



# University of Toronto

OFFICE OF THE VICE-PROVOST, SPACE AND FACILITIES PLANNING

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TO: Planning and Budget Committee

SPONSOR: Ron Venter, Vice-Provost, Space and Facilities Planning

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AGENDA ITEM: #4

## **ITEM IDENTIFICATION:**

Project Planning Report for the Expansion of the Rotman Building: Project Planning Report [Part I] for the Addition of Office Space on the 4<sup>th</sup> and 5<sup>th</sup> floors.

## **JURISDICTIONAL INFORMATION:**

Under the Policy on Capital Planning and Capital Projects, the Planning & Budget Committee reviews the Project Planning Report prepared for a capital project and recommends to the Academic Board approval in principle of the project.

## **PREVIOUS ACTION TAKEN:**

In September 2002, a Project Committee was established to investigate the space requirements of the Rotman School of Management. The establishment of this Committee was simultaneously reported to the Planning and Budget Committee for information.

## **BACKGROUND:**

The Rotman School of Management has made impressive progress in recent years to improve its academic standing among the very best international schools of management and business. This progress is intimately tied to the quality of the physical facilities and infrastructure which have been established and available within the Joseph L. Rotman Building. These facilities house the various programs offered by the Rotman School of Management as well as classrooms and services in support of the Commerce Program at the University of Toronto.

The space requirements of the Rotman School of Management have been reviewed. The proposed project addresses part of these requirements and will serve to maximize the density within the existing building. Additional space for their programs will need to be identified, possibly through the development of the site immediately south of the Rotman Building or through reallocations within buildings in close proximity to the Rotman Building in the years ahead.

## **HIGHLIGHTS:**

The project serves to expand the space available to address the increased academic program needs of the Rotman School of Management. The integrated nature of the various programs offered within the Rotman School do require close proximity of offices, personnel and services and preferably should be

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expanded within the Rotman Building. Preliminary discussions with Zeidler Roberts Partnership, architects for the original Rotman Building, have identified the possibility to add a fourth and fifth floor to the existing Rotman Building. While such a solution will maximize the personnel that can be accommodated in the building, it is nevertheless an expensive solution and will require the structural strengthening of the building from within the underground parking garage. It is recommended that the original architects be invited to undertake this additional design.

Exploratory investigation has confirmed the feasibility of the project specifically the addition of a fourth and fifth floor; the total project cost for this new construction of an additional 488 nasm (880 gsm) is expected to cost \$3,999,000 to \$4,400,000 when tendered during the summer of 2003.

Of this total, \$3,000,000 has already been fully secured from an external contribution made to the Rotman School of Management. The remaining funds, totaling \$999,000, will be derived from either an application submitted to the Ontario Research and Development Challenge Fund [ORDCF] to create the Centre for Entrepreneurship and Creativity, or secured from two other sources:

- i) the balance of the funds from the original Rotman Building Construction Project [\$341,000], and
- ii) additional fund raising in the amount of \$658,000.

The maintenance, operating and utilities cost of the new facilities is expected to be approximately \$85,000 annually based on the current cost estimate of \$175 per nasm for the Rotman Building. These increased costs, as presently estimated, will be the on-going responsibility of the Rotman School of Management.

Under the Policy on Capital Planning and Capital Projects, the Project Committee will continue through the implementation phase. The Working Executive of the Project Committee will comprise the lead User, a Planner and Implementer all of whom have been intimately associated with the project definition since its inception; the Working Project Executive for the Rotman Building Expansion to the 4<sup>th</sup> and 5<sup>th</sup> floor comprises:

**User:** Peter Pauly  
**Planner:** Jennifer Adams, and  
**Implementer:** Julian Binks

This Working Executive will expand to include the Project Manager, once appointed. The role of the Working Executive is to ensure the successful completion of the project and to ensure that the user needs and concepts introduced into the Project Planning Report are addressed throughout the process of consultant selection [Zeidler Roberts Partnership], design and implementation which are carried out under the direction of the Chief Capital Projects Officer.

#### **FINANCIAL AND/OR PLANNING IMPLICATIONS:**

The project is urgently required. Every effort, post all approvals, will be made to initiate the design work and to finalize the design so that construction can commence as soon as possible, preferably this summer to minimize disruption which will include access to the underground parking garage etc.

The completion of this project will not address all the space requirements of the Rotman School of Management. Additional space will be required; however the current project, while expensive in itself, does provide for an interim solution in advance of any expansive new building program for the Rotman School which would carry with it greater cost outlays. Furthermore, this addition does enable the Rotman School to maximize the density on the present site.

Funding for this addition in the amount of \$3,000,000 has already been secured and is immediately available to support the project. The additional funds will be secured from an ORDCF proposal as indicated above, or derived from the balance of funds within the original Rotman Building Construction Project [\$341,000] plus additional fund raising in the amount of \$658,000. The Dean of the Rotman School of Management has undertaken to have these funds in place prior to the commencement of construction within a matter of months. Given that the result of the ORDCF application is as yet not confirmed and that the project needs to move forward, the sources of funds for the project are most likely to be derived from the Rotman Building Construction Project and additional fund raising.

These funds must be identified and secured prior to the commencement of construction so as to eliminate all cash flow costs. Any shortfall in construction financing will also be the responsibility of the Dean of the Rotman School of Management.

**RECOMMENDATION:**

The Planning & Budget Committee recommends to the Academic Board

1. THAT the project planning report for the Expansion to the Joseph L. Rotman Building be approved in principle.
2. THAT the project scope of 488 nasm, approximately 880 gsm, of new space be approved at an estimated total project cost of \$3,999,000 to \$4,400,000, with funding as follows:
  - (i) Contribution of \$3 million received from a supporter of the Rotman School of Management and assigned to this project.
  - (ii) Contribution of \$341,000 from the Rotman Building Construction Project. This represents the balance of funds allocated to the original Joseph L. Rotman Building project.
  - (iii) Contribution of \$658,000 or as requested to be raised from external donors to meet the complete project cost. The full project cost is estimated to be between \$3,999,000 and \$4,400,000. Project will only proceed to construction once all funds identified in (ii) and (iii) are received.