



University of Toronto

OFFICE OF THE VICE- PROVOST, SPACE AND FACILITIES PLANNING

TO: Planning and Budget Committee

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AGENDA ITEM: 6

ITEM IDENTIFICATION:

Preliminary Project Planning Committee Report for the Faculty of Law.

JURISDICTIONAL INFORMATION:

Under the Policy on Capital Planning and Capital Projects, the Planning & Budget Committee reviews updates of the Project Planning Committee Reports prepared for a capital project and recommends to the Academic Board approval in principle of the project or changes within the approved scope.

PREVIOUS ACTION TAKEN:

A Project Planning Committee was formally established in October, 2001 to assess the space requirements of the Faculty of Law. The results indicated that the space available to the Faculty of Law is significantly below that recommended by the Council of Ontario Universities [COU] guidelines. In addition, following the development of the Faculty's Raising Our Sights plan, site visits were conducted at other campuses in North America, and peer analysis was completed. Based on this, the Faculty determined that additional space above the COU allocation was required to accommodate the requirements of the Faculty in order for it to achieve its planned aspirations.

Space currently occupied by the Faculty of Law within Flavelle House and Falconer Hall is 12,268 gross square metres [gsm] or approximately 6,816 net assignable square metres [nasm]. The nominal space program according to the COU space standards identifies a shortage of approximately 1,321 nasm. To achieve the space identified by the Faculty's plan objectives, approximately 3,871 nasm of additional space must be provided, reference Table A.1, Appendix A.

To add any additional space for use by the Faculty of Law on the Queen's Park Crescent site is extremely difficult. The two buildings occupied by the Faculty, namely Falconer Hall and Flavelle

House, are listed by the City in the inventory of heritage properties. Furthermore, the sites are bounded by Philosophers' Walk where no encroachment should be contemplated or indeed allowed.

In 2001/02 the Dean of Law initiated a study to investigate the creation of new space on the site occupied by the Faculty of Law. Comprehensive restructuring of the existing buildings, including the Bora Laskin Library, were envisaged. The cost for this major restructuring was determined to be in the range of \$70-80 million¹. Further serious consideration was not justified as the incremental cost of this space was much greater than other alternatives for equivalent space.

In April 2004 a comparison of the possible options and solutions for the creation of new space [previously identified for the Faculty of Law] was prepared by the Campus & Facilities Planning Office and presented to the Faculty of Law². Four options were identified, one of which was to consider Site 12 on Devonshire Place as a potential new home for the Faculty of Law

HIGHLIGHTS:

Preliminary studies on the cost of the relocation of the entire Faculty of Law to site 12 on Devonshire Place have been completed. The tentative plan is to increase the space available to the Faculty of Law from the 12,268 gross square metres [gsm] currently available to approximately 19,236 gsm at the new site.

Site 12 must be fully built out to ensure that maximum development occurs given the limited number of building sites available on the St. George Campus. The development could also include the former Observatory at 315 Bloor Street West on the corner of Bloor Street and Devonshire Place, which has been identified as part of site 12. The fine heritage features of the building could provide for an attractive visible entrance to the Faculty of Law with a Bloor Street address, interfaced to a seven floor tower stretching south along Devonshire Place.

The planned Faculty of Law requirements, which at present amount to 19,236 gsm, account for some two-thirds of the available building envelope of approximately 29,133 gsm. Consideration is therefore being given to the construction of the building on site 12 being undertaken in two sequential phases; the first phase would comprise the space program for the entire Faculty of Law and would allow for the relocation of the Faculty to the northern end of site 12, incorporating the existing building at 315 Bloor Street West within the Faculty of Law. The second phase, to be conceptually designed concurrently with the facility to accommodate the Faculty of Law, would be located on the southern portion of site 12 and would be used to accommodate future University requirements.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

Consistent with the Capital Plan of the University of Toronto, approved by Governing Council in February, 2005, the capital expansion program for the Faculty of Law will require all funds to be raised externally for such a project to proceed. The total cost of the Phase 1 project is estimated at \$88 million. The magnitude of the funds to be identified from external sources for the project to advance to the next stage of planning and approvals is of the order of \$55 million. The balance of \$33 million would be

¹ This price estimate excludes the temporary relocation costs for the Faculty of Law during the major renovation which would be necessary for a period of up to two years. Furthermore, the project is predominantly a major renovation with substantially less new space new built as compared with the proposed relocation to site 12.

² Reference memorandum April 1st, 2004. Options included: Relocation to site 12, major restructuring of the Queen's Park site, expansion into the Edward Johnson Building, or to occupy space within a redeveloped Royal Ontario Museum [ROM] Planetarium site.

made available by the University since the spaces freed up at the existing Faculty of Law sites, specifically Falconer Hall and Flavelle House, would be available for other University purposes. There are a number of projects in the capital plan that could be accommodated within these desirable sites.

The cost of the second phase which would build site 12 out to maximum capacity, which could be completed at any time in the distant future, is estimated to be an additional \$45 million. There are a number of projects in the longer term capital plan which could be accommodated within this additional envelope.

Table A.1 in Appendix A identifies the gross areas for the existing Flavelle House, Falconer Hall, 315 Bloor Street West, presently home to Admissions & Awards, and the potential envelope for site 12. Appendix A provides the context for the values attributable to the existing properties and identifies, in broad terms, the various costs and the proposed cost sharing required to initiate the Phase 1 construction on site 12 for the Faculty of Law, plus the projected cost of Phase 2 and related secondary effects.

The magnitude of funds to be raised in advance of the project moving forward is significant. The Faculty of Law is nevertheless fully supportive of this position and of the need for a committed and serious effort to raise these funds in the near term. Other options have been investigated, but are simply impractical.. Site 12 will not be considered for other purposes for a full year, post the approval of these recommendations by the Governing Council, to enable the Faculty of Law to work to secure the external funding required for this project to proceed. This period of one year will be extended if significant progress in raising the funds for the site are made.

Table A.2 in Appendix A provides additional details into the time frame and related cost increases associated with the raising of external funds; both annual inflationary increases in construction costs as well as the increased costs to allow for enhanced quality construction can certainly impact the magnitude of the funds to be raised. All costs are based on a January, 2005 cost per gross square metre of \$4,300 [equivalent to \$400 per gross square foot].

Criteria for the assessment of capital projects: The proposed relocation of the Faculty of Law to site 12 satisfies the initial six criteria³, and is particularly driven by the fact that it is exceedingly difficult and impractical, as a result of re-zoning, heritage and related open space issues, to add new, effective academic space to the existing facilities at Queen's Park Crescent that will satisfactorily support the full academic development and potential of the Faculty of Law. Between the present time and the time that the final Project Planning Report is approved by the Planning & Budget Committee, it will be necessary to assemble and demonstrate that the financial resource base for the construction and the required sustaining funds are available.

The purpose of this initial interim planning report is to identify that site 12 is allocated for the Faculty of Law and to enable the Faculty of Law to proceed with securing the external funds necessary to advance the project to the next stage of planning.

³ The initial six criteria are: Consistency with 1. Mission Objectives; 2. Policy Objectives; 3. Space Standards; 4. Strengthening Scholarship; 5. Providing Academic Leadership; and 6. Student Experience. Other criteria yet to be satisfied include: 7. Economic Consistency; 8. Resources for the Project; and 9. Deferred Maintenance.

RECOMMENDATIONS:

That the Planning and Budget Committee recommend to the Academic Board,

1. THAT this preliminary Project Planning Report for the Faculty of Law that requires the relocation of the entire Faculty of Law to site 12, including 315 Bloor Street West, be accepted in principle.
2. THAT this approval in principle is subject to the Faculty of Law identifying the external funding, and to the University identifying the internal funding for the renewal and reallocation of the spaces released by the Faculty of Law.
3. THAT this approval in principle is subject to approval by the Governing Council of a completed Project Planning Report which will identify the detailed space program of the Faculty of Law, the cost and all sources of funding.

PRELIMINARY PROJECT PLANNING REPORT FOR THE FACULTY OF LAW: RELOCATION TO SITE 12.

APPENDIX A: CLARIFICATION OF THE COSTS ASSOCIATED WITH THE DEVELOPMENT OF SITE 12 FOR THE FACULTY OF LAW

Numerous items impact the cost of the proposed relocation of the Faculty of Law to site 12. In sections A through D below the costs associated with the value of existing buildings occupied by the Faculty of Law, their renovation and reuse, future electrical infrastructure needs for site 12 and the north-east campus, as well as the expanded space needs of the Faculty of Law are itemized. Each of these itemized costs have been labeled and identified with a *summary code* to conveniently determine the projected cost for the Faculty of Law and the required contribution to the project by the University.

Table A.1 provides the detailed space information of the space currently available to the Faculty of Law and the potential new space that might be available at site 12, including 315 Bloor Street West. This information has been used throughout the analysis to determine the projected cost of the relocation of the Faculty of Law from their present Queen's Park Crescent site to Devonshire Place at 315 Bloor Street West. It must be emphasized that in all these preliminary analyses the building cost has been estimated at \$4,300 per gross square metre [\$400 / gsf] based on a January 2005 reference base. This is sufficient to provide for good quality space, however any increase in this base cost will rapidly escalate the cost as is illustrated in Table A.2.

Table A.1: Site 12 and the Faculty of Law, Space Details

The detailed space available within Falconer Hall and Flavelle House are provided below on the left side of the table below. The total space available within these two buildings, both used by the Faculty of Law, is 12,260 gross square metres [gsm] or 132,052 gross square feet [gsf]. In addition to this space requirement, the Faculty of Law, requires an additional 2378 gsm to meet the COU guidelines. Law will also be seeking to construct an additional 4590 gsm to enhance numerous elements of their programs to a level compatible with peer institutions.											
EXISTING SITES: Falconer Hall & Flavelle House						NEW SITE: Site 12 + 315 Bloor Street West					
Falconer Hall			Flavelle House			Site 12			315 Bloor Street West		
Faculty of Law			Faculty of Law			Devonshire Place			[Admissions & Awards]		
nasm	gsm	gsf	nasm	gsm	gsf	nasm	gsm	gsf	nasm	gsm	gsf
1,276	2,297	24,720	5,540	9,971	107,332	15,200	27,360	294,503	985	1,773	19,085
			nasm	gsm	gsf				nasm	gsm	gsf
Total existing space used by the Faculty of Law			6,816	12,268	132,052	Total capacity available on site 12			16,185	29,133	313,588
Law's additional requirements						Phase 1: New space for the Faculty of Law on site 12					
COU based [2002/03]			1,321	2,378	25,595						
Additional 'peer' space			1,784	3,211	34,565						
Total			3,105	5,589	60,160						
Revised estimate: Faculty of Law			3,871	6,968	75,000				10,686	19,236	207,052
						Phase 2: Future University space on site 12			5,499	9,897	106,536

A. Land and Infrastructure Considerations:

- Law presently occupies Flavelle House and Falconer Hall, and could be relocated to Site 12 plus 315 Bloor Street West [Admissions & Awards].
- Ensure that site 12 should be developed to its maximum density as a result of the limited number University sites remaining, the allocation of land is essentially a neutral contributor to the project cost.
- The University to implement a two stage building approach, i.e. re-build the Faculty of Law at the north end of the property and delay the south end section, allowing of course for the appropriate design of the complete building. This would be preferable to shelling in part of the facility.
- The expanded Electrical Infrastructure costs on the north-east campus required for all subsequent development to be included. Estimated cost is \$10 million. The cost assigned to the Faculty of Law is estimated at \$4 million, an additional \$2 million will also be required for the Phase 2 building on site 12 with the remaining costs being directed to other projects in the area, notably Varsity, site 11 etc.

Summary Code:

A1	Land values	Not applicable
A2	Electrical Infrastructure	Projected Cost for Law, Ph. 1 \$4.00 million

B. Falconer Hall and Favelle House, their value?

- What is the value of the Falconer Hall and Flavelle House buildings 'as is'
- Their combined area is 12,268 gsm. [132,052 gsf]. The cost of replacing this space is estimated at \$4,300 per gsm. [\$400 per gsf].
- This cost has two components, the value of the space 'as is' [estimated at \$2,700 per gsm or \$250 per gsf] plus the renovation cost for the Faculty of Law or any other user to restore the space to equivalent new space [estimated at \$1,600 per gsm or \$150 per gsf]

Summary Code:

B1	Value of 'as is' space	12,268 @ \$2,700/gsm	\$33.00 million
B2	Value of the renovation	12,268 @ \$1,600/gsm	\$19.80 million

C. Additional Space requirements for the Faculty of Law

- Law requires an additional 2,790 gsm [30,032 gsf] as defined by COU guidelines [2002/2003 assessment]
- Law also has defined additional requirements of 3,211 gsm [34,565 gsf] in 2002/03. This has increased to 4186 gsm [45,058 gsf] in 2005.
- New space will cost \$4,300 /gsm [\$400/ gsf]. No place to build on present site; could be addressed on Site 12.

Summary Code:

C1	Cost of additional COU space	2,790 @ \$4,300/ gsm	\$12.00 million
C2	Cost of additional 'peer' space	4,186 @ \$4,300/ gsm	\$18.00 million

D. Site 12 construction possibilities

- Site 12 must be built to its full capacity. The site will allow for a total of 27,360 gsm [294,503 gsf]
- 315 Bloor Street West will allow for an additional 1,773 gsm [19,085 gsf]
- As identified previously for the Falconer and Flavelle buildings, the 'as is' value of 315 Bloor Street is estimated at \$2,700 /gsm [\$250/gsf] plus a renovation cost of \$1,600 /gsm [\$150/ gsf].

- Faculty of Law will require a maximum total capacity of 19,236 gsm [207,052 gsf], which is approximately two thirds of the full capacity of site 12.

Summary Code:

D1: Faculty of Law pays \$2,700/ gsm for the use of the 1,773 gsm available at 315 Bloor Street West	1,773 @ \$2,700/ gsm	\$4.77 million
D2: Cost to relocate occupants of 315 Bloor Street West	1,773@ \$4,300/gsm	\$7.63 million
D3: Cost to renovate* 315 Bloor Street West @ \$2,150 /gsm	1,773 @ \$2,150/ gsm	\$3.82 million
D4: Cost of building on site 12, excluding 315 Bloor Street West	27,360@ \$4,300/gsm	\$117.80 million
D5: Cost to build Law space, excluding the 315 Bloor Street West renovation	[19,236-1,773]@ \$4,300/ gsm	\$75.17 million
D6: D5 less the additional space, C1+C2		\$45.17 million
D7: Cost to build site 12, sum of D3 & D4		\$121.62 million
D8: Cost to relocate Law on site 12, Phase 1. D1+D4+D5+A2		\$87.76 million

* The Faculty of Law has considered only \$2,150/ gsm for the renovation of 315 Bloor Street West. This is a minimal value for a quality renovation and will in all likelihood have to be increased by an additional \$2-3.0 million.

Using the *summary codes* identified, the elements giving rise to a total cost estimate of Phase 1, together with the costs attributed to each of the Faculty of Law and the University are summarized below. The cost of Phase 2 and other secondary costs, outside of both Phases 1 & 2, are also provided.

Cost to proceed with Phase 1: New home for the Faculty of Law

A2: Electrical Infrastructure	4.00
C1: Additional COU space	12.00
C2: Additional 'peer' space	18.00
D1: Secondary effect: Re-accommodate 315 Bloor Str. W. occupants	4.77
D2: Cost to renovate 315 Bloor Str. W. for Law use	3.82
D6: Cost for new space that replaces existing space used by Law	45.17
	<u>Total</u>
	87.76 million
The University contribution, summary code C3	33.00
Cost to the Faculty of Law	54.76 million

Cost to proceed with Phase 2: To proceed a some future date

A2: Electrical Infrastructure	2.00
D4-D5: Difference between summary codes: [\$117.80-\$75.17 M]	42.63
	<u>Total</u>
	44.63 million
Cost to the University	44.63 million

Other costs, outside of Phases 1&2

A2: Electrical Infrastructure, outside of the Site 12 costs

4.00

B2: Renovation costs for Falconer Hall and Flavelle House

19.80

D2-D1: Additional funds for relocation of occupants of 315 Bloor Str. W. 2.86

Total 26.66

These costs assigned to new users of the facilities and services 26.66

Table A.2: Matrix illustrating the variation in building cost with projected annual inflationary construction costs over a 3 year period.

Costs identified in \$ per gross square foot and \$ per gross square metre		Cost: \$/gsf	Cost: \$/gsm	Cost for Law, \$M	Cost: \$/gsf	Cost: \$/gsm	Cost for Law, \$M	Cost: \$/gsf	Cost: \$/gsm	Cost for Law, \$M
year	Inflationary cost per annum	400	4300	55	450	4838	62	500	5375	68
1	4%	416	4472	57	468	5031	64	520	5590	71
2	4%	433	4651	59	487	5232	67	541	5814	74
3	4%	454	4883	62	473	5079	65	525	5644	72
1	5%	420	4515	57	496	5333	68	551	5926	75
2	5%	441	4741	60	521	5600	71	579	6222	79
3	5%	463	4978	63	477	5128	65	530	5698	73
1	6%	424	4558	58	477	5128	65	530	5698	73
2	6%	449	4831	62	506	5435	69	562	6039	77
3	6%	476	5121	65	536	5762	73	596	6402	82

A cost of \$55 million increases to \$82 million were the construction costs to be increased from \$4,300 per gross square metre to \$5,375 per gross square metre after three years with a 6% inflationary construction cost. Intermediate changes within this envelop are tabulated. The initial reference base for this costing is January 1st, 2005.