

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL
REPORT NUMBER 116 OF THE PLANNING AND BUDGET COMMITTEE
January 30, 2007

To the Academic Board,
University of Toronto

Your Committee reports that it held a meeting on Tuesday, January 30, 2007 at 4:10 pm in the Council Chamber, Simcoe Hall, at which the following were present:

Professor Miriam Diamond (In the Chair)
Professor Vivek Goel, Vice-President and
Provost
Ms Catherine J. Riggall, Vice-President,
Business Affairs
Professor Safwat Zaky, Vice-Provost, Planning
and Budget
Professor Stewart Aitchison
Ms Diana A. R. Alli
Mr. Ryan Matthew Campbell
Professor John Coleman
Mr. Kristofer T. Coward
Professor Jane Gaskell

Professor Ellen Hodnett
Professor David Mock
Ms Carole Moore
Mr. Tim Reid
Professor Andrea Sass-Kortsak
Professor Pekka K. Sinervo
Mr. Stephen C. Smith

Non-voting Assessors:

Ms Sheila Brown, Chief Financial Officer
Ms Elizabeth Sisam, Assistant Vice-President,
Campus and Facilities Planning
Mr. Nick Zouravlioff, Acting Chief Capital
Projects Officer

Regrets:

Professor Avrum Gotlieb
Professor Brad Inwood
Professor Gregory Jump
Ms Theresa J. C. Pazonis
Mr. Patrick Wong

Secretariat:

Mr. Henry Mulhall
Ms Mae-Yu Tan

In Attendance:

Professor Susan Pfeiffer, Vice-Provost, Graduate Education and Dean, School of Graduate
Studies
Ms Sheree Drummond, Assistant Provost
Ms Kate Hilton, Assistant Dean, Alumni and Development, Faculty of Law
Professor Charlie Keil, Director, Cinema Studies Program
Dr. Jeanne Li, Special Assistant to the Vice-President, Business Affairs
Ms Rosanne Lopers-Sweetman, Director, Special Projects, Office of the Vice-President and
Provost
Professor Scott Mabury, Chair, Department of Chemistry
Professor Mayo Moran, Dean, Faculty of Law

ITEMS 4, 7, 8, 9 ARE RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL.
ITEM 10 CONTAINS A CONCURRENCE WITH A RECOMMENDATION OF THE
COMMITTEE ON ACADEMIC POLICY AND PROGRAMS.

ALL OTHER ITEMS ARE REPORTED FOR INFORMATION.

1. Report of the Previous Meeting

Report Number 115 of the meeting of December 5, 2006 was approved.

2. Business Arising from the Report of the Previous Meeting

There was no business arising from the report of the previous meeting.

3. Senior Assessor's Report

New Budget Model

Work on the budget for the coming year had begun, and an offline information session on the implementation of the budget model had been scheduled for Tuesday, February 27, 2007 from 4:10 to 6:00 p.m. in the Council Chamber. The session was designed to brief members of the Committee and other governance bodies, and it would provide an opportunity for members to ask questions and to have a more detailed discussion than would be possible during a regular meeting. Professor Goel noted that the administration was reviewing whether or not to start a new multi-year budget cycle and/or move to a five or six year rolling model that would be extended annually. A member asked whether that would affect the policy on maximum deficits. Professor Goel indicated that it may. Currently, a cumulative deficit of no more than 1.5% of the operating revenue for the year was permitted at the end of the planning period. A new set of parameters might be proposed that would be consistent with the rigour of the current framework but avoid the discontinuities that occurred presently at the end of budget cycles.

4. Capital Plan 2006-2011/Real Estate Strategy/Borrowing Strategy

The Chair stated that Professor Goel and Ms Riggall would give an integrated presentation of the proposed new Capital Plan, the Real Estate Strategy, and the Borrowing Strategy. That would be followed by discussion by the Committee. The Committee would then proceed to a vote on the proposed revised Capital Projects List.

Professor Goel observed that it was important to begin with the academic plan of the University when developing the Capital Plan and priorities over time. This was the first time that the Capital Plan had been presented in conjunction with a real estate strategy of the University and an update to the borrowing strategy. In recent years, the borrowing capacity had become a parameter for focus in capital decisions, but it was important to consider the whole context. The University was distinguishing between operating and capital budgets, with the view to ensuring that the needs of the students were met.

The Capital Plan was not a short fixed list of projects, as it was ten years ago. Rather, it was a dynamic list of projects the University was considering planning towards. That approach was designed to allow the University to respond to changing needs and circumstances.

Among the factors to be considered in the context of capital plans were the following:

- Academic plans
- Council of Ontario Universities (COU) space standards
- Existing real estate holdings – deferred maintenance
- Municipal zoning
- Heritage requirements
- Funding sources
- Financing capacity
- Ability to respond to opportunities

4. Capital Plan 2006-2011/Real Estate Strategy/Borrowing Strategy (cont'd)

University of Toronto at Mississauga (UTM)

The UTM campus had undergone rapid development in the past years. Although much land was available, only two major building sites remained that were zoned for development. Much of the Credit River Valley land could not be developed since there were conservation requirements which must be met. The potential use of parking lots for future development was possible, but would require rezoning and replacement of parking through construction of garages. Due to the manner in which the original buildings had been designed, infill might be possible. For example, the Medical Academy would be built out from the original South Building. However, the campus would reach capacity in the not so distant future.

University of Toronto at Scarborough (UTSC)

Some building sites did exist on the UTSC campus, but were constrained for build-up due to the tight building sites and conservation issues. There was some room for growth, and infill and build-up could be explored, but the campus would also reach capacity soon.

St. George Campus

Some potential development sites existed, however on the whole there were limited options now available. As master plans were reviewed, there were some opportunities for rezoning to increase the density to be consistent with the City of Toronto's master plans for the area.

The Capital Plan, 2006-2011

Based on current enrollment projections, it was expected that over the next twenty years the University would fill out and develop most of the available sites across all three campuses. There were significant shortages of space with current enrollment. The changing nature of academic activities would drive the need for more interactive space. The required capacity would greatly exceed that available for development in the not too distant future. What would be done across all three campuses when build-up capacity was reached? Even without further enrollment growth, a need would still exist to accommodate faculty and staff in order to approach COU space standards. It was important to plan in the long term as present real estate decisions would affect future generations.

The Capital Plan identified major capital projects at various stages of consideration. Principals and Deans had been invited to identify their needs for capital projects to advance their divisions' academic plans. The costs of the projects included in the plan were often of a rough order of magnitude because many had not yet reached the state of having project planning reports. The total estimated cost of the projects in the plan was \$700 million, but that amount could ultimately vary substantially. Each project would be considered on an individual basis when submitted to the Planning and Budget Committee.

Over the last five years, there had been a shift in the pattern of capital work. Previously, there had been a focus on meeting the needs of the double cohort by constructing new student residences, particularly at UTM and UTSC, and constructing new academic facilities. The focus was now on graduate expansion and enhancing the student experience. For example, many planned projects related to student space, such as athletic facilities and libraries. To accommodate these needs, there has been a shift from focusing on new buildings to optimizing the use of existing facilities through capital renewal and repurposing. However, renovations are often as costly as new construction, due to technical complexities in meeting the current building code, accessibility and environmental requirements. The University would continue to seize the opportunity to harmonize deferred maintenance needs with the provision of facilities for new academic priorities.

4. Capital Plan 2006-2011/Real Estate Strategy/Borrowing Strategy (cont'd)

The Real-Estate Strategy

The Chair noted that the Real Estate Strategy, which had been approved by the Business Board on January 15, 2007, was being presented for information to the Committee.

Ms Riggall provided an overview of the University's Real Estate Strategy. She stated that the University owned nearly 700 acres, with 75% of the property in the downtown Toronto area. The property was the site of approximately 200 buildings. The market value of the University's properties was about \$4-billion – far greater than the value of the endowment funds. The quality of the University's campuses and its buildings was an essential element of the student experience. Ms Riggall noted that the previous real estate strategy had been approved in 1995. The current strategy focused on three questions:

- Does the University have enough land to meet needs identified in the capital plan and the academic plans?
- Is the University managing its real estate assets appropriately?
- Is the University leveraging the value of its real estate assets and maximizing the return on the assets?

The review concluded that the University did not have sufficient land to meet its aspirations. To achieve the COU space standards and meet the growth projected to 2011, the University would require additional buildings: (a) on the St. George campus providing space equal to four times that of the Robarts Library, (b) on the UTM campus equal to that of five Hazel McCallion Academic Learning Centres, and (c) on the UTSC campus equal to that of six Arts and Administration Buildings. It was clear that additional land would be required for the further development of the St. George Campus. It was possible that the growth of the UTM and UTSC campuses could be accommodated by more intensive use of the current real-estate by adding height, but there were limits to growth on those campuses due to their location in nearby residential neighbourhoods and conservation areas. Overall, there was a long-term need for significant additional University property.

Ms Riggall indicated that she believed that the University could improve the strategic management of its real estate assets. While its land and buildings are its largest asset, they had not been managed with a strategic focus in the past.

Services provided by the Real Estate Ancillary to other parts of the University had not been clearly identified and structured for efficiency. However, the new budget model would drive a change to have services to faculties provided outside the ancillary. That would allocate revenues and expenses to the appropriate unit. The Ancillary could then focus on managing the rental property holdings.

Ms Riggall stated that the Real Estate Strategy and its tactical implementation were of value to the whole University, and should not be included in the responsibilities of the Ancillary. Partnerships should be developed, and the University should work more closely with other organizations to their mutual benefit. For example, work could be carried out with neighbouring hospitals and the Medical and Related Sciences (MaRS) Discovery District, to deal as a group with the City on zoning requirements. There was a need for more expertise to develop the Real Estate Strategy, and leverage the value of the assets. A real estate advisory board of expert volunteers was being established to work with a new officer, providing guidance on the structuring of real estate deals, negotiation tactics, and the development of relationships as mentioned above. To leverage further the value of its real estate, the University would develop and implement policies to divest surplus properties, to deal with offers of donations of property, and to lease and license property.

4. Capital Plan 2006-2011/Real Estate Strategy/Borrowing Strategy (cont'd)

Ms Riggall then addressed the question of the University's ability to pay for the estimated \$700-million cost of the new Capital Plan and for future acquisitions of land and buildings. The answer to that question required consideration of the Borrowing Strategy, which had been developed by Ms Brown and her colleagues in the Financial Services Department.

The Current Borrowing Strategy

The existing debt strategy had been approved in June 2004 and regular updates had been provided to the Business Board since that time. It was important not to spend too large a percentage of the operating budget financing the University's debt. The current borrowing strategy limited external debt to forty percent of the University's net assets averaged over five years, and the maximum internal borrowing capacity was limited to \$200 million of internal funds. Ideally, each capital project would include a significant equity contribution in order to make it more economically viable. Comparisons with peer institutions with respect to the University's external borrowing had been conducted using Moody's U.S. Public College and University Medians 2006. It had been determined that to date the University had borrowed externally less than its rating peers, but it had fewer resources to support debt issuance, and had internal debt.

The borrowing strategy had been reviewed from a variety of perspectives, including the projected capacity over time, the ability to pay, and the controls on repayment. Some constraints that had guided the University's ability to repay debt were the requirement for regular principal and interest payments for each project at specified interest rates linked to market rates, and the requirement for an internal sinking fund that accumulated funds for the repayment of the debentures at maturity. It was noted that the sinking fund was not required by the University's lenders. While it would still be necessary to carry out fundraising to support capital projects, the current borrowing strategy continued to be financially prudent, and was projected to provide sufficient capacity to meet the anticipated borrowing requirement for key priorities over the next several years. Therefore no change to the strategy was recommended. The strategy had been well received by the lending community, and it would be important to continue to communicate the University's strategy to them.

Ms. Riggall stressed that all of the University's debt was set at fixed interest rates. The long-term rates were extremely low, resulting in a very low debt-service level. The current strategy was projected to make available between \$251 and \$349 million in additional borrowing capacity by 2010. The total debt levels could reach as high as \$1.071 billion by 2010 and still remain within the defined strategy. At fifty percent debt financing, the University could undertake an additional \$500 to \$700 million in capital projects, although managing the work of such projects could prove challenging. Enhancing the student experience and attracting the best and brightest faculty and students would require further investment in land and buildings. The University did have the capacity to make such investments, but it would have to continue to apply the discipline exhibited to date.

In the course of the discussion, several members, including the Chair, complimented Professor Goel, Ms Riggall and their colleagues on the high quality of the three papers and of the presentation. Among the matters that arose in discussion were the following:

(a) The Desirability of Enrolment Growth

A member observed that the Capital Plan and the approach to real estate and borrowing were driven by the assumption that the University's enrolment would and should continue to grow. Was that appropriate? What would be the consequences of continued growth? Was the undergraduate/graduate ratio fixed? Was the University able to limit its growth, or was it being compelled to grow as the result of Government policy?

4. Capital Plan 2006-2011/Real Estate Strategy/Borrowing Strategy (cont'd)

Professor Goel replied that the University's enrolment plans currently extended only to 2011 and that the Capital Plan was not predicated on further growth. Even without further growth, the existing shortfalls in quality space for the academic and research programs warranted further development. Academic planning would continue to influence the content of the Capital Plan and Real Estate Strategy. The President had initiated the Vision 2030 exercise, which would encourage the University community to think towards the long-term (2011 to 2030) and to raise relevant questions. More information about that process would be provided at future Planning and Budget Committee meetings. It would be crucial to engage in such dialogue, particularly with the provincial government. A decrease in enrolment could have significant implications for provincial funding, so a careful planning process would be needed. That would take place over the next year. At the present time, the key message was that, even with steady-state enrolment, the University was short of the space needed. However, if the University did receive funding to provide all of the space it needed, there would be too few development sites on all three campuses.

Ms Riggall added that when preparing the reports, a deliberate effort had been made to use existing data with enrolment projected only to 2011 in order to focus the discussion. The COU space standards, which were used as a benchmark, indicated that graduate students required up to three times more facilities per person than undergraduates.

Professor Sinervo added that in the Faculty of Arts & Science on the St. George campus, the plan included in *Stepping UP* had been to increase graduate enrolment by an undetermined amount in 2004, but a funding model had not been in place when the projection had been made. It was possible that there could now be an increase by approximately 1200-1300 graduate students, and the undergraduate enrolment could be reduced by 2000 students. Such changes would affect space requirements. It was important to note that all of the projects in the Capital Plan had been identified in 2003-2004, but their implementation was only now being carried out. While planning at a detailed level had been ongoing for some time within each faculty, strategic planning and management of assets were crucial. Consideration of questions such as whether or not the acquisition of a building would be wise should be carried out at a strategic level, and the real estate strategy would be of benefit.

Professor Goel stated Ms Riggall had shown that the value of the University's total capital was \$4 billion. Even accounting for some proportion of that being land, buildings usually lasted about forty years. If the stock of buildings were to be renewed every forty years, a significant investment would be needed on a regular basis. The planned capital investment included that renewal.

A member commented that there were some issues with the figures used in the Capital Plan. While the document provided a good picture of the current situation, it seemed that some divisions had not undergone strong planning exercises to provide projections to 2011. Professor Goel noted that as stated in the *Policy on Capital Planning and Capital Projects*, the Capital Plan set out the major Capital Projects to which the University had assigned priority for a specified period of time. The list would evolve as divisions updated plans. The motion being considered by the Committee represented a proposed update to the list presented in December 2004.

(b) Deferred Maintenance

A member asked whether enough was being done to deal with deferred maintenance. Professor Goel said that the University had approximately \$310 million in deferred maintenance related repairs required to its building stock on top of the \$700 million of new projects. However, some of the Capital Projects would incorporate deferred maintenance into their plans. Four years ago, Ms Riggall had prepared the *Crumbling Foundations* document, which had outlined the state of

4. Capital Plan 2006-2011/Real Estate Strategy/Borrowing Strategy (cont'd)

the buildings and physical infrastructure, and had provided a series of forecasts. At that time, an annual investment had been made in addition to the approximately \$5 million received from the Province. The strategy was to ensure that the level of deferred maintenance remained steady and was not increasing, whereas previously it had been accumulating. Ideally, the level of deferred maintenance would decrease, but for now it would continue to be monitored. The University had improved its forecasting of its needs with regards to utilities' infrastructure. A thirty-year plan for all three campuses of requirements for renewal of such facilities as physical plants and steam tunnels was in place.

On motion duly moved and seconded

YOUR COMMITTEE RECOMMENDS

THAT the updated Capital Projects List as described in Appendix 5 of the *Capital Plan 2006-2011* be approved.

Documentation is attached hereto as Appendix "A".

The Real Estate Strategy and Borrowing Strategy review documentation are attached hereto as Appendices "B" and "C".

7. Capital Project: Interim Project Planning Report: Faculty of Law

The Chair welcomed Professor Mayo Moran, Dean, Faculty of Law, and Ms Kate Hilton, Assistant Dean, Alumni and Development, to the meeting for this item.

Ms Sisam provided background information, explaining that a few years ago, the area identified as site 12 in the University's permitted development sites had been assigned on an interim basis to the Faculty of Law for its academic expansion so that fundraising could be initiated. Subsequently, in light of other developments and the apparent intensification of the development of areas adjacent to the University, the Dean's Advisory Committee had recommended last year that the Faculty should plan to expand facilities at the present site – 78 and 84 Queen's Park Crescent. The Project Planning Committee had continued to meet, and had prepared an interim plan to accommodate the Faculty at its existing location. Expansion on the site as it existed would be possible and was required due to the needs of approved and planned programs relating to the Faculty of Law's academic mission.

Ms Sisam reported that in the past, an area plan that identified development sites for the University had been prepared. However, the possibility of more intensive development of 78 and 84 Queen's Park Crescent had not been included in the discussions with the City of Toronto when the plan was developed. Additional development on the site would require planning approvals by the City, and the site was included in the University's review of its Campus Master Plan and related zoning requirements. The Faculty of Music had also identified that it required additional space to meet the requirements of their academic plan. To fully maximize institutional use in the precinct, balanced development would need to be considered, and the needs of both faculties, as well as others in the precinct, should be included in a comprehensive plan. The precinct was an interesting one; both Falconer Hall and Flavelle House were listed heritage buildings in the City of Toronto Inventory of Heritage Properties, and other heritage buildings were nearby. It was important that the proposed expansion carefully address the context of the site and limitations of the existing buildings. As such, a careful planning exercise would need to be undertaken, and approval on an interim basis would be necessary following a similar planning approach taken for the Department of Fine Art and Anthropology projects. Detailed discussions with the City

7. Capital Project: Interim Project Planning Report: Faculty of Law (cont'd)

regarding zoning would be required. Refinement of the space requirements, site analysis and related costs would also be necessary.

Professor Goel stressed that the report being considered was an interim one, and there was considerable work to be done around the space, site, zoning, and finalizing of costs. Possible plans with the Faculty of Music and other opportunities such as collaboration with the Royal Ontario Museum on the planetarium site would also need to be explored. All of these details would be clarified prior to the submission of the final project planning report for consideration.

The Chair invited Professor Moran to comment. Professor Moran stated that the proposal being brought forward was the result of a long process of consultation, planning and discussion. When she had begun her term as Dean over one year ago, she had struck an advisory committee to provide direction about a suitable location for the Faculty. Alumni, students, staff and faculty had all expressed great enthusiasm at the possibility of remaining on the current site. Although the site did pose some challenges, it would also offer great opportunities. The lack of adequate student space was of particular concern. With the growth of the Faculty's academic, extra-curricular, and co-curricular programs, the physical space and facilities could no longer support its programmatic needs. It was often necessary to reallocate student space for faculty offices and other activities. One significant benefit of the proposed expansion would be augmented student space.

A member asked why Falconer Hall (84 Queen's Park Crescent West) was included in the proposed motion, given the stated assumption in the space program that it would be vacated. Ms Sisam explained that it was necessary to consider 78 and 84 Queen's Park Crescent West together, since a comprehensive plan would be developed for the entire area. Professor Goel added that the plan, which involved vacating Falconer Hall, would require rezoning by the City. It was prudent to identify both sites in the motion, since that was the current location of the Faculty of Law. He emphasized that planning with the Faculty of Music would need to be conducted before a final report being submitted to the Planning and Budget Committee. Professor Moran stated that she had engaged in dialogue with the Dean of the Faculty of Music, and a parallel planning process would occur.

A member referred to the comparison in the interim project planning report of the Faculty of Law's space program to the Council of Ontario Universities (COU) space standards. It was noted that a number of the space program items, such as faculty offices, exceeded the COU benchmarks, and the member asked whether an explanation for the difference would be provided in the final planning report. Ms Sisam explained that the COU space standards were based on average sizes of facilities and generalized assumptions about utilization. The large size of the teaching complement at the Faculty of Law and its specific activities resulted in a need for additional space. Professor Goel added that the matter raised would be addressed, but he noted that in many instances, existing office spaces could not always be adjusted due to the nature of a heritage building.

On motion duly moved and seconded

YOUR COMMITTEE RECOMMENDS

THAT the Interim Project Planning Report for the Faculty of Law be approved in principle to accommodate the activities and functions described for the expansion of the School's programs at its present location at 78 and 84 Queen's Park Crescent West.

Documentation is attached hereto as Appendix "D".

8. Capital Project: Project Planning Report: Department of Anthropology, Hughes Building Phased Master Plan

Ms Sisam explained that in July 2006, at a special meeting of the Planning and Budget Committee, the Norman Hughes Building had been assigned to the Faculty of Arts and Science to accommodate the Department of Anthropology. The Committee had considered the needs of the Department of Anthropology, which was dispersed over ten locations across the campus. Approval had been given to assign the building to the Faculty of Arts and Science, as it would become available for reallocation upon completion of the Leslie L. Dan Pharmacy Building. However, the Committee had signaled that more work would need to be conducted prior to consideration of a final project planning report.

The Norman Hughes Building had been constructed in 1963, and it had received no major renovations since that time. The majority of the building had retained its original finishes and mechanical and electrical systems; therefore a great deal of deferred maintenance and upgrades would be required. Preliminary estimates for extensive renovations had been identified to exceed the anticipated budget for the project. A program that involved less extensive work to the building had been identified, and a phased approval had been planned. The proposed work retained the major building systems which would be repaired rather than replaced. Renovations were planned, and deferred maintenance projects would be undertaken, allowing use of the building for at least the next twenty years. Two classrooms in the building would be renovated for assignment by the Office of Space Management, and shelled laboratory spaces on the upper floors would be renovated at a later stage. The total project cost was \$9.76 million. Ms. Sisam noted that upon the release of space in the Sidney Smith Hall currently occupied by the Department of Anthropology, the space needs of other departments could be met.

A member inquired about the laboratories on the upper floors. Ms Sisam explained that the laboratories would be shelled in and would be ready to be outfitted at a later time.

On motion duly moved and seconded

YOUR COMMITTEE RECOMMENDS

1. THAT the Project Planning Report for the Relocation of the Department of Anthropology to the Norman Hughes Pharmacy Building be approved in principle.
2. THAT the project scope having a total space allocation of 3660 nasm/6100 gsm space program at a cost of \$9.76 million in 2006 dollars, be approved with funding to be provided as follows:

Faculty of Arts & Science	\$7.59 million
Facilities and Services (FRP)	\$2.0 million
Office of Space Management	\$0.17 million
3. THAT all space currently occupied by the Department of Anthropology be released and made available for reallocation to other units.

Documentation is attached hereto as Appendix "E".

9. Capital Project: Project Planning Report: Lash Miller Chemical Laboratories Undergraduate Laboratories, Final Phase

Ms Sisam indicated that the proposed Phase II project was the final renovation needed for the Lash Miller building. The Department of Chemistry intended to upgrade various existing undergraduate laboratories and support space to more effectively use those facilities. The Phase I renovation had been completed in Fall 2003, and had included an investment in the mechanical capacity (exhaust, supply, chilling, and heating) in preparation for Phase II. With the proposed renovations, the Department of Chemistry would be able to increase the capacity to serve large numbers of students in the laboratories, transforming their learning experiences in lab courses. The current plan addressed space and design inefficiencies and had taken care of deferred maintenance.

A member inquired about the outstanding funding request of \$3.5 million. Professor Sinervo replied that two proposals to the Academic Initiatives Funds (AIF) and Student Experience Fund (SEF) had been submitted. While it could not be assumed that the requests would be granted, the Faculty was optimistic that they would be. If unsuccessful, there would be a need to reconsider how the shortfall would be funded. Professor Goel noted that recommendations about the AIF and SEF would be made by the time the project planning report was considered by Governing Council at the end of March. Although the process was somewhat out of sequence, it would still proceed through the governance cycle; if approved, Phase II could then be ready for September 2007. If the funding was not realized and alternate sources not identified, the project would be delayed by at least an academic year.

Professor Goel emphasized that a significant number of students would benefit from the project, particularly the life sciences students. Professor Sinervo added that the instruction in chemistry at the undergraduate level would be unified for the first time in over one hundred years, as the Faculties of Applied Science and Engineering, Arts and Science, and Pharmacy student laboratories would all be taught in the same facility.

On motion duly moved and seconded

YOUR COMMITTEE RECOMMENDS

1. THAT the Project Planning Report for the Phase II Chemistry Undergraduate Practical Laboratory renovations be approved in principle.
2. THAT the total project scope consisting of approximately of 2,175 NASM with a Total Project Cost of \$5,000,000 be approved with the funding sources identified as:

FAS & Department of Chemistry (50%-50%)	\$1,080,000
Faculty of Engineering	\$ 350,000
Faculty of Pharmacy	\$ 70,000
Outstanding funding request	\$3,500,000
 Total	 \$5,000,000

Documentation is attached hereto as Appendix “F”.

10. School of Graduate Studies: Master of Arts Program in Cinema Studies

Professor Zaky advised members that the establishment of the Cinema Studies Institute as an Extra-Departmental Unit type B (EDU:B) within the Faculty of Arts and Science had been approved by the Planning and Budget Committee on December 5, 2006, and was currently proceeding through governance. As an EDU:B, the Institute would have the authority to offer academic programs, enroll students and administer research grants. Cinema Studies had been part of the undergraduate curriculum at the University of Toronto for over thirty years, and there was strong support for introducing a graduate program. The proposal for consideration was for a Master of Arts program in Cinema Studies with a cohort of up to twelve students in the initial year of the twelve-month-long program. Funding would be provided by the Faculty of Arts and Science.

Professor Sass-Kortsak informed members that the proposal had been approved by the Committee on Academic Policy and Programs on January 17, 2007, and explained that the motion being considered by the Planning and Budget Committee was concurrence with that recommendation. Professor Charlie Keil, Director, Cinema Studies Program, thanked the Committee for consideration of the proposal.

On motion duly moved and seconded

YOUR COMMITTEE CONCURS

With the recommendation of the Committee on Academic Policy and Programs

THAT the proposal for a Master of Arts (M.A.) in Cinema Studies program, effective September 1, 2007, be approved.

Documentation is attached hereto as Appendix "G".

11. Capital Project: Project Planning Committee for the Lillian Massey Building: Terms of Reference and Membership

The Committee received for information the membership and terms of reference for the Project Planning Committee for the capital project in the Lillian Massey building. Discussion with respect to the terms of the lease and the condition of the building took place. Specifically, a member asked whether the University of Toronto would lease the entire building from Victoria University, and what the long-term plan for the building was. Professor Goel stated that approximately one third of the building was on a long-term lease to Club Monaco, and they in turn had sub-leased sections to other tenants. The building was owned by Victoria University, but had been used by the University of Toronto in the past; in fact the name "School of Household Science" was engraved at the top. The University might want to obtain use of the whole space in the future, and Victoria was keen to have discussions about that prospect. Ms Riggall stated that the University did have the option to take over other space in the building when it became available. In response to an inquiry about the lease rate, Professor Goel noted that Ms Riggall had led the discussions, and had obtained a good lease rate.

Some members expressed concern about the state of the building and the financial impact of a potential renovation. One member wondered whether a capital investment would be required to refurbish the building, as it was quite old. Professor Goel acknowledged that some work would have to be done, but that it was possible for the University to occupy the building on an "as-is" basis. A major infrastructure investment would not be made at the current stage; the plan was simply to meet code and other requirements. Professor Sinervo added that he had recently toured

**11. Capital Project: Project Planning Committee for the Lillian Massey Building:
Terms of Reference and Membership (cont'd)**

the building and found that it was in quite good condition. It had been recently renovated, including new wiring and provisions for accessibility. A modest amount of work would be required, such as reconfiguring the space for a suitable office layout, but occupancy would be possible for a significant period of time.

12. Date of the Next Meeting (Tuesday, March 6, 2007)

The Chair reminded members of the information session on the implementation of the new budget model to be held on Tuesday, February 27, 2007 from 4:10 - 6:00 p.m. in the Council Chamber, and that the next regular meeting of the Committee was scheduled for Tuesday, March 6, 2007 at 4:10 p.m. in the Council Chamber.

13. Other Business

Professor Goel encouraged members to visit the Varsity Centre dome during the open house planned for Friday, February 2nd, and Saturday, February 3rd. Information was posted on the University's website¹, and free access would be available for a few weeks.

The meeting adjourned at 5:45p.m.

Secretary

Chair

March 12, 2007

¹ <http://www.utoronto.ca>