



University of Toronto

OFFICE OF THE VICE- PROVOST, SPACE AND FACILITIES PLANNING

TO: Academic Board

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DATE: May 20, 2005 for June 2, 2005

AGENDA ITEM: 15

ITEM IDENTIFICATION:

Capital Project: Relocation of Four Humanities Departments to the Medical Arts Building - Project Planning Report

JURISDICTIONAL INFORMATION:

Under the Policy on Capital Planning and Capital Projects, the Academic Board approves all capital projects following the review and recommendation to approve in principle undertaken by the Planning & Budget Committee.

PREVIOUS ACTION TAKEN:

In 2002 the University purchased the Medical Arts Building located at the north west corner of Bloor and St. George Streets. This is a ten storey building constructed in 1929, old, but reasonably well maintained with some 9300 rentable square metres. The property had been on the market for an extended period of time prior to the purchase, and the University, seriously short of space to accommodate academic programs and at front end of having to address the double cohort expansion, concluded that this would be a useful acquisition within the larger planning envelope. The building was also in close proximity to the Robarts Library and as such was seen as a potential home for humanities departments within the faculty of Arts and Science.

BACKGROUND:

The entire building [usually 95%] was leased at the time of purchase. All lease agreements were respected and could be renewed, at the request of the tenant, through to June, 2006. Many leases also extend well beyond June 2006 and these too will continue to be respected. As leases expired and were not renewed by the tenants, vacant suites, scattered throughout the ten storey building became available. These independent units were cleaned, repainted, carpeted and were available to accommodate faculty members within the Humanities, but concentrated specifically on the faculty members within the Department of English. This is not a satisfactory long term solution, but was recognized by all as a transition phase that would be greatly accelerated as the June 2006 date approached. At present the equivalent of at least one entire floor is being used by the Department of English.

A significant issue with respect to the renovation of the Medical Arts Building is what might be possible and how the renovation will be undertaken. The recommended approach, as more suites become available throughout the building, is to upgrade clusters of adjacent suites, and preferably to upgrade one entire floor at-a-time when all units on that floor become vacant and are available for upgrading. The other extreme option is to wait until the last lease is concluded, to vacate the building and to renovate the entire building as a single project undertaking. This would be the preferred route, but is costly and impractical as some leases continue for a further ten years, and the University requires the space as soon as possible. Other solutions have been contemplated that include the relocation of tenants within the building to clear floors for University use, however all these relocation costs would be the responsibility of the University.

The Project Planning Report defines the direction for the planned use of the Medical Arts Building. The plan is to relocate and consolidate the Departments of English, Philosophy, Religion and Linguistics to the Medical Arts Building. The Department of English would be located on floors 3, 4 and 5, Philosophy on floors 8 and 9 with Religion and Linguistics being located on the 6th and 7th floors. The entire ground level floor will continue to be leased as retail space to the present occupants. The Bank of Montreal, the prime lease holder on the ground floor, also occupies space on the second floor and that will continue. The tenth floor will be used to accommodate other university activities as well as academic centres in which the humanities departments within the Medical Arts Building [and other units] can participate.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

To the present time, each suite within the Medical Arts Building that has been assigned to the Faculty of Arts and Science has been renovated through the Property Management firm, hired to maintain the Medical Arts Building. In essence, Arts and Science is perceived simply as another new, but expanding tenant. The average cost of these renovations is estimated at \$720 per square metre. This approach will continue, but accelerated, as more units become available to house the four Humanities Departments. AFD approval will be secured incrementally for each small project as clusters of rooms are identified to be upgraded. The immediate intent is to now consolidate the Department of English on the 3rd, 4th and 5th floors starting with the 4th floor which will house the departmental offices; once the fourth floor is completed, the administrative offices of the Department of English will formally relocate and function from the Medical Arts Building. Consolidation will continue on floors 3 and 5. Similarly arrangements will be initiated to consolidate the eighth floor as the administrative home of the Department of Philosophy.

All projects that are advanced for consideration by the Planning & Budget Committee are evaluated against a stringent set of academic criteria. These criteria are detailed in the Capital Plan tabled at the Planning & Budget Committee, December 12th, 2004¹. The bringing together of four humanities departments within the Medical Arts Building and indeed the consolidation of each department within itself is fully consistent with objectives of the Stepping-Up initiatives and these academic criteria. A brief illustration of this potential impact is to recognize that the Department of English is presently scattered across 12 locations on campus and the Department of Philosophy is isolated on the upper floors of 215 Huron Street. The value of the consolidation of these units as well as sharing facilities within the Medical Arts Building by these units represents a major step forward.

¹ The nine criteria by which all capital projects are assessed are:

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| 1. Mission Objectives of the University, | 2. Policy Objectives & Legislative Requirements, |
| 3. Provincial Space Standards, | 4. Strengthening Scholarship, |
| 5. Providing Academic Leadership, | 6. Student Experience, |
| 7. Economic Consistency, | 8. Resources, |
| 9. Deferred Maintenance. | |

Borrowing capacity for the Capital Plan: The maximum borrowing capacity available to the University, as outlined in the Capital Plan presented to Planning & Budget on December 12th, 2004 was approximately \$112 million². At present the borrowing capacity as of March 31st, 2005 has been reduced to \$89 million. The Medical Arts Building is identified in the Capital Plan with a projected borrowing contribution of \$6 million, however, the Faculty of Arts and Science will fund these renovations as they proceed.

No funds are being requested at this time. The Project Planning Report is being tabled for approval in principle with the understanding that the project will proceed in small increments, with approval of the Accommodations and Facilities Directorate [AFD] as each subsequent cluster or floor is identified for upgrading and reassignment to the relevant Department. AFD is required to report annually to the Planning and Budget Committee on all project expenditures in excess of \$500,000. Should any of these smaller projects that make up the entire renovation of the Medical Arts Building exceed \$2 million, the project would be required to be submitted to the Planning and Budget Committee for approval.

Operating Costs: The estimated annual costs for the operation of the Medical Arts Building are \$ 13 per square foot comprising the caretaking services and utility costs, i.e. heat, hydro, water & gas. These numbers will be subsequently refined as the project is developed but no significant change is anticipated; the operating costs for the Medical Arts Building will be the responsibility of the tenants of the building, both internal and external.

RECOMMENDATIONS:

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

1. THAT the Project Planning Report to relocate and accommodate four Humanities Departments to the Medical Arts Building be accepted in principle.
2. THAT this approval in principle, consistent with policy, will allow the renovations to take place within the Medical Arts Building as approved independently by the Accommodations and Facilities Directorate.

² The Capital Plan data is based on all capital project approvals up to, but not including the Business Board approvals on November 8th, 2004.