



University of Toronto

Office of the Assistant Vice-President, Campus and Facilities Planning

TO: Planning and Budget Committee

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AGENDA ITEM: 10

Project Planning Report for the Expansion of the Rotman School of Management

JURISDICTIONAL INFORMATION:

Under the Policy on Capital Planning and Capital Projects, the Planning & Budget Committee reviews Project Planning Reports prepared for a capital project and recommends to the Academic Board approval in principle of the project.

BACKGROUND:

Business education has been offered at the University of Toronto for more than one hundred years, and became formally organized with the establishment of the Faculty of Management in 1971. In 1997, in recognition of a donation from Sandra and Joseph Rotman to support its vision and goals, the School was renamed the Joseph L. Rotman School of Management.

In 1998, following the appointment of Dean Roger Martin, the Rotman School's academic plan for the "Raising Our Sights" cycle (referred to as Plan 2004) outlined a competitive strategy for moving the Rotman School forward to a position of international distinction. The stated goal was to place among the top 20 business schools worldwide by the end of the planning period, and – even more ambitiously - among the top 10 within seven to ten years.

Much has been achieved since then. Strong support from the University, the Rotman Foundation and other donors, has allowed the Rotman School to build on academic strengths over the last seven years to significantly advance all the original objectives.

Building on the School's achievements, the current 'Stepping Up' Academic Plan outlines a range of new programmatic and research initiatives with the objective of moving forward decisively toward an even greater position of international recognition and ranking. The plan focuses on quality improvements, such as significant curriculum redesign, improved student experience, intensified recruiting efforts and improved selection criteria.

At the same time, the plan outlines a staged process of programmatic expansion, in line with the University of Toronto's overall objective of expanding graduate enrolments and research focus. After the 'Stepping Up' plan was completed, it was updated in light of the 'Reaching Higher' graduate expansion plans.

The enrolment expansion plans of the School are fully in line, and indeed have anticipated and pre-dated in part, the University's overall thrust towards graduate expansion. Much of the adjustment should be in place by the University's target date of 2009/2010 and it is expected to be completed fully by 2014.

The further expansion of the Rotman School's programs portfolio, combined with an increase in student numbers in all graduate programs which have been approved by the Vice-President and Provost, will necessitate an additional increase in faculty complement, beyond the target levels envisioned in Plan 2004. The intent is to grow the School's complement to a total of 146.80 FTE's by 2014. That would imply a further complement expansion of about 50% relative to the current faculty size of 97.51 FTE's.

In the new planning phase, the Rotman School will also further expand its broad research activities, organized around a significant number of research centers. Current research activities include the Institute for International Business, the University of Toronto Capital Markets Institute, the Centre for Finance, the Centre for Health Sector Strategy, the AIC Centre for Corporate Social Responsibility, the International Centre for Pension Management, and the Clarkson Centre for Business Ethics and Board Effectiveness. As well, the (reconstituted) Institute for Policy Analysis will find a new home within the University at Rotman. Other centres are planned, among several, in the areas of Leadership, Real Estate and Urban Economics, and Innovation and Entrepreneurship. These centres will give additional focus and international visibility to the School's research efforts.

HIGHLIGHTS:

The Rotman School of Management currently occupies approximately 5876 (9410gsm) within purpose built facilities located at 105 St. George Street. Since the time of its construction, the School has continued to grow its complement of faculty, students and staff and its programs. Some changes to the original building, including the addition of a 4th and 5th floor to the south wing have helped to accommodate growth somewhat, but are not sufficient to support the current or long-term plans of the school.

Space constraints have imposed severe limitations on student study space, research facilities, administrative services, and the capacity to offer executive non-degree programs. New facilities will allow existing shortcomings to be remedied and planned growth to be accommodated.

A preliminary space program that indicates the space needs of the Rotman School of Management in its envisioned steady state by 2014 was prepared and included in the Interim Project Planning Report approved in December 2006. This space program has been further refined and detailed and is now presented as a final program for the Rotman School on Site 11.

The proposed space program identifies a total of 13,280 nasm of space to be divided between the existing building at 105 St. George Street and a new structure on Site 11 to the south, thus expanding the Rotman complex. With 5880nasm of existing space and assuming that all of this space may be used fully to accommodate program, a proposed 7400nasm (~15,000gsm) additional space should be constructed to accommodate much of the School's planned growth.

In addition, this report includes a separate (preliminary) space program representing the anticipated space requirements of the Rotman School's Executive Development Programs (EDP). Limitations of Site 11 make it impossible to accommodate this part of the Rotman School space program on that site, and consequently EDP needs were not included in the interim report on Site 11. In this final report, the Executive Development Programs, including some affiliated research initiatives, have been identified as programmatic elements that should stand alone on a separate site within approximately 2800nasm (5600gsm) of space. Currently, the University and the Committee are considering sites on which to locate this program; Site 12 is one of the alternatives being considered, which could possibly locate the EDP with the proposed Varsity Centre for High Performance Sports and the proposed Student Commons.

Space requirements for the Commerce Program, offered jointly by the Rotman School and the Faculty of Arts and Sciences, have been separated entirely from the current project plan and will only be addressed once the current program redesign is completed and issues of the administration of the program are resolved fully. It has already been determined that any additional space requirements of the Commerce Program would not be accommodated within the expanded Rotman School complex.

The University of Toronto Area Secondary Plan identifies sites within the University of Toronto area which are available and have municipal approvals for development. Site 11, is located directly south of the Rotman School of Management building on the east side of St. George Street and is, therefore, well situated to accommodate further Rotman School space.

The site encompasses two existing buildings at 91 and 97 St. George and a surface parking lot. CIUT radio, and the Sexual Education and Peer Counselling Centre (SEC) occupy 91 St. George Street. Several options exist for CIUT Radio, including relocation to 256 McCaul Street to temporary or permanent accommodation. Space for CIUT is being contemplated in the Student Commons and was identified in the Interim Planning Report as was space for SEC. Ideally both activities will be located in the Student Commons . Both activities will be relocated to other space on campus as secondary effects of this project. In anticipation of this project the Classics Department, occupants of 97 St. George Street will vacate their current space shortly and relocate to the Lillian Massey Building as a separate initiative.

The City of Toronto Parking by-law for the University, requires that the St. George Campus maintains 2160 parking spaces. This site currently accommodates 44 surface parking spaces that will be displaced once construction begins. The parking spaces will be relocated across campus, in a variety of locations to maintain the required by-law spaces.

Current design guidelines require retention of the building facades of 91 and 97 St. George Street, while maintaining setbacks from surrounding heritage buildings including the Newman Centre and Church to the south, and Massey College to the east. The development parcel allows construction to a maximum height of 23m (5 stories).

The requirements identified in the space program for the Rotman School exceed the approved envelope capacity of the preferred development site (Site 11). To achieve the full program described in this report, an estimated 10 to 13 stories above grade, a development envelope to an approximate height of 37 to 51m would be required. Site planning consultants were retained in summer 2007 to assist in the review of the site. Preliminary analysis resulted in several options to be considered, but which will require municipal approvals. This site and others on the St. George campus are being examined as part of the 10-year review of the Secondary Plan.

TOTAL PROJECT COST ESTIMATE:

The total project cost of the new Rotman Building on Site 11 and related renovations to the existing building is estimated to be approximately \$91,800,000.

FUNDING SOURCES:

The funding for this project has been assembled primarily from external sources including: the Government of Ontario (\$ 50M) as announced in the 2007 Budget and a further \$10M from other grants to the University; Joseph and Sandra Rotman (\$ 2.8M) and U of T (\$ 9M) from general revenues. A further \$20M is intended to be raised through Advancement prior to commencement of the project.

Long-term borrowing may need to be allocated on a contingency basis to accommodate cash flow requirements.

SCHEDULE:

The project is expected to be phased, with renovations to the existing 2nd floor going forward in concert with the new construction on Site 11 to better accommodate the expanding MBA and Master of Finance needs in the earlier phase. Further renovations of the existing building will occur with a second phase after occupancy of the new building, and as further funding becomes available. Assuming approvals to build on the site to the full extent of the program is given without delay, it is expected that the first phase of the project will be complete by the spring of 2011.

RECOMMENDATIONS:

That the Planning and Budget Committee recommend to the Academic Board:

1. THAT the Project Planning Report for the Rotman School of Management Expansion be approved in principle.
2. THAT the project scope of approximately 7400nasm (15,000gsm) new construction and additional renovation of existing facilities be approved with a total project cost of \$91,800,000 to complete Phase One.
3. THAT Phase Two renovations to existing spaces be approved in principle.
4. THAT the preliminary space program for the Executive Development Programs and affiliated research centers be approved in principle for the

provision of approximately 2800nasm (5600gsm) to accommodate these functions.

5. THAT long term borrowing capacity, maximum of \$20 million be allocated, on a contingency basis to accommodate cash flow requirements.