



FOR RECOMMENDATION

PUBLIC

OPEN SESSION

TO: Planning & Budget Committee

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DATE: May 11, 2016

AGENDA ITEM: 5(b)

ITEM IDENTIFICATION:

University of Toronto Partnerships in Innovation and Entrepreneurship Complex – Project Approval and Funding Sources

JURISDICTIONAL INFORMATION:

Pursuant to section 4.2.3. of the Committee’s Terms of Reference, “...the Committee considers reports of project planning committees and recommends to the Academic Board approval in principle of projects (i.e. space plan, site, overall cost and sources of funds).”

Under the *Policy on Capital Planning and Capital Projects*, “...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. If a project will require financing as part of the funding, the project proposal must be considered by the Business Board.”

GOVERNANCE PATH

A. Project Planning Brief

1. **Planning and Budget Committee [for recommendation] (May 11, 2016)**
2. Academic Board [for recommendation] (May 30, 2016)
3. Business Board [(financing, for recommendation] (June 16, 2016)
4. Executive Committee [for endorsement and forwarding] (June 14, 2016)
5. Governing Council [for approval] (June 23, 2016)

B. Execution of the Project

1. Business Board [for approval] (June 16, 2016)

PREVIOUS ACTION TAKEN:

No previous action taken.

HIGHLIGHTS

The Post-Secondary Institutions Strategic Investment Fund (SIF) is a time-limited federal program that will provide up to \$2 billion to accelerate strategic construction, repair and maintenance activities at universities and colleges across Canada. The SIF aims to generate direct economic activity and to enhance the research and innovation infrastructure at post-secondary institutions.

Projects eligible under the SIF are those that support the enhancement, expansion, new construction and repair of infrastructure assets at post-secondary institutions. Projects are expected to be substantially completed by April 30th, 2018, and must correspond to at least one of the three program categories below:

- a) Improve the scale or quality of facilities for research and innovation, including commercialization spaces used by industry;
- b) Improve the scale or quality of facilities for specialized training at colleges focused on industry needs;
- c) Improve the environmental sustainability of research and innovation related infrastructure at post-secondary institutions and college training infrastructure.

Total funding from federal sources will cover up to half (50%) of the project's eligible costs.

The University of Toronto proposes to build Phase 1A of what will become one of the most powerful innovation clusters in North America.

The UofT Partnerships in Innovation and Entrepreneurship Complex will be located on the current site of the Banting and Best Centre for Innovation and Entrepreneurship (BBCIE). Programmatically, the site lies within an important institutional research district, which has been reinforced by the establishment of the MaRS Centre, across the street. The UofT Partnerships in Innovation and Entrepreneurship Complex will be built over multiple phases, with the initial project Phase 1A encompassing a seven story base of the tower (10,300 gsm) to be located on the east end of the block. The full tower on Phase 1 will be 22 stories (29,000 gsm) and full build-out of all phases on the block will be 80,000 gsm.

The site was identified as a development site in the 1997 Secondary Plan, which means site specific zoning is present. The University currently has permission for an approved building envelope of 36,300 gsm (discounted to 30,866 gsm), with a maximum height of 33m. It assumes 8 floors of Institutional use with commercial zoning permission.

The P.I.E. Complex will house significant components of the University's entrepreneurship, innovation and commercialization ecosystem as well as lab space for health related research. The initial base-tower Phase 1A will provide lab and office space for student-led spin-off companies (20-25), one or more of U of T's Campus-Led Accelerators (Impact Centre, UTEST), the RBC funded OnRamp student entrepreneurship space, labs for centres of commercialization (CCAB, Techna), the commercialization arm of the U of T's Innovations and Partnerships Office, office space for innovation partners such as Mitacs Ontario, and space for delivery of Entrepreneurship 101.

Rezoning of the site is necessary. In addition, Heritage staff at the City will need to approve the development as it relates to the Zion Church. This project will also require the purchase and demolition of 93 Grenville Street by the University.

The building program includes the following components:

Lobby and Café (250 nasm)

- Multipurpose open space with coffee / snack bar
- Coffee / snack bar area to be rented out to food vendor (no need for full-service food as multiple food courts are nearby)
- Most of the time as lounging, eating, working space. Chairs, sofas, tables.
- Informal meeting area between tenants and guests.
- Can be used as exhibition, showcase, other event space on occasion.
- Networking space before and after activities in instructional space.
- Demonstration spaces for products developed by tenants?
- Adjacent to BBCIE admin offices and instructional space

Instructional Space (375 nasm)

- Multipurpose tiered classroom for lectures, training, and collaboration work
- Capacity: 150 seats in group work configuration
- Can reconfigure for press conferences
- Eventual location for Entrepreneurship 101

BBCIE Admin Offices (55 nasm)

- Acts as building's main office for tenant services, reception, receiving (20 nasm)
- Space / operations manager's office (13 nasm)
- Also houses BBCIE director's office (22 nasm) for meetings with guests

Shared Program (315 nasm)

- Bookable meeting rooms to be shared among all tenants throughout building
- Shared lunch rooms and kitchenettes on 4 floors

Impact Centre (575 nasm)

- Incubation space for 25+ Impact Centre companies, mostly in the physical sciences and engineering. Office space and lab space provided for both business and product development.
- 236 nasm office space
- Mixture of open work space, cubical, small enclosed rooms assigned to companies based on maturity and need
- Office space for Impact Centre staff and mentors
- 144 nasm dry labs / prototyping areas / workshop space
- Electronics prototyping, wood and metal shops, some machining, open space for other prototype building
- Shared equipment like pick & place machine, vacuum former, 3d printer, injection moulder, laser cutter, etc.
- 127 nasm chemical/biological wet labs
- Fume hoods, cell culture hoods (if needed), lab fridges, flammable storage, etc.
- 40 nasm meeting space
- Three 6-person meeting rooms for mentorship sessions, other meetings
- Some smaller rooms for taking phone calls
- 29 nasm kitchen and lunchroom
- Meals, chatter, food prep for events

UTEST (235 nasm)

- Incubation space for 15+ UTEST companies. UTEST is an early stage incubator which focuses on research/IP based companies from UofT. This 12 month program provides mentorship, educational programming, networking, access to investor and B2B support.
- 153 nasm office space
 - Mixture of open work spaces, flexible cubicals, small enclosed rooms assigned to companies based on maturity and need
 - Office space for UTEST staff and mentors
- 35 nasm prototyping area
 - Electronics prototyping, some soldering and assembly spaces for hardware assembly, as needed
- 35 nasm meeting space
 - Two 6-8 person meeting rooms for mentorship sessions, group meetings, business and investor meetings and interactions
 - Some smaller rooms, to provide privacy, typically for phone conversations
- 12 nasm kitchenette and lunchroom
 - Meals and collaboration spaces

OnRamp (800 nasm)

- second floor

- Incubation space and visitors' workspace as part of the OnRamp program, where eligible startups from across all Ontario universities & colleges. Provides temporary or semi-permanent collaborative space, access to meeting rooms, and some programming all in downtown Toronto.
- Mixture of open-concept workspaces, slightly more private cubicles, and private offices assigned to companies based on maturity and need
- Hot desks and hoteling areas for visitors
- Lounges and informal areas for ad-hoc interactions, relaxing, creating
- Space for an enclosed maker lab / prototyping space
- Drop-in offices for mentors

Innovations & Partnerships Offices (IPO) (540 nasm)

- Replication of the office and meeting functions of the current IPO space in Banting.
- This office provides university wide support (all three campuses, all sectors) to the UofT research community.
- Receives invention disclosures, supports commercialization, licensing, entrepreneurship and building research partnerships with the private sector and many government or non-profit organizations (ie OCE, MITACs, NSERC, NCE, etc)
- IPO hosts a variety of staff and professionals who review and evaluate technologies, manage the IP portfolio of the university, provide legal support for research and commercialization ,
- A mix of workstations and offices for roughly 30 individuals
- 2 meeting rooms, one for smaller groups (3-5) and one for larger groups (15+) to support team meetings, project specific discussions and to host the numerous visitors and delegations
- Kitchenette and lunch room

Rental Space for Small Companies [Leasable Space] (800 nasm)

- Office, dry, and wet lab space of various (and reconfigurable) sizes to suit tenant needs.
- Sample configuration that can house 20+ companies, based on factors such as current allocation in Banting & Best as well as demand:

Rental Space for Two Large Companies [Leasable Space] (750 nasm)

- 300 nasm space for large lighting company (10-15 FTE) to develop and start small-scale manufacturing of their products
 - 120 nasm office space, 78 nasm scale-up / assembly space, 75 nasm wet lab space, 15 nasm meeting rooms, 12 nasm kitchenette
 - Based on OTI Lumionics
- 450 nasm space for large fertilizer company (25-35 FTE) to develop and scale-up products
 - 149 nasm office, 270 nasm wet labs, 18 nasm meeting rooms, 14 nasm kitchenette
 - Based on Vive Crop Protection

Space for a Centre of Excellence for Commercialization and Research (CECR) [Leasable Space] (350 nasm)

- Mixture of offices and lab spaces for business development and research in a specific field. Assists with commercialization of university research.
- 158 nasm office, 158 nasm wet labs, 18 nasm meeting room, 18 nasm kitchenette
- CCRM and CCAB currently in Banting; could host CCAB in this project

Space for Commercialization Partners [Leasable Space] (735 nasm)

- Mixture of offices and meeting spaces for commercialization organizations such as OBIO, Techna, Mitacs that can assist tenants and other entrepreneurs on campus

Green Initiatives

UofT has recently adopted much higher energy efficiency standards for new construction (ASHRAE 90.1 2013 + 40%) which will result in significant savings of dollars and emissions over prior standards: \$400,000/annum and 870 tonnes of eCO₂/annum for the current phase and \$600,000/annum and 1,200 tonnes of eCO₂ for the full complex once complete. The UofT Partnerships in Innovation and Entrepreneurship Complex will utilize the latest proven clean technologies and low carbon solutions to ensure the facility maintains a low energy and carbon footprint sustainably for decades.

Implementation and Schedule

This project will use a design-build mechanism to meet schedule and budget requirements. An RFQ will be posted in May 2016 to identify a shortlist of three Design-Build teams who will then be called upon by RFP to submit Design-Build proposals by July. The successful Design-Build proponent will be engaged shortly thereafter.

UofT has extensive experience with Design-Build project delivery, having accessed this model for the two highly successful KIP projects (\$78 and \$70M instructional centres at UTM and UTSC respectively) and more recently our \$69M Goldring Centre for High Performance Sport. Each of these projects were delivered on schedule and budget and notably all within the 18-24 month time-frame envisioned for SIF.

Preliminary consultations have occurred with city officials with respect to site implications of the heritage-listed church located within the site. Significant planning work has already been completed given this site is part of the overall Secondary Plan application UofT will submit to the city at the end of May. The contract to demolish an existing vacant house (92 College) has been signed and work will begin in May; discussions with the owner of a small house at the rear of the property have commenced and will be expedited.

The project schedule is as follows:

Design-Build RFQ issued:	May 2016
RFP issued to short-listed Design-Build teams:	June 2016
Design-Build contract awarded:	July 2016
Design and Construction:	July 2016
Substantial Completion:	April 2018

FINANCIAL IMPLICATIONS

a) Total Project Cost Estimate

Discussion of overall costs can be found in the *in camera* document for this project.

The funding sources are as follows:

Strategic Investment Fund
University of Toronto*

* The University's portion will be funded through fundraising and/or borrowing.

RECOMMENDATIONS:

Be It Recommended to the Academic Board:

1. THAT the UofT Partnerships in Innovation and Entrepreneurship Complex project submitted to the Federal Government's Strategic Investment Fund is a priority for the University of Toronto, and the institution is willing to provide all required administrative support for the completion of the project by April 30, 2018.
2. THAT the UofT Partnerships in Innovation and Entrepreneurship Complex project totalling approximately 5,780 NASM (net assignable square metres), to be funded from the following sources:
 - Strategic Investment Fund
 - University of Toronto

be approved.