



University of Toronto

OFFICE OF THE VICE-PROVOST, SPACE AND FACILITIES PLANNING

TO: Planning and Budget Committee

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

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DATE: May 6th, 2004 for May 18th, 2004.

AGENDA ITEM: 7

ITEM IDENTIFICATION:

Approval of the Project Planning Report for the Phase 8 Residence at the University of Toronto at Mississauga [UTM].

JURISDICTIONAL INFORMATION:

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

PREVIOUS ACTION TAKEN:

In February, 2004, Planning and Budget approved in principle the proposed Phase 8 Residence at the University of Toronto at Mississauga. The estimated cost of this residence is \$26,215,000; and the Planning and Budget Committee recommended to the Academic Board that \$300,000 be allocated to initiate the design of the project to ensure that the project could potentially still be completed and available for occupancy by the UTM student body in September, 2006.

A condition of that approval was that the project be returned to the Planning and Budget Committee for re-consideration once the full funding was being requested. It is necessary to approve the project in its entirety in this final approval cycle of the 2003/04 academic year; to delay will result in the residence not being completed on schedule for occupancy in September, 2006.

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 1023 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 –three- and four-bedroom townhouses, two- and four-bedroom apartments, and bachelor suites. Of the 1023 spaces available, approximately 800 are exclusively for single undergraduate students – a population that also represents 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 college’s enrollment expansion plans, will only increase the demand among students wishing to return to residence – a demand that our 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 Coordinator, and eight of the 400 remaining spaces are barrier-free rooms for students with disabilities.

This important project will position UTM to successfully meet their enrolment growth targets, which are projected to grow to a campus headcount of plus 11,000 by 2006, and will significantly contribute to the realization of their shared vision and aspirations.

The Project Planning Report provides the analysis and arguments that serve to highlight the very different context of the UTM campus from that on the St. George campus. UTM is a suburban campus, not as readily accessible by public transit as is St. George and where students have minimal access to nearby rental housing stock as an alternative to on-campus housing. Both of these factors lead to a very different dynamic for the student housing market as it affects UTM. Furthermore, residences are playing an important role in the recruitment efforts at UTM and if the academic goals at UTM are to be realized it is necessary for UTM to *maintain* that recruitment success and *retain* the students they recruit in the first instance. As is noted in the Project Planning Report, extremely limited (and declining) space for upper-year students will present an increasingly difficult challenge in that regard: a challenge that will continue even with the addition of 418 beds in Phase 8.

This project also represents a significant departure from recent approaches to residence construction at UTM, if not the entire University. The project recognizes that it is the quality of the student experience, the sophisticated programming and the strong sense of community that enriches our students’ lives. Accordingly, UTM is committed to building a residence that is well designed and consistent with the overall campus aesthetic; that provides superior accommodation; that facilitates vital and informed programming; and that can be built at a cost of around \$55,500 per bed. The gross square metre per student planned for this residence is estimated at 26.2 which is certainly low as compared to other residences. This is intentional to maintain a quality construction

at affordable pricing while also using the available student activity space in Coleman House to advantage.

The time lines for the completion of this project are important and ambitious. To achieve the maximum impact upon recruitment and retention, it is necessary to target August, 2006 as the opening date of this residence. To meet this deadline will require that construction should commence no later than December 2004; this will require that the complete design and the tender process be completed prior to that date.

Under the Policy on Capital Planning and Capital Projects, the Project Planning 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; this membership is:

User: Chris McGrath and Mark Overton [Co-Chairs]

Planner: Gail Milgrom

Implementer: Julian Binks

This Working Executive will be expanded to include a Project Manager, Mr. Ben Louie, appointed by the Chief Capital Projects Officer.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

Borrowing capacity for the Capital Plan:

At the June 2004 Business Board Meeting, the Vice-President Business Affairs will re-define the extent of the borrowing capacity of the University of Toronto in support of the Capital Plan. It is anticipated that the University's current borrowing capacity, conservatively estimated by management at the June 19th, 2003 Business Board Meeting, Item 6 documentation to be \$620 million, is to be increased based on the financial asset base of the University. The precise details and justification for this adjustment will be clarified at the June Meeting of the Business Board. The increase in borrowing capacity will potentially allow for the UTM Phase 8 Residence project, identified as a very high priority project, to proceed; the mortgage will be repaid from revenues derived from residence accommodation fees within the ancillary at UTM. The approval for the source of funds for UTM Phase 8 Residence is contingent upon the approval by Business Board to increase the borrowing limits available to the University.

Phase 8 Residence at UTM

All projects that are advanced for consideration by the Planning and Budget Committee are evaluated against a stringent set of criteria. The thrust of each project should be consistent with the mission of the University, the academic plan of the unit and conform to commitments made by the University as well as University policies. In addition, the project must make sound business sense, have the ability to service a mortgage and preferably attract external funding, wherever possible. Consideration is also given to the timing opportunity of the project to address the relevant space inadequacies.

The UTM Phase 8 scores particularly well on all criteria. The project when completed will establish a 418 bed residence and a dining hall facility within 6430 and 650 nasm respectively.

Based upon the traditional approaches on residence financing the preliminary modeling developed the finance office is favourable as a result of the \$55,524 cost per bed. The anticipated rates to be charged for this residence will be consistent with the rates charged for the recently opened Phase 7 residence on the UTM campus. Every effort will be made to keep the rates as low as possible. The addition of the dining hall facility will also allow for the introduction of a meal plan that will be available for all students in residence at UTM.

RECOMMENDATIONS:

It is recommended to the Academic Board:

1. THAT the Project Planning Report for the Phase 8 Residence at the University of Toronto at Mississauga [UTM] be approved in principle;
2. THAT the proposed residence be located on the UTM Campus on the site(s) identified for residence accommodation within the UTM Master Campus Plan;
3. THAT the project scope identified in the Project Planning Report, to establish a 418-bed student residence totaling approximately 11,000 gross square meters at an estimated cost of \$26.215 million, be approved at a cost of \$26,215,000 with the funding source as follows:
 - (i) A mortgage in the amount of \$26,215,000 to be amortized over a period of 20 years and to be repaid from the UTM Residence Ancillary.