



University of Toronto

Appendix “C” to Report
Number 101 of the Planning
and Budget Committee,
January 25, 2005,

OFFICE OF THE VICE-PROVOST, SPACE AND FACILITIES PLANNING

TO: Planning and Budget Committee

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DATE: January 11th, 2005 for January 25th, 2005.

AGENDA ITEM: 6

ITEM IDENTIFICATION:

Approval of the expanded scope of the project to renovate 155 College Street [formerly the Board of Education Building]. 155 College Street will house the Faculty of Nursing, Department of Public Health Sciences [PHS] and the Department of Health Policy, Management & Evaluation [HPME].

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:

The Project Planning Report for the renovation of 155 College Street was first tabled and approved by the Planning and Budget Committee on May 18th, 2004. To advance the early design of the project an allocation of \$1,300,000 was recommended to hire external consultants for the project. This allocation was approved by Business Board in June, 2004. An additional request for a further \$6,000,000 was approved by Business Board on November 8th, 2004.

BACKGROUND:

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.

The building complex at 155 College Street is planned to be the new home for the Faculty of Nursing (FoN), and the Departments of Public Health Sciences (PHS); Health Policy, Management & Evaluation (HPME); and Family & Community Medicine (DFCM) within the Faculty of Medicine. An analysis of the space requirements of these units and the availability of space within 155 College Street demonstrated that only three of these units, FoN, PHS, and HPME, could be successfully accommodated therein. The adjacent building, 263 McCaul Street, physically linked to 155 College, could accommodate DFCM with minimum renovations.

Accordingly, the space requirements for DFCM to 263 McCaul Street were excluded from the Project Planning Report, and were independently approved, with financial support from the Faculty of Medicine, by the Accommodations and Facilities Directorate [AFD] on February 27, 2004. Renovations to the space for the DFCM premises are now completed. The Department relocated in June 2004. The focus of the 155 College Project Planning Report is therefore to address the relocation of the three remaining units, namely, FoN, PHS, and HPME.

At present the Faculty of Nursing is housed in the Nursing Building at 50 St. George Street [1548] and rents space at 203 College Street [693 nasm] to address the space needs of its teaching and research programs. HPME is currently housed in the McMurrich Building [509 nasm], Fitzgerald Building [217 nasm] with a further 44 nasm in the Medical Sciences Building. PHS has its largest block of space assigned within the McMurrich Building [1564 nasm], but also occupies space in the Banting [582 nasm], the Fitzgerald [140 nasm] and the Gage [615 nasm] Buildings respectively. The space assigned to all three of these units is grossly inadequate for their needs and is of poor quality. This need was identified and clearly established some five years ago; with the acquisition of Board of Education properties it is timely to now address this urgent need at this time. As each of these units is relocated into 155 College Street, 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 current project.

The original Project Planning Committee Report for 155 College Street recommended that a total of 7,135 nasm be allocated to the three academic units. In addition, a further 532 nasm of shared space plus 63 nasm specifically to accommodate central file servers, plus 864 nasm of OSM classroom space to support, primarily, the needs of the three academic units are included. These allocations and locations are 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 and OSM classrooms	1,459 nasm located throughout the building.

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. This relocation will allow the units to facilitate closer collaboration in their research and program delivery.

Security of the building is important and the use of the new centrally controlled card access system for the main building doors as well as other controlled access points throughout the building, will be adopted consistent with university standards.

Change of Scope

The initial total project cost estimate prepared by Office of the Vice-President, Business Affairs, based on available information, was \$24,140,000. Subsequent exploratory work undertaken by the consultants has permitted an extensive investigation and inspection of the existing state of the infrastructure and deferred maintenance that must be addressed. This has resulted in a firm, but increased total project cost of \$28,000,000.

The most significant items contributing to the expanded scope of work, to specifically address the inadequate state of the infrastructure, are listed below together with an order of magnitude cost increase associated with each.

Increased amount of demolition and 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

Each of these items needs to be addressed. Not to address these shortcomings now would result in increased costs at a later stage, possibly as early as one year after the construction. The project is also on a very tight schedule for completion by September, 2005; this is an aggressive schedule which is very important to maintain for the academic programs. Overall, the additional work will increase the total project cost [TPC] by approximately \$4.0 million to \$28,000,000.

The revised space academic program, adjusted to accommodate the extensive modifications to the electrical and mechanical infrastructure to be undertaken in the building, are provided in Appendix A which also includes a new total project cost [TPC] at \$28,000,000.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

All projects that are advanced for consideration by the Planning & Budget Committee are evaluated against a stringent set of academic criteria. These criteria are detailed in the Capital Plan tabled at the Planning & Budget Committee, December 12th, 2004 and are itemized below.

1. Mission Objectives of the University,
2. Policy Objectives & Legislative Requirements,
3. Provincial Space Standards,
4. Strengthening Scholarship,
5. Providing Academic Leadership,
6. Student Experience,
7. Economic Consistency,
8. Resources,
9. Deferred Maintenance.

The renovation of 155 College Street scores particularly well on all criteria; the project continues to be of high academic priority, but will nevertheless present a difficult challenge to both Faculties to service their respective mortgages.

As noted, the revised and increased project cost is a direct result of the cost to upgrade the mechanical and electrical infrastructure at the time of the renovation as opposed to the postponement of these upgrades onto a future deferred maintenance list. The increased cost of the project, attributable to the infrastructure upgrades amounts to \$4 million and will be paid from a special fund established in the 2004/05 operating budget, controlled by the Provost, to address specific critical issues such as shortcomings in existing infrastructure and deferred maintenance in capital projects.

In the original submission, the cost of the renovation, specifically the construction & infrastructure, were apportioned to each academic unit based on the space assigned to each unit, plus the cost of the equipment and furnishing requested by each academic unit. The projected contributions were as follows:

Faculty of Nursing:	\$12,948,000
Health Policy Management and Evaluation:	\$3,966,000, and
<u>Public Health Sciences:</u>	<u>\$7,226,000</u>
Total project cost	\$24,140,000

These allocations are not substantially changed as a result of the increased infrastructure costs. The revised total project cost is \$28,000,000. This increase of some \$4,000,000 in cost cannot be carried by the academic units and will be the responsibility of the central administration. A cash contribution from the 2004/05 operating budget in the amount of \$4,000,000 has been approved by the Provost to this end. 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
<u>Public Health Sciences:</u>	<u>\$7,226,000</u>
Total project cost	\$28,140,000

Both the Faculties of Nursing and the Medicine will require that a long term mortgage be established, that each Faculty repay 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 elements of this project. These academic units, together with the Department of Family and Community Medicine are also actively collaborating to establish a Center for Health Improvement & System Performance, preferably with financial support from the Government of Ontario.

It is also noted that the University has already contributed \$17,000,000 for the purchase of these properties. The total project cost [TPC] for the renovations at 155 College Street, in addition to the \$17,000,000 for the property, has been estimated to be \$28,000,000. Regrettably, the project cannot be delayed any longer, but hopefully funds yet to be committed to this project by the Government will be able to reduce whatever mortgages will be established by the Faculties of Medicine and Nursing upon completion of the project.

Finally, it is significant 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 substantially reduce the mortgage required by the Faculty of Medicine from the present estimate of \$11.192 million to \$3.192 million.

Borrowing capacity for the Capital Plan:

The maximum borrowing capacity available to the University, as outlined in the Capital Plan [Planning & Budget, December 12th, 2004], is approximately \$112 million¹. The 155 College Street project will require an additional \$22,840,000 which will reduce the borrowing capacity by

¹ The Capital Plan data is based on all capital project approvals up to, but not including the Business Board approvals on November 8th, 2004.

this amount to \$89.16 million. Of the required \$22,840,000 identified above, \$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; the operating costs for the additional space assigned to each unit at 155 College Street [over that currently assigned] will be the responsibility of that unit.

RECOMMENDATIONS:

It is recommended to the Academic Board:

1. THAT the expanded scope for the Center for Health Improvement & System Performance [CHISP] project at 155 College Street to address the additional infrastructure needs, as described in Appendix “C” attached hereto, be approved in principle;
2. THAT the objective of addressing the infrastructure and deferred maintenance needs of the building be approved in principle;
3. THAT the funding for the project be approved at an estimated total project cost of between \$28,000,00 and \$28,140,000 from the following sources:
 - (i) \$11,192,000 to be financed by an internal loan (mortgage), amortized over twenty years, to be repaid from the operating budget of the Faculty of Medicine, and
 - (ii) \$12,947,000 to be financed by an internal loan (mortgage), amortized over twenty years, to be repaid from the operating budget of the Faculty of Nursing, and
 - (iii) \$4,000,000 from the one-time-only fund identified in the 2004/05 operating budget of the Office of the Provost for academic projects seriously restricted by shortcomings in infrastructure and deferred maintenance.

**APPENDIX A:
OVERVIEW: SPACE PROGRAM AND THE CHANGES OF SCOPE.**

The scope of work for the 155 College Street renovation has changed significantly from that approved by Planning and Budget Committee in May, 2004.

The original mandate for the Project Planning Report was to maintain most interior partitions to reduce the cost of renovations. This was considered viable because significant upgrades to building infrastructure were not identified to be essential. However, after detailed site assessments by the consultants, it was determined that the sprinkler system, and therefore associated reconstruction would require the replacement of a significant number of existing partitions and ceilings.

In light of this situation, the consultants have recommended that the walls be constructed in appropriate locations to improve the configuration of the space plan. The reconfiguration has permitted:

- to restructure awkwardly arranged offices
- to group classrooms on the first and sixth floor to improve security
- to more appropriately locate activities on each floor

Space Utilization

The overall use of the building will remain as identified in the Project Planning Report approved by Planning and Budget Committee in May, 2004:

- Faculty of Nursing will be located on the 1st, 2nd, and 3rd Floors,
- HPME will be located on the 4th Floor,
- PHS will be located on the 5th, 6th, and 7th Floors of 155 College Street.

The total nasm assigned to each of the academic units will be approximately the same as that in the Project Planning Report.

The space assigned to faculty offices, administrative offices, research, graduate students and support space remains very similar to that approved.

All three academic units are experiencing expansion and changes in the area of research. All of their research space was redesigned to allow for maximum flexibility to easily accommodate change.

Furniture and soft partitions will be used to maximize the space use.

In summary, the floor layout changes proposed for 155 College Street has not affected the overall net assignable space in the building or the distribution of assigned space to academic units.