

2026 Operating Budget

Date: October 17, 2025
To: The Board of Governors of Exhibition Place
From: Don Boyle, Chief Executive Officer
Wards: All Wards

SUMMARY

Toronto, North America's 4th largest City is home to Exhibition Place. The site currently hosts more than 2,000 events annually generating \$595 million in economic impact to the City with approximately 5.5 million visitors per year for exhibitions, conventions, events, entertainment, and other activities. Exhibition Place is evolving into a year-round destination, offering a broad range of events and experiences. The location is accessible and pedestrian-friendly, attracting visitors from local neighborhoods, across Canada, and internationally.

Our vision is to establish Exhibition Place as Canada's leading venue for conventions, exhibitions, events, and entertainment, with a focus on creating an environment that supports easy movement and memorable experiences for all.

2026 Budget

On July 9, 2025, Mayor Chow and Budget Committee Chair issued budget directions for all City divisions, agencies, boards, and commissions, emphasizing service delivery, financial sustainability, and cost efficiencies to support a balanced 2026 budget. City Financial Planning has set a net profit target of \$2.200 million for Exhibition Place.

With respect to the Exhibition Place Conference Centre Reserve Fund, the balance at the end of 2025 is forecasted to be \$8.542 million (including \$2.710 million from 2024 surplus over budget). This reserve is a source of funding for both state of good repair, as well as, for the City loan repayment of the Conference Centre.

The latest findings from the Global Exhibition Barometer research concluded in July 2025 by UFI, with respects to the Global Association of the Exhibition Industry will enter 2026 with optimism, driven by international expansion, increased AI adoption, strong hiring, revenue growth and operational resilience. AI integration is accelerating, with most companies now routinely using tools like ChatGPT, Copilot, and Google Gemini in daily operations.

Despite all the challenges from bouncing back after the pandemic and the current state of home economy, our operation is progressing very well; our events revenue continues to grow, following the same trends as other businesses in the same industry.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. The Board approve the 2026 Operating Budget attached as Appendix 'A'.
2. The Board direct the Chief Executive Officer to submit the 2026 Operating Budget to the City Financial Planning Division as part of the 2026 Budget Process.
3. The Board approve a one-time principal repayment of the City Conference Centre loan up to \$2.500 million on December 1, 2025.

FINANCIAL IMPACT

Schedule A

The proposed 2026 Operating Budget will result in a profit of \$2.2 million.

Operating Budget								
\$ Thousands	2024 Actual ***	2025 Budget	2025 Projection *	2026 Budget	Change from 2025 Budget		OUTLOOK	
					\$	%	2027	2028
Revenues	\$71,450	\$67,413	\$75,122	\$83,151	\$15,739	23.3%	\$73,448	\$75,864
Gross Expenditures	\$68,740	\$67,863	\$75,122	\$80,951	\$13,089	19.3%	\$73,398	\$75,814
Net Expenditures	(\$2,710)	\$450	\$0	(\$2,200)	(\$2,650)	(588.9%)	(\$50)	(\$50)
Approved Positions**	356.0	356.0	356.0	392.0	36.0	0.0%	358.0	358.0

*Projection based on 9 Month Variance

**YOY comparison based on approved positions

***2024 actual net expenditures exclude \$0.8 millions fundings support from City due to COVID 19 pandemic

The 2026 Operating Budget submission for Exhibition Place is in alignment with 2025 projected experiences and adjusted for anticipated additional revenue contribution from FIFA World Cup 2026. As of September 30, 2025, Exhibition Place has forecasted a zero net expenditure (which will be \$0.450 millions favourable to approved budget) for year ended December 2025. The projected favourable variance is primarily from the additional revenue contribution from one off large events offset by lower net naming fee revenue, and additional \$4.46 millions has been allocated to address critical needs, including \$1.96 million cost for replacement of aging equipment, backlog repairs, and \$2.50 million anticipated conference centre loan principal repayment.

Every effort has been made to eliminate or reduce 2026 incremental base budget pressures while maintaining the current service levels and achieving the strategic goals. This includes full application of expected revenues including fee increases and volume base adjustments.

DECISION HISTORY

The Exhibition Place 2022 – 2026 Strategic Plan has goals to ensure competitively priced services and sustainable operations, invest in our people and culture and strive to be recognized as an employer of choice, attracting top talent within the industry.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EP24.12>

At its meeting of March 5, 6, 7, and 8, 2007, Council adopted the report entitled "Financial Assessment of Proposed Conference Centre Development at Exhibition Place" which included the recommendation that the Board be directed to place the revenues from the Enercare Centre naming rights agreement and any revenues from any future naming rights agreement for the new conference centre into a single-purpose interest bearing City reserve account from which any shortfalls in the City loan payments can be directly funded.

<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-6995.pdf>

At its meeting of November 5, 2012, City Council approved of a recommendation to expand the purpose of the Exhibition Place Conference Centre Reserve Fund to provide a source of funding for both Automotive Building (Conference Centre) loan repayments, and also for maintaining Enercare Centre and Automotive Building (Conference Centre) in a state of good repair.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX24.19>

At its meeting on September 9, 2013, City Council recommended that Exhibition Place use its funds from the Conference Centre reserve to fund the cost for the disposal of pre-existing contaminated soil dating from the early 1900's which expenditures are keeping with the terms of the lease agreement between Exhibition Place and Princes Gates Hotel LLP.

<http://www.toronto.ca/legdocs/mmis/2013/ex/bgrd/backgroundfile-61392.pdf>

On December 13, 14, and 15, 2016, City Council adopted the extension of the repayment term of the capital loan to the Exhibition Place for the conference centre, by an additional five years, with a revised amortization period ending in 2040 for the full loan balance amount.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.16>

COMMENTS

Exhibition Place staff have worked closely with City Financial Planning Division and researched with industry benchmarking in preparing our 2026 Operating. Our main assumptions used in preparing the 2026 Operating Budget are:

- **Strategic Resource Allocation:** Post-pandemic financial constraints require prioritizing limited resources to advance Exhibition Place's strategic objectives and address deferred maintenance.
- **IT Cost Increases:** Evolving work environments demand enhanced system security and reliability, driving higher costs for third-party support of Office 365, servers, switches, anti-spam tools, and cloud storage.
- **Staff Compensation:** Unionized staff COLA is estimated at 2.75% per collective agreements. Non-unionized staff are budgeted for a 2.0% COLA, plus step increases and lump-sum rewards, totaling approximately 3.7% of the 2025 approved budget.
- **Event Displacement (FIFA 2026):** The FIFA World Cup will occupy Exhibition Place grounds from April to July, resulting in event relocations and reduced service and parking revenues from tenants and Ontario Place.
- **Customer Expectations:** Shifts in customer behavior post-pandemic will require increased service delivery costs to meet evolving expectations.
- **Parking and Traffic Impact:** Ongoing construction will further reduce parking availability and increase congestion, leading to lower parking revenue and higher traffic management costs.
- **Honda Indy Relocation:** The event's move to Markham in 2026 and beyond will result in an annual financial pressure of approximately \$650,000.

Next Steps for 2026

2026 will create many opportunities for us to develop even stronger alliances with our venue partners within the industry. Specifically, as relating to the meetings business at the Automotive Building (Conference Centre), as we design a series of meeting formats, equipment packages, and recommendations that address how to reduce risk, increase confidence, and promote health within the meeting space. Meeting design, room layout, traffic flow, technology considerations, and enhanced hygiene measures are at the heart of this offering with the goal to make the meetings and events industry strong and healthier than ever.

A. Prior Year's Results and 2026 Issues

Although the trade, consumer show & conferences industry is heavily dependent on global and home economy and consumers spending behaviours and expectation that had been changed after the pandemic, staff have confidence to follow the same trends of other businesses in the same industry in North America and the globe to estimate our 2026 event revenue. Staff prepared our preliminary 2026 operating budgets on a "budget-to-budget" basis so that it will not create additional financial pressure to the taxpayers of the City of Toronto. The future growth of the Convention & Trade Show Organizers is influenced by internal and external factors such as structure and

competition within the industry, market demand, and innovative and disruptive factors, of the home economy and cyclical patterns. For the trade and consumer show business, industry research on future directions of the economy is published in Trade Show Executive.

Since 1998, the Board has set budget targets to maximize net income remitted to the City. From 2007 the Board consistently delivering annual surpluses to City except during the two pandemic years. Achieving these targets has required ongoing efforts in service reviews, cost containment, discretionary spending restraint, operational efficiencies, and pursuing new business opportunities.

B. 2026 Operating Budget by Program Area

The following section provides information on the proposed level for 2026 operating budget revenues and expenditures for each of Exhibition Place programs: Exhibition Place, Enercare Centre, and the Automotive Building (Conference Centre) program. 2026 budget surplus of \$2.200 million which is an improvement of \$2.650 million over 2025 approved budget deficit of \$(0.450) million. The \$2.650 million improvement is primarily due to the following as summarized in the chart below:

- 1) Increase \$ 4.991 million events net profit which is primarily from revenue contribution from FIFA World Cup 2026 and volume changes compared to 2025 budget.
- 2) Increase (\$1.586) million salary and benefits cost from providing budget estimated at 2.75% COLA increase for unionized staff; 2.00% COLA increase for non-unionized staff and providing step increase to help staff progressing through their respective salary ranges (minimum salary to maximum salary) or lump sum financial reward for management staff who are at maximum of salary ranges, for a combined total of approximately 3.7% of 2025 approved budget; cost increase in retirees and LTD benefits premium cost, volume adjustment of direct wages and benefits based on anticipated clients demand in 2026.
- 3) Increase \$0.169 million departmental overhead expenses (non-labour) from general inflation adjustment, incremental costs for cloud database service subscriptions and maintenance service agreements for computer system security and reliability, management fees paid to Toronto Parking Authority, traffic management costs, City Corporate Real Estate Management services etc.
- 4) Decrease \$0.531 natural gas cost from federal government removing carbon taxes.
- 5) Increase \$0.346 million net revenue from inflationary adjustment, additional leases from Coliseum.
- 6) Decrease \$(0.808) net naming sponsorship revenue.
- 7) Decrease \$(0.200) withdrawal from equipment reserve funds.
- 8) Increase \$0.788 million costs for Noventa Wastewater Thermal Energy Project (WTE) anticipated to be operational in September 2026. Cost is fully reimbursed from City.
- 9) Increase \$0.455 million costs for initiatives as part of Exhibition Place's strategic goals: \$0.300 million to enhance Exhibition Place's branding and identity strategy and \$0.155 million to implement Dynamic 365 Business Central system (financial and reporting system).

	DESCRIPTIONS	TOTAL PRESSURE POSITIVE (NEGATIVE)
1	PRESSURE FROM SHOWS	4,990,897
2	SALARY AND BENEFITS CHANGES	
2.1	SALARY AND BENEFITS CHANGES: FOR NON-UNIONIZED STAFF- 2.00% COLA, APPROXIMATELY 3.7% STEP INCREASE AND FINANCIAL REWARD, VOLUME ADJUSTMENT	(1,101,467)
2.2	WAGES INCREASE FOR UNIONIZED/CASUAL STAFF - APPROXIMATELY 2.75% COLA INCREASE,VOLUME ADJUSTMENT	(484,521)
	FOR NON-UNIONIZED STAFF- 2.00% COLA, APPROXIMATELY 3.7% STEP INCREASE AND FINANCIAL REWARD; FOR UNIONIZED/CASUAL STAFF - APPROXIMATELY 2.75% COLA INCREASE,VOLUME ADJUSTMENT	(1,585,988)
3	DEPARTMENTAL OVEHEAD EXPENSES (NON-LABOUR)	
3.1	OTHER OVERHEAD EXPENDITURES - GENERAL INFLATION ADJUSTMENT, UTILITIES VOLUME/RATES CHANGE, TRAFFIC MANAGEMENT AND IT COSTS INCREASE	(169,109)
3.2	NATURAL GAS COST REDUCTION DUE TO REMOVING OF CARBON TAXES	531,100
	SUBTOTAL - NON-LABOUR OVERHEAD EXPENSES	361,991
4	INCREMENTAL REVENUE	
4.1	COLISEUM NEW LEASES, TENANT LEASE CPI INCREASE, LOST PARKING REVENUE DURING FIFA MONTHS	345,722
4.2	ANTICIPATED LOWER NET NAMING FEE REVENUE (LOST OF CONFERENCE NAMING SPONSORSHIP, LOWER NAMING REVENUE FROM ECC)	(807,622)
4.3	NOT WITHDRAW FROM EQUIPMENT RESERVE IN 2026	(200,000)
	SUBTOTAL - INCREMENTAL REVENUE	(661,900)
5	OTHER INITIATIVES	
5.1	NOVENTA'S WASTEWATER THERMAL ENERGY (WTE) - CAPACITY CHARGE AND OPERATING EXPENSE NET OF ENERGY SAVING (ASSUMED WILL BE FULLY OPERATIONAL IN SEPTEMBER 2026)	(787,846)
5.2	WTE - EXPENSES REIMBURSEMENT RECEIVED FROM CITY	787,846
5.3	COST TO REFRESH AND ENHANCE EXHIBITION PLACE'S BRANDING AND IDENTITY STRATEGY	(300,000)
5.4	IMPLEMENTATION OF DYNAMIC 365 BUSINESS CENTRAL (YOY INCREASE VS 2025 APPROVED BUDGET)	(155,000)
	SUBTOTAL - OTHERS	(455,000)
	TOTAL PRESSURE COMPARED TO 2025 APPROVED BUDGET - (NEGATIVE) POSITIVE	2,650,000

Exhibition Place and Enercare Centre Program

This program includes the service areas of Exhibitions and Events, Asset Management, and Parking Access. These programs provide a focus for public celebrations and events, such as the Toronto's Caribbean Festival, CNE, Royal Agricultural Winter Fair, Toronto International Boat Show, National Home Show, and One-of-a-Kind Shows while preserving the architecturally and historically significant structures on the ground. The Enercare Centre is the largest trade and consumer show facility in Canada, and the sixth (6th) largest in North America with over 1.1 million square feet of contiguous space. It is also a leader and a world-class site for advanced “green” energy technology.

The Exhibition Place Program area carries most of the costs associated with the 192-acre grounds as a “public park” including:

- Maintaining the grounds, parks, historic buildings, structures, roadways, and physical services of Exhibition Place.

- Providing parking services and various skilled trades to support the many shows and events on the grounds.

The budgetary objective for this Program is to stabilize or decrease the net loss year-over-year for the care and maintenance of the 192-acre park site. One direction has been the redevelopment and rental of the underutilized buildings and other business opportunities, and each year this objective is actively being pursued to offset the annual non-controllable budget pressures. The year 2026 will be the 10th year of increased seating at BMO Field which continues to have a positive effect on parking revenues with the success of TFC, as well as being home to Toronto Argonauts.

Exhibition Place and Enercare Centre is not only operating in a very competitive market in Toronto and the GTA but also continues to strive to generate new business and to maximize profitability. The 2026 Exhibition Place, Enercare Centre operating budget for total net profit of \$2.050 million (2025 - \$1.050 million deficit) represents an increase net profit from the 2025 approved budget of \$1.000 million or 295%.

Automotive Building (Conference Centre) Program

This program includes the service areas of Conventions, Conferences, and Meetings. The Conference Centre opened in October 2009 and the proforma supporting the construction of this project were completed by Horwath in 2006. The 2012 to 2016 budget for this program were based on this 2006 Study. In 2015, Horwath was retained to complete an updated Market Analysis and Revenue Projection. The updated 2015 proforma has been used for the 2018 and 2019 operating budgets and then it is adjusted for specific revenue and expenditure items from the 2019 - 2025 operations history.

Automotive Building (Conference Centre) is a LEED Silver certified conference facility in the renovated historic Automotive Building. The facility compliments the event activities at Enercare Centre by attracting more international conferences, consumer and trade shows, exhibits, festivals, and conventions to Toronto. It will be further enhanced now that the 404-room Hotel X is operational, and the Automotive Building (Conference Centre) elevated bridge connecting the Automotive Building (Conference Centre) and Hotel X which will allow guests ease of use between the two facilities without having to go outdoors.

Corporate bookings for the Automotive Building (Conference Centre) continue to be short-term from 2 weeks to 3 months and are seldom booked, unlike trade shows, many months or years in advance. However, since the opening of the hotel Exhibition Place has been able to bid for future self-contained conferences to our site.

The 2026 Operating Budget for Automotive Building (Conference Centre) before interest, amortization, and transfers is \$2.353 million profit (\$1.996 million in 2025).

Related to the construction of the Automotive Building (Conference Centre), the Board has two (2) loans. There is an outstanding loan of \$38.675 million with the City at a 5% interest rate, which is amortized over 30 years (including the interest on the advance

payments during construction). In addition to the City construction loan, as approved at the Board at its meeting held July 10, 2009, the Federation of Canadian Municipalities (FCM) provided a \$2.0 million loan for energy upgrades and LEED certification at a 2.375% interest rate amortized over 20 years.

Annually, the cost of these loans (principal and interest) to the Automotive Building (Conference Centre) Operating Budget is \$2.454 million. By the end of 2025, Exhibition Place would have paid total principal of \$15.428 million and \$23.960 million cash interest for both loans and have the remaining balance owing of \$25.247 million to both the City (\$24.712 million) and FCM (\$0.536million).

C. Other Issues

City Conference Centre Reserve Fund (CCRF) for the Benefit of Exhibition Place

As noted in the Decision History, the City and the Board agreed on the establishment of an obligatory interest-bearing reserve fund to be called the “Exhibition Place Conference Centre Reserve Fund” (CCRF). From the establishment of the CCRF in 2007 to 2024, the Board has contributed a surplus of \$31.996 million to the City. The balance in the Conference Centre Reserve Fund at the end of 2025 is forecasted to be \$8.542 million including the \$2.710 million surplus from 2024. This reserve is a source of funding for both state of good repair, as well as, for the loan repayment of the Automotive Building (Conference Centre).

Some of the significant directions taken with respect to the annual surplus for Exhibition Place and contribution and/or withdrawals from the CCRF are as follows:

- 2007 – year end surplus of \$3.1 million was not added to this Reserve but used by the City for general operating purposes.
- 2008 – the surplus of \$2.4 million was allocated for Allstream Centre masonry restoration.
- 2009 – \$1.4 million of the CCRF was allocated to fund the Horse Palace roofing in addition to ISF Funding from the operating surplus of \$2.0 million.
- 2011 / 2012 – the surplus of \$1.854 million (2012) and \$1.320 million (2011) for a total of \$3.174 million was transferred to the CNEA as part of the independence of the CNEA.
- 2014 – \$474 million as budgeted was withdrawn for the renovation of the Enercare Centre washrooms.
- In the years 2013 (\$1.633 million), 2014 (\$.621 million) and 2015 (\$.345 million) amounts totaling \$2.6 million were withdrawn to fund for the disposal of pre-existing contaminated soil on the hotel lands in accordance with the lease agreement.
- In 2020 \$2.346 million were withdrawn to pay City loans due to cash flow constraints caused by the pandemic.
- In 2021 staff withdrew \$3.600 million to pay City loans due to cash flow constraints caused by the pandemic.

Greening and Energy Projects

One of the Board's strategic directives is to ensure advanced sustainable and green practices are built into our infrastructure and processes to service the grounds in a responsible way and continue to establish new commitments for sustainability target. To fund these environmental projects the Board has agreements with the City of Toronto, Toronto Atmospheric Fund (TAF), and the Federation of Canadian Municipalities (FCM) for repayable loans and accordingly, all savings/incentives generated from these environmental initiatives are used to fund current and future debt payment.

The following savings and incentives revenue are reported on the 2026 operating budget:

- Enercare Centre LED lighting retrofit for Halls A, B, C, D, and Heritage Court was completed in 2015, and provides annual savings of \$120,000. The loan is fully paid in 2025;
- The five-building retrofit project (Queen Elizabeth, General Services, East Annex, Horse Palace, and Better Living Centre) completed early in 2008 and was providing annual savings of approximately \$195,000. The City loan was fully paid in 2018, and capitalized building improvement costs were fully amortized in 2023;
- Press Building Geothermal project completed in 2008 provides an annual savings of \$20,000;
- Underground Lighting Control Retrofit for Enercare Centre underground parking was completed in 2008 and provides an annual savings of \$40,000;
- LED Pathway lighting project completed in 2011 with an annual savings of \$2,000;
- Installation of the east Horse Palace photovoltaic (PV) system (100Kwh) realizes annual electricity savings of \$10,000 annually, in addition, to \$45,000 FIT incentives;
- The East Annex PV Roofing (150Kwh), West Horse Palace PV Roofing (100Kwh), and other smaller energy projects were completed in 2011 with annual savings of \$40,000, and FIT incentives of \$180,000. The loan was fully paid in 2022;
- The PV - Better Living Centre will generate \$6,000 in rent and royalties annually from Toronto Hydro; and,
- District Energy System – City Council approved a \$4.5M capital expenditure from recoverable debt to redesign and connect existing energy generation assets at Exhibition Place to supply heating, cooling, and water heating to Hotel X, Enercare Centre Complex, and Coca-Cola Coliseum. Hotel X opened in March 2018. It is budgeted this will generate capacity charge revenue of \$431,000 and \$1,046,698 net profit before loan principal repayment in 2026.

The total loan advance received by the Board to-date for all of the above energy projects is \$14.948 million. By the end of 2024 Exhibition Place would have paid \$16.775 million in interest and principal. The remaining interest and principal balances at the end of 2025 for the above energy projects is \$3.021 million.

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SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS

Appendix A - 2026 Operating Budget