

**FOR APPROVAL**

**CONFIDENTIAL**

***IN CAMERA***

**TO:** Business Board

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

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**PRESENTER:** As above

**CONTACT INFO:**

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

**AGENDA ITEM:** 17(b)

**ITEM IDENTIFICATION:**

Capital Project: University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2)  
[Revised Total Project Costs] – **Execution of the Project**

**JURISDICTIONAL INFORMATION:**

Section 5.2 (b) of the *Terms of Reference* for the Business Board states that the Board is responsible for "approval of capital expenditures for, and the execution of, approved projects, as required by approved policies."

Under the *Policy on Capital Planning and Capital Projects*, "...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."

**GOVERNANCE PATH:**

**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:

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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:**

See the “Highlights” section of the cover sheet for the “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)” – Revised Total Project Cost and Financing Requirement, *in camera* item 17(a), 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.

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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
<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 Literary & Athletic Society	
Special Project 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.

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**RECOMMENDATION:**

Be It Resolved

Subject to Governing Council approval in principle of the project

THAT the Vice-President, University Operations be authorized to implement the project to accommodate the Additional Scope of the Revised Phase 1 and Phase 2 Croft Chapter House of the University College Revitalization, at a revised total project cost of \$15,125,000.

**DOCUMENTATION PROVIDED:**

None