



STRICTLY CONFIDENTIAL

FOR RECOMMENDATION TO THE ACADEMIC BOARD

TO: Planning and Budget Committee

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DATE: April 4, 2013 for April 17, 2013

AGENDA ITEM: 13

ITEM IDENTIFICATION:

Report of the Project Planning Committee for the Environmental Science and Chemistry Building at the University of Toronto Scarborough – Financial and Planning Implications and Funding Sources

JURISDICTIONAL INFORMATION:

The Committee considers reports of project planning committees and recommends to the Academic Board approval in principle of projects (i.e. site, space plan, overall cost and sources of funds). Proposals for capital projects exceeding \$10 million must be considered by the appropriate Boards and Committees of Governing Council on the joint recommendation of the Vice-President and Provost and the Vice-President, University Operations. Normally, they will require approval of the Governing Council. Execution of such projects is approved by the Business Board.

BACKGROUND:

This item anticipates that the motion before the Committee to recommend for approval in principle the Project Planning Committee Report for the Environmental Science and Chemistry Building at the University of Toronto Scarborough (UTSC), dated March 29, 2013, has been approved. As well it is anticipated that the project scope of approximately 10,116 gross square metres (approximately 5,058 net assignable square metres), has also been approved in principle.

FINANCIAL AND PLANNING IMPLICATIONS:

a) Total Project Cost Estimate

The total estimated project cost for the project is \$65,120,000, which includes estimates or allowances for the following:

- construction costs (assuming design/build procurement to aid in compressed schedule and budget control)
- contingencies
- taxes
- site service relocates including water, sanitary, storm and natural gas, electrical connections
- demolition required to connect to Instructional Centre Basement

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- landscaping
- permits and insurance
- Professional fees, architect, engineer (assumed within Design Build proposal), miscellaneous consultants (ie. AV etc.), project management.
- computer and telephone terminations
- moving, decommissioning of vacated labs
- furniture and fixed equipment
- miscellaneous costs [signage, security, other]
- commissioning
- escalation
- project financing costs

Further assumptions within the total estimated cost for the project of \$65,120,000, to be identified separately, are as follows: landscaping, loose furniture, computer equipment, audiovisual equipment, signage and wayfinding, donor recognition ceremonies and financing costs during design and construction.

The estimated total project cost for the Environmental Science and Chemistry Building, includes an underground servicing tunnel to the Instructional Centre.

b) Operating Costs

The total annual costs for this facility are estimated at \$2,022,000 and have been provided for within the UTSC operating budget. Of this cost, \$750,000 is related to utilities, building and maintenance costs. Operating costs include annual debt service cost of \$1,272,000 based on borrowing \$15,000,000 at a rate of 7% amortized over 25 years.

c) Funding Sources and Cash Flow Analysis

The estimated total project cost for the Environmental Science and Chemistry Building, of \$65,120,000, is to be funded from the following sources:

UTSC Operating Funds	\$47.62 million
Capital Campaign Outstanding*	\$10.00 million
Graduate Expansion Funds	\$2.50 million
Borrowing	\$5.00 million
TOTAL	\$65.12 million

*(*funds not in hand from advancement will require financing)*

RECOMMENDATION:

Be It Recommended to the Academic Board:

1. THAT the project scope to accommodate the Environmental Science and Chemistry Building at UTSC, totaling 5,058 nasm (10,116 gross square meters) at a total project cost of \$65,120,000, to be funded as follows, be approved in principle:

UTSC Operating Funds	\$47.62 million
Capital Campaign Outstanding*	\$10.00 million
Graduate Expansion Funds	\$2.50 million
Borrowing	\$5.00 million
TOTAL	\$65.12 million

*(*funds not in hand from advancement will require financing)*