

**FOR RECOMMENDATION**

**CONFIDENTIAL**

***IN CAMERA***

**TO:** Planning & Budget Committee

**SPONSORS:** Professor Scott Mabury, Vice President, University Operations

**CONTACT INFO:** 416-978-2031, [scott.mabury@utoronto.ca](mailto:scott.mabury@utoronto.ca)

**PRESENTER:** Christine Burke, Director, Campus and Facilities Planning

**CONTACT INFO:** 416-978-4333, [christine.e.burke@utoronto.ca](mailto:christine.e.burke@utoronto.ca)

**DATE:** November 25, 2016 for January 11, 2017

**AGENDA ITEM:** 8

**ITEM IDENTIFICATION:**

Additional Project Scope & Revised Total Project Costs - Capital Project: Report of the Project Planning Committee for the University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2)

**JURISDICTIONAL INFORMATION:**

Pursuant to section 4.2.3. of the Committee's terms of Reference, "...the Committee considers reports of project planning committees and recommends to the Academic Board approval in principle of projects (i.e. site, space plan, overall cost and sources of funds) ... Significant changes to a space program/approved project require the same level of approval as the original proposal."

Under the Policy on Capital Planning and Capital Projects, "...proposals for capital projects exceeding \$10 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. Normally, they will require approval of the Governing Council. Execution of such projects is approved by the Business Board. If the project will require financing as part of the funding, the project proposal must be considered by the Business Board."

**GOVERNANCE PATH:**

**A. Project Planning Report – Project Planning Report, Budget and Source of Funds**

1. **Planning and Budget [for recommendation] (January 11, 2017)**
2. Business Board [financing, for recommendation] (January 23, 2017)
3. Academic Board [for recommendation] (January 26, 2017)
4. Executive Committee [for endorsement and forwarding] (February 6, 2017)
5. Governing Council [for approval] (February 15, 2017)

## **B. Execution of the Project**

1. Business Board [for approval] (January 23, 2017)

### **PREVIOUS ACTION TAKEN:**

On May 11, 2015, the Project Planning Report for the University College Revitalization dated March 10, 2015 outlining the proposed revitalization plan for University College, and project scope of Phase 1 totaling 712 net assignable square metres (nasm) (950 gross square metres (gsm)) were confirmed by the Executive Committee, to be funded by Capital Campaign Funds, Provost's Central Funds, University College Operating Funds, and Faculty of Arts and Science Capital Funds. The focus of the Phase 1 project was to re-establish the Library within the East and West Hall and to improve accessibility.

On October 29, 2015, the Report of the Project Planning Committee for the University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2) dated September 8, 2015 was approved by Governing Council, to be funded by the same sources as previously approved. The combined Project scope of Phases 1 and 2 included the design and renovation of approximately 985 net assignable square metres (nasm) (1,266 gross square metres (gsm)). The additional scope focused on the creation of a conference centre at Croft Chapter House and its environs.

On April 14, 2016, the CaPS Executive Committee approved in principle additional project scope including: a) Renovation and restoration of two classrooms (originally included as part of Phase 4 of the Taylor Hazell Report); b) Upgrade to a full service elevator from a proposed limited-use, limited-access lift (LULA); c) Construction of the Third Floor Café; and, d) Design resolution of Secondary Effects related to these changes in project scope, as well as, consultant fees associated with the additional project scope.

### **HIGHLIGHTS:**

Discussion of the site and space plan can be found in the open session document for this project "Additional Project Scope & Revised Total Project Costs - Capital Project: Report of the Project Planning Committee for the University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2)", item 2, for this meeting.

### **FINANCIAL IMPLICATIONS:**

#### **a) Total Project Cost**

The total estimated project cost for the Project, Revised Phase 1 and Phase 2 Croft Chapter House of the University College Revitalization, including Additional Project Scope as outlined, is \$15.125 million. This represents a project budget increase of \$4.725 million, or a 45.4% increase, to the confirmed budget at \$10.4 million.

At the April 14, 2016 CaPS Executive meeting, an expenditure of up to \$200,000 in consulting fees included in the Total Project Cost, was approved to move forward with the design development of the additional project scope.

The project cost increase is allocated to the additional scope as follows:

Renovation and restoration of two classrooms	\$ 1,123,000
Upgrade to a full service elevator	\$ 585,000
Construction of the Third Floor Café and lounge	\$ 684,000
Design resolution of additional Secondary Effects	\$ 533,000
Deferred Maintenance Upgrades	\$ 915,000
<u>Other variances related to additional project scope</u>	<u>\$ 885,000</u>
<b>Total Project Cost increase</b>	<b>\$ 4,725,000</b>

### **b) Funding Sources**

The funding sources for the confirmed University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2) Project of \$10.4 million (August 19, 2015) included:

UC Boundless Capital Campaign	\$6,200,000
Provost's Central Funds	\$2,000,000
University College (Operating Funds)	\$1,200,000
<u>Faculty of Arts and Science (Capital Funds)*</u>	<u>\$1,000,000</u>
<b>Total</b>	<b>\$10,400,000</b>

The project budget increase of \$4.725 million, or a 45.4% increase, for a Total Project Cost of \$15.125 million is to be funded by as follows:

UC Boundless Capital Campaign**	\$5,655,000
Provost's Central Funds	\$2,000,000
University College (Operating Funds)	\$1,327,000
Faculty of Arts and Science (Capital Funds)*	\$3,090,000
University College Student Levy^	\$2,138,000
<u>Facilities &amp; Services Funds</u>	<u>\$ 915,000</u>
<b>Total</b>	<b>\$15,125,000</b>

### **c) Operating Costs**

Annual operating costs are estimated to be \$102 per gross square metre (2015). The approximate gross to nasm ratio of University College is 2.11, which results in an operating cost of \$215.48 per net assignable square metre (2015). It is estimated that the energy costs for the additional air-conditioning capacity will be approximately \$8,000 per year while the costs for maintenance to the additional equipment and elevator will increase costs by \$8,300 per year for an increased annual operating cost of

\$103 per gross square metre or \$217.60 per net assignable square metre. The additional projected cost will be assumed by the Faculty of Arts and Science.

**RECOMMENDATION:**

Be It Recommended

THAT the project scope to accommodate the Additional Scope of the Revised Phase 1 and Phase 2 Croft Chapter House of the University College Revitalization totaling 1,393 net assignable square metres (nasm) (1,817 gross square metres) (gsm)) at a revised total project cost of \$15.125 million, to be funded as follows, be approved in principle:

UC Boundless Capital Campaign**	\$5,655,000
Provost's Central Funds	\$2,000,000
University College (Operating Funds)	\$1,327,000
Faculty of Arts and Science (Capital Funds)*	\$3,090,000
University College Literary & Athletic Society Special Project Levy^	\$2,138,000
Facilities & Services Funds	\$ 915,000
<b>Total</b>	<b>\$15,125,000</b>

*\*Note: \$1.0 million of the Faculty of Arts and Science contribution was contingent on project feasibility to relocate the School of Public Policy and Governance and the Mowat Centre in the Laidlaw Wing. Should the SPPG project prove not to be viable, the funding commitment from the Faculty stands in place for another use of the Laidlaw Wing to be agreed upon with University College. An RFP for architectural design services was issued in early November, 2016.*

*\*\*Note: The UC Boundless Capital Campaign Fund has reduced from \$6.2 million (in the previous approval) to \$5.655 million. UC Operating Funds would cover any shortfall of this fundraising target.*

*^Note: University College Literary & Athletic Society Special Project Levy is to be collected over twenty years and will therefore require borrowing.*

**DOCUMENTATION PROVIDED:**

- University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2): Additional Project Scope, dated November 11, 2016
- Report of the Project Planning Committee for the University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2), dated September 8, 2015 (available upon request)