

FOR RECOMMENDATION

CONFIDENTIAL

IN CAMERA SESSION

TO: Executive Committee

SPONSOR: Prof. Scott Mabury, Vice-President, University Operations

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PRESENTER: See sponsor

CONTACT INFO:

DATE: October 5, 2015 for October 21, 2015

AGENDA ITEM: 14 (b.)

ITEM IDENTIFICATION: Capital Project: The Renovation and Expansion of the Recreation Wing (R-Wing) at the University of Toronto Scarborough – the new *Highland Hall* - Total Project Cost and Sources of Funding

JURISDICTIONAL INFORMATION:

Section 5.6.2 of the Campus Affairs Committee Terms of Reference states that the Committee “considers reports of project planning committees and recommends to the UTSC Campus Council approval in principle of projects (i.e. site, space plan, overall cost and sources of funds) with a capital cost as specified in the *Policy on Capital Planning and Capital Projects*.”

The *Policy on Capital Planning and Capital Projects* provides that capital projects with a project budget of over \$10 million (Approval Level 3), at UTSC will be considered by the UTSC Campus Affairs Committee and the UTSC Campus Council before being recommended to the Academic Board for consideration. Such proposals 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 Governing Council.

The Business Board is responsible for approving the establishment of appropriations for individual projects and authorizing their execution within the approved costs.

If a project will require financing as part of the funding, the project proposal must be considered by Business Board.

GOVERNANCE PATH:

Project Planning Report: Project Scope, Total Project Cost, and Sources of Funding

1. UTSC Campus Affairs Committee [for recommendation] (September 16, 2015)
2. UTSC Campus Council [for recommendation] (September 17, 2015)
3. Business Board [for financing] (September 21, 2015)
4. Academic Board [for recommendation] (October 1, 2015)
- 5. Executive Committee[for endorsing and forwarding] (October 21, 2015)**
6. Governing Council [for approval] (October 29, 2015)

PREVIOUS ACTION TAKEN:

The Capital project: The Renovation and Expansion of the Recreation Wing (R-Wing) at the University of Toronto Scarborough-the new Highland Hall-Project Scope and Sources of Funding was approved in principle by the Governing Council on April 1, 2015, contingent on award of the Ontario Major Capacity Expansion Program.

HIGHLIGHTS:

The Project Planning Report dated November 2014 has been submitted for information. For clarity, there are no changes in the size, function or location of the project. There are no changes in the total project costs. There are no changes to the annual operating costs. The only changes are (i) sources of funding (ii) governance schedule (iii) construction schedule. Part of the anticipated funding for the project was through the Province’s Major Capacity Expansion Program. However, this funding was not awarded to UTSC. UTSC has now identified other funding sources to allow this project to proceed and to address the additional space needed on the campus to keep pace with undergraduate growth.

In order to meet the August 2017 occupancy date, a special UTSC Campus Council meeting has been called to discuss the “Highland Hall’ project so that it can be brought through governance in cycle 1. This allows for the project schedule to achieve an occupancy date of August 2017. The construction date moves from the previous anticipated start of August 2015 to a construction start of December 2015.

The chart below outlines the revised projected key scheduling dates for governance and construction.

Current Construction Schedule	
Tender Award	December 2015
Substantial Completion	Anticipated August, 2017
Previous Construction Schedule	
Tender Award	August 2015
Substantial Completion	Anticipated July 2017

Governance Cycle 1	Dates
UTSC Campus Affairs	September 16
UTSC Campus Council (Special Meeting)	Sept 17
Business Board	September 21
Academic Board	October 1
Executive Committee	October 21
Governing Council	October 29

FINANCIAL IMPLICATIONS:

a) Total Project Cost Estimate

The total estimated project cost for the renovation and expansion of the R-Wing is \$48,514,000. At the January 23, 2014 CaPs Executive meeting, the expenditure of \$2,931,695 in consulting fees, included in the Total Project Cost, was approved. This project cost remains the same. The funding sources have been revised as outlined below.

b) Funding Sources

The funding sources for the project are UTSC Operating Funds \$38.514 (up to \$15 million in borrowing), a target of \$5 million in Capital Campaign funds, and \$5 million of Provost Central Funds to match donations for a project total of: \$48.514 million.

Previous MTCU Proposal Funding Plan (Millions)		<i>Revised Proposed Funding Plan (in Millions)</i>	
Gov Support	30.80	Borrowing	15.00
Cash	7.70	Cash	23.50
Capital Campaign	5.00	Capital Campaign	5.00
Provost Central Funds	5.00	Provost Central Funds	5.00
Total	48.50	Total	48.50

Note: Any shortfall in combination of Capital Campaign Funding and Provostial match will require UTSC operating funding and will not draw upon further long-term borrowing.

c) Co-Effects

Additional costs will be associated with the co-effects of the project:

- Removal of the portables on the S-Wing field and rehabilitation of the field
- Renovation of facilities vacated by the departments and units relocated to the new Highland Hall

The project costs for these co-effects are not included in the scope of the R-Wing renovation and expansion and will be funded from other UTSC sources.

d) Operating Costs

The annual utilities, building and maintenance costs of the new Highland Hall are estimated to be \$945,000 and will be incorporated into the UTSC operating budget.

RECOMMENDATION:

Be It Resolved:

THAT the following recommendation be endorsed and forwarded to the Governing Council:

THAT the project for the Renovation and Expansion of the Recreation Wing (R-Wing) at the University of Toronto Scarborough, with a project scope of 4,237 net assignable square metres (nasm) (8,178 gross square metres (gsm)) of new construction and 2,223 nasm (4,291 gsm) of renovation and a total project cost of \$48,514,000; as outlined in the Project Planning Report dated November 2014 and approved in principle by the Governing Council on April 1, 2015, be amended to reflect the following revised sources of funding and that any shortfall of funds from the Capital Campaign and the accompanying match from the Provost Central Funds will be met by additional UTSC Operating Funds and will not draw upon further financing:

UTSC Operating Funds (Cash)	\$ 23,514,000
Financing	\$ 15,000,000
Capital Campaign (targeted amount)	\$ 5,000,000
Provost Central Funds (matching)	\$ 5,000,000
Total	\$ 48,514,000

DOCUMENTATION PROVIDED:

- Report of the Project Planning Committee for the Renovation and Expansion of the Recreation Wing (R-Wing) at the University of Toronto Scarborough, dated November 20, 2014.