

FOR ENDORSEMENT AND FORWARDING CONFIDENTIAL IN CAMERA SESSION

TO: Executive Committee

SPONSOR: Professor Scott Mabury, Vice President, University Operations
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PRESENTER: Professor Scott Mabury, Vice President, University Operations
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DATE: November 28, 2017 for December 5, 2017

AGENDA ITEM: 15(b)

ITEM IDENTIFICATION:

Capital Project: Greenhouse Gas Campus Retrofits Program (GGRP) – Total Project Cost and Sources of Funding

JURISDICTIONAL INFORMATION:

Under the *Policy on Capital Planning and Capital Projects*, “...Proposals for capital projects exceeding \$20 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. The Planning and Budget Committee will consider projects at the St. George campus and the respective Campus Affairs Committees and Campus Councils will consider projects at University of Toronto Mississauga and University of Toronto Scarborough and recommend them to the Academic Board for consideration. 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. UTM Campus Council [for recommendation] (November 21, 2017)
2. UTSC Campus Council [for recommendation] (November 22, 2017)
3. Academic Board [for recommendation] (November 23, 2017)
4. Business Board [financing, for recommendation] (November 27, 2017)
- 5. Executive Committee [for endorsement and forwarding] (December 5, 2017)**
6. Governing Council [for approval] (December 14, 2017)

B. Execution of the Project

1. Business Board [for approval] (November 27, 2017)

PREVIOUS ACTION TAKEN:

No previous action taken.

HIGHLIGHTS

See open session document.

The three GGRP funds are described below:

1. **Retrofits Grant Fund for Cap and Trade Non-Participants (provincial total \$22.8 million):** UTSC and UTM have each been allocated \$3.5 million from this fund.
2. **Interest-Free Loan Fund (provincial total \$200 million):** UTSC and UTM have each been allocated \$3.5 million from this fund (in addition to the non-participants funds noted in above.) The St. George campus has been allocated \$37 million from this fund.
3. **The Innovation Grant Fund (provincial total \$77.2 million):** The fund will be administered through a Call for Proposals; single-year project decisions will be communicated to universities in January 2018 and multi-year project decisions in early 2018. Projects selected for single-year funding are expected to be substantially completed by March 31, 2019. This fund is available to UofT as one single institution.
 - a. **Single-year Project Proposals:** A maximum of one single-year funded project submission per institution can be made to draw on this fund;
 - b. **Multi-year Project Proposals:** The province will also consider multi-year projects through the Innovation Grant Fund. All multi-year project proposals will be subject to additional approvals, as there is currently no funding commitment for projects beyond 2017-18.

Fund stacking: Institutions may combine Interest-Free Loan and/or Retrofits Grant for Non-Participants funding with a proposed Innovation Grant Fund amount to support a larger project. However, the requirements of each fund type utilized must be met.

The following are details of projects on all three campuses that fold into our proposal.

St. George

MAESD has allocated St. George \$37 million from the GGRP Interest-free Loan Fund which is available over a period of four years from April 1, 2017 to March 31, 2021. St. George has identified projects totaling \$42.4 million by March 2019. In the following two years (2019-2021) St. George will seek approval for additional funds, alone or as part of collective effort by the three UofT campuses, from the multi-year GGRP Innovation Fund, will access the remaining \$24.6 million in GGRP Loan Fund and will allocate additional University operating funds.

UTSC

UTSC has been allocated a total of \$7 million by MAESD: \$3.5 million from the Retrofits Grant Fund for Cap and Trade Non-Participants and \$3.5 million from the Interest-free Loan Fund.

UTM

UTM has been allocated a total of \$7 million by MAESD: \$3.5 million from the Retrofits Grant Fund for Cap and Trade Non-Participants and \$3.5 million from the Interest-free Loan Fund. UTM will also allocate \$4 million in operating funds for a total of \$11 million.

FINANCIAL IMPLICATIONS

a) St. George total project cost estimate to March 31, 2019

The proposed Total Project Cost (TPC) estimate for the St. George integrated plan to March 31, 2019 is **\$42,400,000**.

Funding sources: The funding sources are as follows

Greenhouse Gas Campus Retrofit Innovation Grant Fund (proposal)	\$20,000,000
Greenhouse Gas Campus Retrofit Interest-Free Loan Fund	\$12,400,000
University of Toronto Operating Funds	<u>\$10,000,000</u>
Total	\$42,400,000

If the full amount of Innovation Grant Fund is not received projects will be reassessed and recalibrated.

b) UTSC total project cost to March 31, 2019

The proposed Total Project Cost (TPC) estimate for the UTSC project is \$7,000,000

Funding Sources: The funding sources are as follows

Greenhouse Gas Campus Retrofit Interest-Free Loan Fund	\$3,500,000
Retrofits Grant Fund for Cap and Trade Non-Participants	<u>\$3,500,000</u>
Total	\$7,000,000

c) UTM total project cost to March 31, 2019

The proposed Total Project Cost (TPC) estimate for the UTM project is \$11,000,000

Funding Sources: The funding sources are as follows

Greenhouse Gas Campus Retrofit Interest-Free Loan Fund	\$ 3,500,000
Retrofits Grant Fund for Cap and Trade Non-Participants	\$ 3,500,000
University of Toronto Mississauga Operating Funds	<u>\$ 4,000,000</u>
Total	\$11,000,000

RECOMMENDATION:

Be It Resolved

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

THAT the capital project for the University of Toronto Greenhouse Gas Campus Retrofit Program be approved in principle with a total project cost of \$60,400,000, including a maximum amount of long term borrowing not to exceed \$19,400,000 – to be funded from the following sources:

Greenhouse Gas Retrofits Grant Fund for Cap and Trade Non-Participants	\$ 7,000,000
Greenhouse Gas Campus Retrofit Innovation Grant Fund (proposal)	\$20,000,000
Greenhouse Gas Campus Retrofit Interest-Free Loan Fund *	\$19,400,000
University of Toronto Operating Funds	<u>\$14,000,000</u>
Total	\$60,400,000

* includes tri-campus portion of loan to March 31, 2019.

DOCUMENTATION PROVIDED:

None