



Memorandum to: Members of the Governing Council

From: Catherine Riggall, Vice-President, Business Affairs

Date: February 16, 2005

Subject: **Capital Project Approval – 155 College Street Renovation**

The purpose of this memorandum is to provide members of the Governing Council with background information concerning the Capital Project – 155 College Street Renovation. The revised scope of this project will be considered for approval at a special meeting of the Governing Council to be held on February 24, 2005. This special meeting is required because the mechanical and electrical infrastructure contracts, which are significant components of the 155 College Street Renovation, must be signed by February 25th, 2005¹ in order to complete the building for the required September 1st, 2005 occupancy.

A chart summarizing the governance approval process to date is attached hereto as Appendix 1.

In the Project Planning Report approved in principle by the Governing Council on June 24, 2004, the cost of the project was estimated to be \$24.140 million. The revised cost of the project is estimated to be \$28 million. To date, Business Board has approved an expenditure of \$1.3 million for design work and \$6 million to complete the demolition, asbestos abatement, elevator upgrades and pre-ordering of equipment. As a result of the demolition work undertaken, additional inadequacies in the building's infrastructure were identified. In early January 2005, a revised price was established. Business Board approved the revised expenditure at its January meeting, subject to the approval by Planning and Budget, Academic Board and Governing Council. The Planning and Budget Committee approved the project on January 25th, 2005. The schedule of the regular approval cycle would require Academic Board approval on February 21st, 2005 followed by Governing Council on March 30th.

At the Governing Council meeting of February 10, 2005, the President briefed members on the need for approval of the project before February 25, 2005. For your information, all previous documentation associated with the governance approval of the project has been attached, and includes the following:

- [Appendix 'D' to Report Number 128 of the Academic Board \(June 3, 2005\) which includes the cover sheet for the Planning and Budget Committee and the Project Committee Report;](#)
- [Cover sheet for the Business Board meeting of June 17, 2004 requesting authorization to expend \\$1.3 million for design work;](#)
- [Cover sheet for the Business Board meeting of November 8, 2004 requesting authorization to expend up to \\$6 million to complete the demolition, asbestos abatement, elevator upgrades and pre-ordering of equipment.](#)
- [Cover sheet for the Business Board meeting of January 17, 2005 requesting authorization to expend up to \\$28 million to complete the renovation.](#)
- [Cover sheet for the Planning and Budget Committee meeting of January 25, 2005 requesting approval in principle of revised project scope and sources of funding.](#)

If members have any questions prior to the meeting, please do not hesitate to contact me.

Thank you.

¹ Tenders for the electrical and mechanical contracts officially close on February 18th, 2005. Normally the clarification of items leading to contract signage can consume an additional week to February 25th, 2005.

Appendix 1

Date	Body	Motion
May 18, 2004	Planning and Budget Committee	<p>It is recommended to the Academic Board:</p> <p>Subject to the project returning to Planning and Budget Committee for consideration of further funding sources when those can be identified,</p> <p>YOUR COMMITTEE RECOMMENDS</p> <p>Subject to the approval by Business Board of a sufficient increase in the borrowing limits available to the University,</p> <ol style="list-style-type: none"> 1. THAT the Project Planning Report for the Center for Health Improvement and System Performance [CHISP] at 155 College Street, a copy of the executive summary of which is attached hereto as Appendix “B”, be approved in principle; 2. THAT the project scope identified in the Project Planning Report, to establish 8,594 of net assignable square metres (nasm) of space to accommodate the teaching and research needs of the Faculty of Nursing [3804 nasm] and the Departments of Public Health Sciences [3124 nasm] and Health Policy, Management and Evaluation [1666] respectively be approved in principle; 3. THAT funding in the amount of \$1,300,000 be made available to undertake the design [July to November, 2004] through to the pre-tender stage of development; 4. THAT these funds, in the amount of \$1,300,000 to be acquired from a mortgage, amortized over twenty years, to be repaid from the University of Toronto operating budget.
June 17, 2004	Business Board	<p>YOUR BOARD APPROVED</p> <p>Subject to Governing Council approval of the project and of the proposed Borrowing Strategy,</p> <p>THAT the Vice-President, Business Affairs be authorized:</p> <ol style="list-style-type: none"> (i) to arrange for design work for the project to renovate 155 College Street at a cost not to exceed \$1,300,000 with financing to be repaid from the University of Toronto operating budget, and (ii) to arrange such interim and long-term financing as required from either internal or external sources.
June 24, 2004	Governing Council	<p>On motion duly moved and seconded,</p> <p>It was RESOLVED</p> <ol style="list-style-type: none"> 1. THAT the Project Planning Report for the Center for Health Improvement and System Performance [CHISP] at 155 College

		<p>Street, a copy of which is attached to Report Number 128 of the Academic Board as Appendix “D”, be approved in principle;</p> <p>2. THAT the project scope identified in the Project Planning Report, to establish 8,594 of net assignable square metres (nasm) of space to accommodate the teaching and research needs of the Faculty of Nursing [3804 nasm] and the Departments of Public Health Sciences [3124 nasm] and Health Policy, Management and Evaluation [1666 nasm] respectively be approved in principle;</p> <p>3. THAT funding in the amount of \$1,300,000 be made available to undertake the design [July to November, 2004] through to the pre-tender stage of development.</p> <p>4. THAT these funds, in the amount of \$1,300,000 to be acquired from a mortgage, amortized over twenty years, to be repaid from the University of Toronto operating budget.</p>
November 8, 2004	Business Board	<p>YOUR BOARD APPROVED</p> <p>THAT the Vice-President, Business Affairs be authorized to expend up to an additional \$6.0 million to complete the demolition, asbestos abatement, elevator upgrades and pre-ordering of equipment for the 155 College Street Renovation Project.</p>
January 17, 2005	Business Board	<p>YOUR BOARD APPROVED</p> <p>THAT the Vice-President – Business Affairs be authorized</p> <p>(i) to expend up to \$28,000,000 to complete the overall renovation of 155 College Street; and</p> <p>(ii) to arrange such interim and long-term financing as required from either internal or external sources.</p>
January 25, 2005	Planning and Budget Committee	<p>On motion duly moved and seconded</p> <p>YOUR COMMITTEE RECOMMENDS</p> <p>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;</p> <p>2. THAT the objective of addressing the infrastructure and deferred maintenance needs of the building be approved in principle;</p> <p>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:</p> <p>(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</p>

		<p>(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</p> <p>(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.</p>
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