



University of Toronto

CAPITAL PROJECTS DEPARTMENT

TO: Business Board

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DATE: January 6th, 2005 for January 17th, 2005

AGENDA ITEM: 8(c)

ITEM IDENTIFICATION:

Capital Project – 155 College Street Renovation, Expanded Scope of Project.

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:

The 155 College Street capital project was presented to Business Board on June 17th, 2004 at which time \$1,300,000 was allocated for the project to proceed to the early design stage. On November 8th, 2004 a further \$6,000,000 was requested to proceed with the demolition and the exploratory work bto confirm the extent of the infrastructure upgrades required. These approvals followed the initial submission to Planning & Budget on May 18th, 2004 and Academic Board on June 3rd, 2004.

As a result of the work done to date by the appointed consultants, Ellis Don Construction, a more comprehensive total project cost has been defined that addresses a significant number of mechanical and electrical infrastructure requirements that preferably must be done concurrently with the renovation. Not to do so will require that this infrastructure will need to be subsequently addressed, possibly within one to three years into the future. The revised total project cost [TPC] has increased from the original \$24,140,000 to \$28,000,000 as a result of these requirements.

HIGHLIGHTS:

In April 2002, the University of Toronto purchased a significant property from the Toronto Board of Education comprising the following: office buildings at 155 College Street and 263 McCaul Street, a warehouse building at 255/257 McCaul Street, and a parking garage at 240 McCaul Street. The cost to the University of Toronto was \$17 million and the property transaction closed on September 1, 2003.

The 155 College Street location will be the new home for the Faculty of Nursing (“FoN”), the Department of Public Health Sciences (“PHS”) and the Department of Health Policy, Management & Evaluation (“HPME”) within the Faculty of Medicine. Upon completion of the planned renovations each unit will occupy one or more contiguous floors of the building, to consolidate their respective faculty,

administrative staff, research associates, and graduate students. The relocation will allow the units to facilitate closer collaboration in their research and program delivery. The space vacated by these units will be required to be renovated and reassigned to other units; these secondary effects are not addressed in the Project Planning Report.

The proposed allocation of space is summarized below:

Faculty of Nursing	3,163 nasm on the 1 st , 2 nd , 3 rd floors,
HPME	1,257 nasm on the 4 th , 5 th floors, and
PHS	2,715 nasm on the 4 th , 5 th , 6 th , 7 th floors,
Shared space & OSM class-rooms	1459 nasm located throughout the building.

On November 8th, 2004 the Business Board approved the additional expenditure of \$6,000,000, as recorded above, to complete the demolition, hazardous material abatement, elevator upgrades and pre-ordering of equipment for the 155 College Street Renovation Project.

To meet the aggressive project completion deadline of August, 2005 the Construction Management delivery method was selected for the project. Ellis Don Construction was hired through a competitive RFP process to be take on the Construction Management role.

The current planned schedule of the key activities include:

- Hazardous materials abatement underway; expected completion by January 31st, 2005
- Demolition expected to be completed by February 28th, 2005
- The elevator refurbishment contract awarded in early January, 2005.
- The mechanical and electrical packages to be tendered tender in mid January, 2005.
- The architectural package to be tendered by the end of January, 2005.

The Project Implementation Team has been meeting on a regular basis to finalize the design and layout of the floors and the overall scope of work. Several budgetary issues have been encountered which include:

ARCHITECTURAL:

The budget for the Architectural component of the project was based on the floor plans proposed by Campus & Facilities Planning. In these plans, the functional requirements of the project occupants were incorporated into the existing layouts as intelligently as possible to reduce the renovation costs by minimizing the removal of walls etc. As the design progressed, it was determined that the existing layout presented difficult security issues; more importantly, it was found that many of the existing wall partitions did not have sufficient lateral support following the removal of the existing ceiling grid. Consequently, the amount of new wall partitions and the associated work increased substantially.

MECHANICAL & ELECTRICAL:

The budget for the mechanical and electrical components of the project, prepared by Capital Projects, were based on the report commissioned by the Toronto District School Board that outlined the condition of the building; a report coordinated by Baird Sampson Neuert and published in February 2002. Based on this report, it was assumed that the existing building systems could be upgraded and modified to suit the requirements of the new occupants. New assessments were requested, prepared and reported by the Consultants retained to design the renovation and included the following:

- Mechanical Design Basis, Smith and Andersen Consulting Engineering Inc.
- Existing Electrical Systems Status Report, Mulvey & Banani International Inc.
- Elevator Assessment Report and Assessment of Freight Elevator, Ayling Consulting Services Inc.
- Hazardous Materials Survey, Safetech Environmental Limited Bulk Sampling Report, Safetech Environmental Limited

The reports concluded that the scope of work as described in the Baird Sampson Neuert Report was not sufficient to adequately accommodate the requirements of the new occupants or the long term maintenance requirements of the building. The consultants were asked to review the new reports and reduce the number of requirements to those that should preferably be done immediately. It was determined that the requirements of the Elevator Assessments and the Hazardous Materials Survey would be accepted in their entirety. The scope of work addressed in Mechanical Report was reduced by following a number of the suggestions made in the report by Smith and Andersen, Similarly, the scope of work contained in the Electrical Report was reduced by following the suggestions made in the report by Mulvey & Banani.

Overall, the additional scope of work recommended increased the Total Project Cost by approximately some \$4,000,000 to \$28,000,000. The most significant items in the additional scope of work are listed below. The order of magnitude estimates are indicated:

Increased amount of demolition and number of new partitions:	\$ 400,000
Air Handling Unit replacement, rather than unsatisfactory upgrades	\$ 400,000
Ductwork replacement, rather than modifications	\$ 900,000
New mechanical controls, rather than upgraded controls	\$ 500,000
Induction unit piping replacement, rather than repair	\$ 300,000
Main electrical panel modifications, preferable to address now	\$ 300,000
Electrical wiring replacement, essential as result of changes	\$ 450,000
Telephone and data wiring replacement, needed as partitions change etc.	\$ 400,000

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The total project cost [TPC] for the renovations at 155 College Street has been revised at \$28,000,000. The project continues to be a very high academic priority within the University and is identified as such within the Capital Plan.

This increase of some \$4,000,000 in the cost cannot be carried by the academic units and will be carried by the central administration with a cash contribution from the 2005/05 operating budget, approved by the Provost. The revised contributions to the expanded scope of the project are recorded below:

Provost Fund Allocation	\$ 4,000,000
Faculty of Nursing:	\$12,948,000
Health Policy Management and Evaluation:	\$3,966,000, and
Public Health Sciences:	<u>\$7,226,000</u>
Total project cost	\$28,140,000

The contributions from the Faculties of Nursing and Medicine are essentially identical to those identified in the original Project Planning Report. Both the Faculties will require that a long term mortgage be established and that each Faculty repay their respective mortgage from Faculty operating funds and other income over a twenty year period. Furthermore, the two academic units will continue to actively seek external funding, specifically from the Ontario Government to support this project.

It is also to be noted that the Faculty of Medicine has identified the 155 College Street project as their top priority for funds requested from the Academic Initiative Fund [AIF]. This request is for some \$8,000,000, which, once formally approved, will significantly reduce the mortgage required by the Faculty of Medicine from an estimated \$11.192 million to \$3.192 million.

Finally, the University of Toronto will continue to actively pursue external funding from the Ontario Government for this project which addresses many important aspects of health care. Any funding received will be used to offset the overall project costs and reduce the outstanding mortgages.

Borrowing capacity for the Capital Plan:

The maximum borrowing capacity of the University, as outlined in the Capital Plan [Planning & Budget, December 12th, 2004], is approximately \$112.00 million. The 155 College Street project will require an additional \$22,840,000 which will reduce the borrowing capacity by this amount to \$89.16 million. Of the required \$22,840,000, \$6,000,000 was previously approved by the Business Board on November 8th, 2004.

Operating Costs:

The estimated costs for the building at 155 College Street are estimated in 2004 dollars to be \$1,087,950 [\$127 per nasm] comprising the operating costs of \$599,764 and utility costs [heat, hydro, water & gas] of \$488,186. These numbers will be subsequently refined as the project is developed.

RECOMMENDATION:

THAT subject to the Academic Board and Governing Council approval in principle to undertake the 155 College Street renovation project with the expanded scope necessitated by the increased infrastructure needs of the project,

Be it Resolved

THAT the Vice-President – Business Affairs be authorized to expend up to \$28,000,000 to complete the overall renovation of 155 College Street.