

FOR RECOMMENDATION

CONFIDENTIAL

IN CAMERA SESSION

TO: Planning & Budget Committee

SPONSOR: Professor Scott Mabury, Vice President, University Operations

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PRESENTER: Sally Garner, Executive Director, Planning and Budget

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DATE: March 18, 2014 for April 2, 2014

AGENDA ITEM: 9

ITEM IDENTIFICATION:

The Relocation of the John H. Daniels Faculty of Architecture, Landscape and Design to One Spadina Crescent (Phase 2) – Sources of Funding and Total Project Cost

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. space plan, site, overall cost and sources of funds).”

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 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

1. **Planning and Budget [for recommendation] (April 2, 2014)**
2. Academic Board [for recommendation] (May 1, 2014)
3. Business Board [for recommendation] (March 31, 2014)
4. Governing Council [for approval] (May 22, 2014)

B. Execution of the Project

1. Business Board [for approval] (March 31, 2014)

Planning and Budget Committee – Capital Project: Report of the Project Planning Committee for the Relocation of the John H. Daniels Faculty of Architecture, Landscape and Design to One Spadina Crescent (Phase 2)

PREVIOUS ACTION TAKEN:

In April 2011, Governing Council approved the transfer of Site 07 (One Spadina Crescent) to the John H. Daniels Faculty of Architecture, Landscape and Design, with the Faculty of Arts and Science program in Visual Art.

In May 2013, Governing Council approved in principle the Project Planning Report for the relocation of the John H. Daniels Faculty of Architecture, Landscape and Design to One Spadina, and in addition, approved in principle the Phase One project scope totalling 4,600 gross square metres (approximately 2,100 net assignable square metres), with a total project cost of \$23.8 million, to be funded as follows:

Capital Campaign pledges to date	\$10.0 M
Provostial Central Funds	\$2.0 M
Graduate Expansion Funds	\$2.0 M
Deferred Maintenance Fund	\$3.5M
Borrowing	\$6.3 M
TOTAL	\$23.8 M

HIGHLIGHTS

Discussion of the space plan and site can be found in the open session document for this project “Capital Project: Relocation of the John H. Daniels Faculty of Architecture, Landscape and Design to One Spadina Crescent – Phase Two”, item 4, for this meeting.

FINANCIAL IMPLICATIONS

a) Total Project Cost Estimate

The project planned for Site 7 comprises two distinct phases:

Phase 1, with a space program of 2,100 nasm (4,600 gsm) and total estimated cost of \$23.8 million, was approved by Governing Council in May 2013.

Phase 2, consisting of the demolition of 4,100 gross sq.m. and new construction with a space program currently estimated at 4,690 nasm (6,790 gross), has an estimated total project cost of \$40.16 million.

The proposed Total Project Cost (TPC), for the two phases, has been established at \$63.96 million.

b) Funding Sources

The funding sources for Phase One were as follows:

Capital Campaign pledges to date	\$10.0 M
Provost Central Funds	\$2.0 M
Graduate Expansion Funds	\$2.0 M
Deferred MaintenanceFund	\$3.5 M
Borrowing	\$6.3 M
Total	\$23.8 M

Planning and Budget Committee – Capital Project: Report of the Project Planning Committee for the Relocation of the John H. Daniels Faculty of Architecture, Landscape and Design to One Spadina Crescent (Phase 2)

The funding sources for Phase Two are as follows:

Capital Campaign pledges to date	\$11.875 M
Capital Campaign Outstanding	\$19.125 M
Provost Central Funds	\$3.360 M
Graduate Expansion Funds	\$2.000 M
Deferred Maintenance Fund	.600 M
Borrowing	\$3.200 M
Total	\$40.160 M

Note: any outstanding advancement sums will require financing at time of construction

The combined funding for the two phases is:

	Existing One Spadina	Demolition Plus New Building	Total Project
Capital Campaign pledges to date	\$10.0	\$11.875	\$21.875
Capital Campaign Outstanding		\$19.125	\$19.125
Provost Central Funds	\$2.0	\$3.360	\$5.360
Graduate Expansion Funds	\$2.0	\$2.000	\$4.000
Deferred Maintenance Fund	\$3.5	.600	\$4.100
Borrowing	\$6.3	\$3.200	\$9.500
Total	\$23.8	\$40.160	\$63.960

RECOMMENDATIONS:

Be It Recommended to the Academic Board:

1. THAT Phase 2 of Relocation of the John H. Daniels Faculty of Architecture Landscape and Design to One Spadina Crescent with a space program of 4,690 nasm (6,790 gsm) and demolition of 4,100 gross sq.m. be approved in principle with a total project cost for Phase 2 of \$40.16 to be funded as follows:

Capital Campaign pledges to date	\$11.875 M
Capital Campaign Outstanding	\$19.125 M
Provost Central Funds	\$3.360 M
Graduate Expansion Funds	\$2.000 M
Deferred Maintenance Fund	.600 M
Borrowing	\$3.200 M
Total	\$40.160 M

Note: any outstanding advancement sums will require financing at time of construction

DOCUMENTATION PROVIDED:

- Report of the Project Planning Committee for the Relocation of the John H. Daniels Faculty of Architecture, Landscape and Design to One Spadina Crescent, dated March 29, 2013.