



TO: Business Board

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DATE: January 8th, 2004 for January 19th, 2004

AGENDA ITEM: 9(b)

ITEM IDENTIFICATION:

Capital Project Report - Wellness Centre at the University of Toronto at Mississauga (UTM).

JURISDICTIONAL INFORMATION:

Pursuant to Section 5.2. (b) of its Terms of Reference, the Business Board approves expenditures for, and the execution of, approved Capital Projects.

PREVIOUS ACTION TAKEN:

June 19th, 2003 – The Business Board approved a maximum expenditure of \$500,000 for design fees.

HIGHLIGHTS:

The South Building was the first major building on the University of Toronto at Mississauga Campus constructed in the mid-1960s. The athletic and recreation facilities were but a modest part of the campus built to serve a student population of approximately 2,500 students.

Since those early beginnings, UTM has grown and the size of the current facilities severely limits what can be offered to students today. Current utilization levels of existing athletic facilities are very low, with an estimated 20-25 per cent participation rate, reflecting the inadequate quantity and quality of the currently available facilities. The campus will continue to grow and serve the needs of some 11,500 students within the next 10 years, driven initially by the *double cohort* and the long-term impacts of growth in both the Peel and Halton regions and an increasing percentage of the population pursuing a university education.

In August 2003, UTM hired the architectural firm of Shore Tilbe Irwin and Partners to design the Wellness Centre. The new \$24.5 million Wellness and Athletic Centre will accommodate an Aquatic Centre comprising a 25m 8-lane pool, state-of-the-art Fitness Centre, Double Gymnasium with retractable seating for 800 – 1,000 spectators and a three lane running track. Renovated areas of the existing athletic facilities will primarily provide an improved gymnasium for visually separated programs, team rooms, the Sports Medicine/Therapy Clinic, and expanded administrative space for the Athletics Department.

For the Wellness Centre project to proceed to full design, construction and completion required the University of Toronto at Mississauga's Quality Services to Students ("QSS") committee to approve the full student fee in the amount of \$150 per full-time student and \$30 per part-time student.

In November 2003, the Vice-President and Principal for UTM and his staff worked closely with members of QSS and approval for the fee was endorsed by QSS commencing in the 2004/5 academic year. Subsequently, on November 26, 2003, the University Affairs Board also approved the student fee and agreed to the implementation of this fee effective September 2004.

The Wellness Centre is planned to be completed by September 2006.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The funding for the project included:

- i. \$16,000,000 mortgage to be repaid over 25 years with payments forthcoming from planned student fee income;
- ii. \$7,000,000 capped contribution from the University of Toronto, in the form of borrowing to be repaid from the University's operating funds, representing the 50 cent match on each dollar raised through the student fee support; (*Note: Increased student enrollment allows the fee to now support a \$16 M mortgage from the original \$14 M.*)
- iii. \$1,000,000 one-time only contribution from UTM; and
- iv. \$500,000 contribution to be secured from fund raising by UTM.

The feasibility of the financial model for this project has not changed since the June 2003 Business Board approval. UTM will assume responsibility for all cost overruns recognizing that such would have to be at the expense of other plans and or activities. In the unlikely event that such becomes necessary, UTM is prepared to make the necessary adjustments to future operating plans.

The projected cost of utilities and operating costs to service these additional 6,700 gross square metres is estimated at \$466,300 in the first year of operation. The increased

operating cost is the responsibility of UTM and will be derived from its operating budget including Enrolment Growth Funds within the limits of the existing multi-year expenditure

plans. As necessary, reallocations will be undertaken within the existing plan so that this additional (infrastructure) commitment will not change *bottom-line* projections.

RECOMMENDATION:

THAT the Vice-President – Business Affairs be authorized be to expend up to \$24,500,000 for the design and construction of the Wellness Centre at UTM with funding as follows:

- (a) A capped contribution of \$7,000,000 from the University of Toronto, in the form of borrowing to be repaid from the University's operating funds, for the 50 cent match on each dollar raised through the student fee,
- (b) A one-time-only contribution of \$1,000,000 from the University of Toronto at Mississauga,
- (c) A \$500,000 contribution to be secured from fund raising at the University of Toronto at Mississauga, and
- (d) A mortgage to be amortized over a period of approximately 25 years for \$16,000,000, with payments forthcoming from the planned student fee income. Student fee income will continue until such time as the mortgage is fully paid.