



TO: Business Board

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DATE: February 19th, 2004 for March 1st, 2004

AGENDA ITEM: 7(b)

ITEM IDENTIFICATION:

Capital Project – Library Storage Facility (Phase 1) at Downsview

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:

Approved at Planning & Budget on February 3rd, 2004

HIGHLIGHTS:

The University of Toronto has intentionally directed over the years valued resources to build and protect a library collection that is today consistently ranked with the very best libraries in the North America. The investment has been considerable; to protect this investment requires that serious attention now be given to the establishment of a library storage facility to house the backlog of approximately 1,000,000 volumes and to also allow for the increased storage of volumes through to 2020. It is estimated that the complete facility should accommodate some 5,000,000 volumes.

The planned facility will be constructed on the Downsview campus off Dufferin Street, north of the 401. The concept is to build the first module to accommodate an initial 2,000,000 volumes and thereafter to construct additional modules expanding the facility, with each additional module, by a further 1,000,000 volumes capacity to achieve the 5,000,000 capacity level. The subsequent three modules could be added in years 2009, 2013 and 2017 respectively. The proposed construction for the first module will provide some 2700 gross square metres with an interior height of some 9-10 metres to maximize the storage within a minimal footprint. Temperature and humidity conditions also need to be suitably controlled

within defined limits to prevent deterioration of the housed investment. High density racking systems will be used, interconnected by elevated walkways. Filing and retrieval of material will be done manually and provided daily. In addition to the storage facility, administrative offices, a reading room, shipping and receiving areas as well as a processing area are planned to service the facility.

The precise location of the facility at the Downsview site will be developed in collaboration with the Institute of Aerospace Studies. The siting of the facility should benefit from the use of existing or extended access roads and allow for some fencing, as needed, to enhance the security of the site for all University of Toronto activities.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

Borrowing capacity for the Capital Plan:

Reference is made to the June 19th, 2003 Business Board Meeting, Item 6 documentation: “The University’s current borrowing capacity has been conservatively estimated by management to be \$620 million.”

The current level of borrowing for the Capital Plan and Other Requirements, including all approvals by Business Board through to January 31st, 2004 amount to \$627.8 million.

A further clarification is required with reference to the funds available, specifically funds derived from any increased borrowing to support the Library Storage Facility at a project capital cost of \$6 million. To proceed with the Library Storage Facility will require that the full \$6 million be borrowed. This \$6 million increase will be offset by a reduction of some \$8 million in the current borrowing level. This reduction is a direct result of a request from the Dean of Arts and Science and supported by the Provost to postpone the Phase 2 component of the Economics Building Renovation until such time as all the funding required for Phase 2 has been raised from external sources. This decision will reduce the cost of the Economics Building project by some \$8 million with a corresponding reduction in the projected level of borrowing identified above. Given the absolute need for the Library Storage Facility, the required \$6 million dollars of borrowing for this project has been made available as a consequence of not proceeding with Phase 2 of the Economics Building.

Library Storage Facility at Downsview:

The total cost of components to construct, establish and operate the storage facility comprises the following items:

- The capital cost of the facility is estimated at \$6,000,000.
- A one-time-only cost, estimated at \$689,300, to catalogue and transport the approximately 1,000,000 volumes presently awaiting suitable storage to the new facility.
- The annual operating cost, estimated at \$376,800, which includes the library staff and transport services to operate the facility and to retrieve and file materials daily.
- The annual utilities and building service costs are estimated at \$108,000 per annum.

The one-time only cost of \$639,000 in year one as well as the annual operating and annual utilities cost will be addressed within the operating budget of the University of Toronto Library and is outside the scope of the capital project cost. The full capital cost of \$6 million will be a central cost to the University of Toronto since this facility will indirectly be used to support all academic units on all three campuses. These funds will be provided through a mortgage in the amount of \$6,000,000 to be amortized over a period of 20-40 years and to be repaid from the University of Toronto operating budget. The precise term for the repayment will be established by the Vice-President - Business Affairs upon completion of the project.

RECOMMENDATION:

Subject to Governing Council approval of the project and the allocation of operating funding to service the loan for the project,

THAT the Vice-President – Business Affairs be authorized:

- (i) to expend up to \$1,000,000 for design, site-development and other work to initiate the Library Storage Facility Project on the Downsview Campus, with financing of the full cost to be amortized from the University's operating budget, and
- (ii) to arrange such interim and long-term financing as required from either internal or external sources.