



CAPITAL PROJECTS DEPARTMENT

TO: Business Board

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

AGENDA ITEM: 7(c)

ITEM IDENTIFICATION:

Capital Project – Phase VIII Residence at 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:

Approved at Planning & Budget on February 3rd, 2004

HIGHLIGHTS:

Demand for residence at the University of Toronto at Mississauga has grown steadily over the past few years. With the opening of Erindale Hall (Phase 7) in September 2003, UTM now provides 1,023 residence spaces for single undergraduate students, graduate students, and students with families. With seven residential complexes, UTM offers a variety of housing options to its students. Of the 1,023 spaces available, approximately 800 are exclusively for single undergraduate students – a population that also presents the college's primary enrollment expansion pool in the next two years. Approximately 12% of UTM students live on campus, while an estimated 25% of newly admitted first year students live in residence. At the same time however, approximately 76% of the 800 available spaces have been taken by first year students who benefit from the University's first year housing guarantee. Like other colleges, this has come at the expense of upper year students who, either have to compete aggressively for a limited number of available spaces, or who self-select out of even applying for residence because they are acutely aware of the limited opportunity to return to campus. The increased number of first year students living on campus, combined with the college's enrollment expansion plans, will only increase the demand among students wishing to return to residence - a demand that UTM's current housing inventory is incapable of meeting.

The proposal for the Phase 8 Residence calls for the addition of 418 single beds to the college's housing stock. The 418 spaces will be configured as a traditional dormitory, with every two bedrooms sharing a semi-private washroom. Eighteen of the spaces will be occupied by residence dons and professional staff i.e. Residence Life Coordinators, and eight of the 400 remaining spaces are barrier-free rooms for students with disabilities.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

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

As a result of the reduced capacity to fund additional capital projects, the UTM Phase 8 Project is being tabled for approval in principal. The intent of tabling this report at this time is:

- to advance a limited expenditure to be used to immediately commence the design phase of the project so as not to jeopardize the project but indeed to maintain the possibility that the project, if subsequently approved, could be opened in September, 2006 to coincide with the new academic year and provide timely recruitment opportunities.
- to explore alternative funding models or arrangements, including lease back arrangements, concurrently with the early design phase.
- Undertake the detailed risk analysis of the financial models. Based upon traditional approaches on residence financing the preliminary modeling is favourable based on the \$55,000 cost per bed.

The recommended approach at the present time, supported by UTM, is to allocate \$300,000 from the UTM Operating Budget to initiate the design work required to be undertaken by external consultants. This is necessary to advance the project definition and to fully explore all funding options and alternatives if the September 2006 opening date is to be met.

RECOMMENDATION:

Subject to Governing Council approval in principle of the project,

THAT the Vice-President – Business Affairs be authorized to expend up to \$300,000 to initiate the design of Phase VIII of the University of Toronto at Mississauga student residence, using funding provided by the operating budget of the University of Toronto at Mississauga.