

**FOR APPROVAL**

**CONFIDENTIAL**

***IN CAMERA***

**TO:** Business Board

**SPONSOR:** Professor Scott Mabury, Vice President, Operations & Real Estate Partnerships

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

**PRESENTER:** Gilbert Delgado, Chief, University Planning Design and Construction  
Adrienne De Francesco, Executive Director, Capital Projects

**CONTACT INFO:** 416-978-2011, [gilbert.delgado@utoronto.ca](mailto:gilbert.delgado@utoronto.ca)  
416-978-8228, [a.defrancesco@utoronto.ca](mailto:a.defrancesco@utoronto.ca)

**DATE:** April 11, 2019 for April 23, 2019

**AGENDA ITEM:** 16(b)

**ITEM IDENTIFICATION:**

Capital Project: *Student Commons located at 230 College Street* (Revised Total Project Cost) – 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.”

**GOVERNANCE PATH:**

- 1. Business Board [for approval] (April 23, 2019)**

**PREVIOUS ACTION TAKEN:**

The Report of the Project Planning Committee for the Student Commons at 230 College Street was considered in Cycle 6 of the 2012-13 governance year. At the June 17, 2013 Executive Committee meeting it was determined that consideration of the project would be deferred to a future cycle of governance.

At the February 9, 2015 meeting of the Executive Committee it was determined that the Report should go forward to the Governing Council for approval at its next meeting. The project was approved at Governing Council on February 26, 2015.

Business Board, April 23, 2019:  
*Capital Project: Student Commons located at 230 College Street (Revised Total Project Cost)*  
– Execution of the Project

**PREVIOUS ACTION TAKEN continued:**

At the March 8, 2019 meeting of the Executive Committee of the Capital Project and Space Allocation Committee (CaPS) the increase was approved.

**HIGHLIGHTS:**

See the “Highlights” section of the cover sheet (*In Camera* Item 16(a)) for the Capital Project: *Student Commons located at 230 College Street (Revised Total Project Cost)* – Financing Requirement

**FINANCIAL IMPLICATIONS:**

**a) Total Project Cost**

The original Total Project Cost for the Student Commons at 230 College Street is \$20 million. The revised Total Project Cost is \$24.5 million based on a 22.5% increase (\$4.5 million).

Of note, the additional 10% or \$2 million of the original Total Project Cost, under the authority to be approved by the Vice-President, Operations and Real Estate Partnerships, has been spent to date so as not to disrupt the construction phase.

**b) Funding Sources**

The \$20 million original Total Project Cost as approved at Governing Council on February 26, 2015 is being funded through:

- Approximately \$2.0-million from the Student Commons Capital Cost Student Levy support already collected, and
- Approximately \$18.0-million debt to be repaid with interest over a period of approximately 25 years with payment of required principal and interest payments to be funded from the planned student levy income, with that student levy income continuing until the debt is fully repaid.

The contributions from the Central Funds are to cover costs associated with space being used by the University within the building.

The project budget increase of \$4.5 million, or a 22.5% increase, for a Total Project Cost of \$24.5 million is to be funded by as follows:

Student Commons Capital Cost Student Levy collected	\$ 2,000,000
UTSU Debt funded through student levy*	\$ 20,311,849
Facilities and Services Deferred Maintenance	\$ 1,700,000
<u>Central Funds</u>	<u>\$ 488,151</u>
Total	\$ 24,500,000

\*Note: To be repaid with interest over a period of approximately 25 years with payment required principal and interest payments to be funded from the planned student levy income, with that student levy income continuing until the debt is

Business Board, April 23, 2019:

*Capital Project: Student Commons located at 230 College Street (Revised Total Project Cost)*  
– *Execution of the Project*

fully paid. The levy has an escalation clause whereby UTSU can increase the fee by up to 10% per year. The modeling shows that the revised amount can be covered within that 10% cost escalation. Therefore, no new referendum or agreement is needed. Also note that due to the delay in construction, there was a larger than anticipated initial “down payment” for the project.

**c) Operating Costs**

No changes to operating costs to report.

**RECOMMENDATION:**

Be It Resolved:

Subject to Governing Council approval in principle of the project,

THAT the Vice-President, Operations and Real Estate Partnerships be authorized to implement the project to accommodate the project budget increase of the *Student Commons located at 230 College Street*, at a revised total project cost of \$24.5 million.

**DOCUMENTATION PROVIDED:**

- *None.*