hydro, and water



Service Challenges & Opportunities (Cont.)

■ Opportunities

- ✓ Implementation of the Festival Plaza Master Plan to create a flexible new open space for major outdoor events and at the same time introduce features that will make the last big surface parking lot more pedestrian friendly
- ✓ Continue to examine possibilities to expand Direct Energy Centre and to improve older facilities such as the Industry Building and Better Living Centre
- ✓ The Province is currently undertaking a major planning exercise to reimagine Ontario Place. Exhibition Place will work with the Province to explore possibilities for synergies between the two sites
- ✓ Continue Exhibition Place's measured and financially responsible renaissance, turning it into an even more vibrant part of the city.
- ✓ The site will be the largest venue for the 2015 Pan American Games
- ✓ Completion of Phase 1 of Hotel development
- ✓ Outsourcing for Electrical/Mechanical show services
- ✓ Completion of Phase 1 of BMO Field expansion from 20,000 to 30,000 seats
- ✓ Construction of Raptors Training Facility is in progress
- ✓ Finalization of naming agreement with Ener-Care



Strategies to Address Challenges & Opportunities:

New Strategies

■ Strategies

- ✓ **Business Development:** Integrate and develop each of the business enterprises across Exhibition Place and pursue new complementary business enterprises to stimulate local and regional economic growth and promote Exhibition Place as an international centre of business excellence.
- ✓ **Public Space and Infrastructure:** Enhance and sustain our dynamic and diverse public assets and integrate these assets into the urban fabric for the benefit of the community
- ✓ **Environmental:** Exemplify and demonstrate environmental stewardship and leadership in all aspects of our businesses and operations.
- ✓ **Safety and Security:** Ensure a safe and secure environment for employees, guests, and for our property and assets
- ✓ **Recognition and Public Understanding:** Sustain a high level of public understanding that builds confidence and recognition of excellence within the marketplace and local, national, and international communities.
- ✓ **Organizational and Staffing:** Encourage a high-performing organization through alignment of people, processes, and systems to ensure we continue to be an employer of choice.
- ✓ **Financial:** Maintain a positive operating financial performance across Exhibition Place and all its businesses





Priority Actions to Achieve Results





Priority Actions to Achieve Results

Service:

Exhibition and Events, Convention and Meeting, Parking Access, Exhibition Place Assets Management

Service Objectives:

Achieve our recurring events business revenue; Grow our new events business; Actively support the expansion and enhancement of entertainment facilities; Expand exhibition and convention space

Priority Actions to be Taken:

- Re-evaluate all aspects of our customer service promise
- Develop plans, protocols, and processes for the MICE market reflecting the new on-site hotel
- Review our sales and marketing package to ensure competitiveness for building rates and rental services
- Continue to deliver contractual obligations pursuant to the CNEA Master Agreement

- Develop an annual marketing plan
- Maintain a strong relationship with Tourism Toronto
- Work with the City to bring new types of events and programming to the site
- Support significant international events
- Maintain and upgrade technology across the grounds and within our key event spaces to stay current with customers’ needs

- Continue to analyze and explore expansion opportunities for BMO Field including improvements related to Festival Plaza
- Hosting Toronto Argonauts football games at BMO Field starting in 2016
- Explore opportunities for the private sector to locate a multi-use sports / entertainment / education / community facility on the site

- Add expansion of Direct Energy Centre to the 10-year capital plan and explore the feasibility of additional MICE facilities
- Explore opportunities for permanent trade exhibit space





Priority Actions to Achieve Results

Service:

Exhibition and Events, Convention and Meeting, Parking Access, Exhibition Place Assets Management

Service Objectives:

Enhance our public assets through major new builds and/or renovations; Integrate our assets with the surrounding urban fabric; Sustain our public assets and rolling equipment; Establish Exhibition Place as a destination and gathering place for the community; Improve all forms of transportation needs for the grounds; Ensure integration between Exhibition Place and Ontario Place

Priority Actions to be Taken:

- In partnership with the private sector, complete Phase 1 of the hotel and Stanley Barracks Park
- Develop plans to upgrade our Class 'B' event space
- Implement Phase 1 of the Festival Plaza Master Plan and develop future funding options
- Develop a plan for a covered walkway from the GO Station to Festival Plaza

- Improve signage / wayfinding on the site
- Upgrade the northern edge to improve pedestrian flow and act as a gateway to the surrounding communities

- Upgrade our preventative maintenance program systems
- Develop a 10-year program to maintain our competitive event space at Class 'A' level
- Identify funding mechanisms for major underground infrastructure

- In partnership with the private sector, enhance public amenities to service our patrons and local community visitors
- Increase community use of the grounds by animating and/or programming our parks

- Continue to provide the necessary parking facilities for our businesses
- Enhance the on-street bicycle network and supporting infrastructure
- Actively support public transit improvements to Exhibition Place

- Work with the Province to ensure that the relationship of Ontario Place to Exhibition Place within the context of Toronto's western waterfront is taken into account in planning for redevelopment
- Work with Ontario Place to ensure a transformative upgrade to area transit services





Priority Actions to Achieve Results

Service:

Exhibition and Events, Convention and Meeting, Parking Access, Exhibition Place Assets Management

Service Objectives:

Develop a 'green' promotion strategy both externally and internally; Ensure sufficient funding of all environmental programs; Reduce the impact of our operations and our business on all aspects of the environment

Priority Actions to be Taken:

- Continue to build a culture of environmental sustainability across the organization at all levels
- Rethink and Retool the GREENSmart program to address the organization at all levels and external customers' needs
- Develop an outreach plan for the Pan/Parapan American Games to promote our 'green' initiatives
- Promote tours and training about Exhibition Place's green infrastructure and practices

- Seek project funding from partnerships with external parties
- Develop a rolling 10-year capital budget for green initiatives

- Develop strategies to address rain water run-off issues
- Upgrade the Building Automation System across the grounds to control and conserve energy
- Reduce grid supplied electricity use
- Reduce use of potable water
- Develop a plan to reach zero waste for Exhibition Place operations
- Work with the Pan/Parapan American Games and NBA All-Star Game to establish and pursue ambitious environmental targets





Priority Actions to Achieve Results

Service:

Exhibition and Events, Convention and Meeting, Parking Access, Exhibition Place Assets Management

Service Objectives:

Coordinate a security and public safety program; Promote safe work practices for all staff

Priority Actions to be Taken:

- Implement a program focused on our guests, property, and assets to reduce claims in all categories
- Design, seek necessary funding, and implement a full security program for the Pan/Parapan American Games
- Implement a capital program to upgrade the fire system in Direct Energy Centre
- Develop and implement the next phase of the Accessibility Plan for the grounds

- Implement programs and procedures designed to achieve 'zero' lost time injuries
- Continue to expand the Young Workers' Safety Training program
- Design and implement an indoor environmental program within the older 'non-heated' building spaces





Priority Actions to Achieve Results

Service:

Exhibition Place Assets Management

Service Objectives:

Foster awareness of our heritage assets; Foster awareness and understanding of our leadership role in local, national, and international business communities

Priority Actions to be Taken:

- Work with the developer on the plans for heritage displays in the hotel
- Undertake an archaeological review of the Bandshell Park area

- Develop an international / national / local 'brand' for Exhibition Place
- Use the Pan/Parapan American Games to brand Exhibition Place as a site for major outdoor events /festivals
- Implement an outreach plan featuring the new hotel





Priority Actions to Achieve Results

Service:

Exhibition and Events, Convention and Meeting, Parking Access, Exhibition Place Assets Management

Service Objectives:

Deliver a Customer Service strategy; Review and revise our corporate governance systems; Ensure hiring and training processes address organizational needs

Priority Actions to be Taken:

- Implement programs to meet our customer service expectations and core competencies
- Continue to develop annual departmental objectives based on the new Strategic Plan
- Continue to encourage employee engagement at all levels
- Review, revise, and develop new policies and processes that address general organizational matters
- Implement the consolidation of staff within one area of the site

- Complete an annual review of By-Laws and Board policies and procedures
- Monitor new City Council directions and recommendations, and their application to Exhibition Place
- Examine our organizational structure to ensure we can meet the future needs of Exhibition Place

- Participate in the City's commitment to employment equity initiatives
- Develop a staffing strategy for the Pan/Parapan American Games





Priority Actions to Achieve Results

Service:

Exhibition and Events, Convention and Meeting, Parking Access, Exhibition Place Assets Management

Service Objectives:

Effectively monitor costs and revenues; Seek additional revenue opportunities; Establish new funding mechanisms within the City; Demonstrate the economic impact of Exhibition Place

Priority Actions to be Taken:

- Develop a 3-year net forecast for all business enterprises that has no year-over-year negative impact for the consolidated budget
- Ensure operating budgets are met or show a positive surplus to budget
- Review and revise financial and organizational systems to strengthen controls and processes
- Seek efficiencies with the public funds under our control and continue to evaluate our provision model to ensure that services offered are best provided either internally or externally

- Seek new and/or expand revenue opportunities within our existing operations
- Increase rental revenues from existing tenants / facilities
- Maintain and enhance naming sponsorship for Direct Energy Centre
- Seek opportunities for business development through negotiations of collective agreements

- Work with the City to increase our State of Good Repair budget or find other funding mechanisms for both capital and rolling assets
- Quantify the economic impact of Exhibition Place's events on the City





Thank You

