



University of Toronto

OFFICE OF THE GOVERNING COUNCIL

TO: University Affairs Board

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AGENDA ITEM: # 3

ITEM IDENTIFICATION:

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

JURISDICTIONAL INFORMATION:

All major capital projects require approval in principle of the project; projects should be supportive of the University's academic mission. The Planning & Budget Committee, followed by the Academic Board, consider the academic program needs, the site selected for the project and the proposed funding and sources of funding for the capital project.

The advice of the University Affairs Board is also sought for capital projects that fall within its areas of responsibility, notably residences, parking garages and athletics facilities etc. In such instances, the Board considers the implications of the project with respect to such areas as campus and student services, day care, campus security, food and beverage services, anticipated residence fees, parking, and the quality of student life within the project.

PREVIOUS ACTION TAKEN:

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.

BACKGROUND:

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. To meet this deadline will require an immediate start with the expectation that construction should commence no later than December 2004.

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:

The UTM Phase 8 residence is one of a very limited number of extremely high priority projects that are required in support of the academic mission of the University. As already indicated this new residence would be required to open in August 2006 and will require that construction commence no later than December 2004. Clearly this requires that the initial design work commence as soon as possible if there is to be any possibility that the project can be completed by August, 2006.

However, as a result of the reduced capacity to fund additional capital projects, the UTM Phase 8 Residence Project Planning Report is being tabled for approval in principle. The intent of tabling this report at this time is:

- recognition of the need for expanded residence beds on the UTM campus,
- to advance a limited expenditure to be used to immediately commence the design phase of the project so as not to jeopardize the project but indeed to maintain the possibility that the project, if subsequently approved, could be opened in September, 2006 to coincide with the new academic year and the timely recruitment opportunities.
- to explore alternative funding models or arrangements, including lease back arrangements, concurrently with advancing the early design phase.
- undertake the detailed risk analyses of the financial models. Based upon traditional approaches on residence financing, the preliminary modeling is favourable based on the \$55,524 cost per bed.

The recommended approach at the present time, supported by UTM, is to allocate \$300,000 from the UTM Operating Budget to initiate the design work required to be undertaken by external consultants. This is necessary to advance the project definition and to fully explore all funding options as well as leaseback opportunities and conditions if the September 2006 opening date is to be met.

The entire project, including the funding options and recommendation to proceed with the project will be resubmitted at a later date for final approval by the Planning & Budget Committee. Once all funding options are investigated a more accurate assessment of the residence costs, specifically the accommodation costs, will be undertaken. For the present, it is anticipated that these accommodation costs will not differ significantly from the present cost projections for residence accommodations at the UTM campus. The project when completed will establish an additional 418 bed residence and a dining hall facility within the planned 6430 and 650 nasm respectively.

It should also be noted that the Project Planning Report projects the cost per bed at an extremely attractive value of around \$55,000 per bed which is considerably lower than recent residence construction rates as it specifically relates to the cost per bed. This will certainly translate into more attractive rates for students that choose to reside in these new facilities. Furthermore, the project calls for a dining facility which will greatly enhance the meal plan services available to students at UTM and provide a competitive recruitment tool to attract the very best students to the growing and green UTM Campus.

RECOMMENDATION:

SUBJECT to returning to the University Affairs Board with a clearer understanding of the cost of the accommodations

It is recommended that the University Affairs Board concur with the recommendation of the Academic Board:

Subject to the project returning to Planning and Budget Committee for consideration of further funding sources when those can be identified, ,

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;
4. THAT funding in the amount of \$300,000 to initiate the design of the Phase 8 Residence at UTM be from the UTM Operating Budget.