

**FOR RECOMMENDATION**

**CONFIDENTIAL**

***IN CAMERA***

**TO:** Business Board

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

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

**PRESENTER:** See above

**CONTACT INFO:**

**DATE:** January 12, 2017 for January 23, 2017

**AGENDA ITEM:** 17(a)

**ITEM IDENTIFICATION:**

Capital Project: University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2)  
– **Revised Total Project Cost and Financing Requirement**

**JURISDICTIONAL INFORMATION:**

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 the Governing Council on the joint recommendations 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”;

“...for projects requiring Level 3 approval, any budget increase exceeding the lesser of 10% or \$3M of the original total project cost, and where funds are available, must be 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 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 focusing on re-establishing the Library within the East and West Hall and improving accessibility with a project scope totaling 712 net assignable square metres (nasm) (950 gross square metres (gsm)) were confirmed by the Executive Committee, to be funded as follows:

Boundless Capital Campaign Funds	\$ 2,500,000
Capital Campaign Funds (Arts and Science & University College)	\$ 2,225,000
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>
Total	\$ 8,925,000

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 as follows:

Capital Campaign Funds	\$ 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>
Total	\$10,400,000

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:**

Approval is currently being sought to include the design and implementation of additional scope totaling 408 net assignable square metres (nasm) (551 gross square metres (gsm)). The combined Project scope

of Phases 1 and 2, and additional project scope totals 1,393 net assignable square metres (nasm) (1,817 gross square metres (gsm)).

The additional project scope includes the following:

- a) Renovation and restoration of two classrooms (UC179 & UC179A);
- b) Upgrade to a full service elevator from a proposed limited-use, limited-access lift (LULA);
- c) Construction of the Third Floor Café and lounge between the East and West Halls;
- d) Design resolution of Secondary Effects related to these changes in project scope.

## **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:

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

*Capital Project: University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2) - Revised Total Project Costs & Financing*

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

**RECOMMENDATION:**

Be It Recommended to the Governing Council

THAT the University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2) Project with a revised space program totaling 1,393 net assignable square metres (1,817 gross square metres), be approved in principle with a revised total project cost of \$15,125,000, including a maximum amount of long term financing not to exceed \$2,138,000.

**DOCUMENTATION PROVIDED:**

- University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2): Additional Project Scope, dated November 11, 2016