



FOR APPROVAL

STRICTLY CONFIDENTIAL

TO: Planning and Budget Committee

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DATE: April 30, 2013 for May 15, 2013

AGENDA ITEM: 13

ITEM IDENTIFICATION:

The Report of the Project Planning Committee for the Student Commons at 230 College Street – Financial and Planning Implications and Funding Sources.

JURISDICTIONAL INFORMATION:

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). 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.

BACKGROUND:

This item anticipates that the motion before the Committee to recommend for approval in principle the Project Planning Committee Report for the Student Commons at 230 College Street, dated April 16, 2013 has been approved. As well, it is anticipated that this project, with a scope totalling 6,735 gross square metres of renovations and an approximately 600 gross square metre addition (approximately 3,439 nasm), has also been approved in principle.

FINANCIAL AND PLANNING IMPLICATIONS:

a) Total Project Cost Estimate

The total estimated project cost for the facility (6,735 gross square metres of renovations and approximately 600 gross square metre addition) is \$20M.

In order to fulfill expected building code requirements, and also to provide accessibility to every floor, the budget for the project assumes a narrow service addition to the building at the East side that will house an exit stair and elevator, and a service entrance at grade. At floors 3 and 4 this addition will provide exits from both North and South wings of those floors and on other floors provide a second exit as required. Elevator access will be provided for all floor levels. The assumption is that this can be accommodated in an addition of approximately 4m x 20m having 7 levels.

Within the existing building a range of renovations will occur, from almost none to fairly significant. Additionally a variety of building code issues will be addressed – exiting, sprinklering, fire alarm system, and the provision of accessible washrooms on each floor. It is assumed that the existing NW stair will act as one of the required exits, with the lobby to Huron Street getting fire separation upgrades as required. The existing main south stair can revert to being a convenience stair only.

All areas of renovation will receive new flooring, lighting and paint. The existing air-conditioning systems will remain, with the addition of new capacity to serve the upper floors. Plumbing and washrooms will be renovated. Electrical systems will be replaced as required and new data and telephone wiring added.

The roofing and masonry are considered to be in good condition, but the budget allows for the replacement of windows throughout with modern, more efficient units.

With respect to sitework, the budget allows for new paving to the east lane and a minor realignment of the planter bed at Fields to the east, to properly align the lane. Otherwise there is only fairly minor landscaping around the remainder of the site. The West entry could receive a canopy and possibly some signage feature making it more prominent to people on Huron St.

Other notable assumptions are as follows:

- The main floor west side office suite will remain as is.
- The NE tiered lecture room will have its tiered floor demolished and replaced by a new flat floor.
- The second floor west side offices will also remain generally as they are. The South conference room will be retained.
- A “walled garden” rooftop patio will be created at the 3rd floor level.
- The 4th floor will be divided up for club space – could be part height partitioning.
- The project goal is to attain LEED Gold certification.

b) Building Operating Costs

The 2012-2013 Building Operating Costs at 230 College Street for the John H. Daniels Faculty of Architecture, Landscape and Design have been calculated at \$155/nasm (includes cleaning, building maintenance and utilities, excludes Shared Services fees). Because the space program for Student Commons at 230 College Street requires a higher level of environmental control than currently exists, and because there will be changes in use, once the renovation is complete the operating cost of the space may increase. It is expected that even with an approach that targets significant sustainable design and energy conservation measures, the new costs are likely to increase. Operating costs for the facility could be comparable to that for the Faculty of Social Work, which, prorated for comparison’s sake, are \$166/nasm for 2012-2013. However, the actuals will be determined on an annual basis.

For reference, 2012-2013 occupancy costs under the student services fee for the range of current UTSU (the Students’ Administrative Council of the University of Toronto is operating under the name University of Toronto Students’ Union) and related groups located across campus that will move into the new Student Commons are an average of \$143/nasm.

SAC’s referendum question included a provision for operating and capital renewal costs of the Student Commons. Upon opening of the Commons, every full-time undergraduate on the St. George Campus will be charged \$6.50 per session as part of the overall Student Commons. This portion is also subject to

the annual inflationary increases described below. It is anticipated that Student Commons Operating Cost Levy revenues may be insufficient to cover the full extent of projected operating costs in the first years but that other revenues earned by UTSU in operating the Student Commons will offset the difference.

c) Funding Sources

Fundraising for the project was addressed by an UTSU-held referendum in October 2007, in which students voted in favour of the establishment of the levy for a Student Commons. The Levy was then approved by the University Affairs Board (UAB) in April 2008. Beginning in fall 2008 the UTSU fees for full time undergraduates on the St. George Campus would include “a new designated portion of the fee for the Student Commons Project of \$5.00 per session increasing to \$20.75 per session in the session in which the Student Commons open.” (The \$20.75 fee consists of \$14.25 for construction and \$6.50 for operating and capital renewal.)

The referendum question included a provision for the levy to be “adjusted annually to a maximum of ten percent (10%) in order to address inflationary cost increases.”

The funding will be from sources as follows:

- Approximately \$2,000,000 from the Student Commons Capital Cost Student Levy support already collected, and
- Approximately \$18,000,000 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.

RECOMMENDATIONS:

Be It Recommended to the Academic Board:

THAT the project scope to accommodate the Student Commons in a renovation comprising 6,735 gross square metres of renovations and an approximately 600 gross square metre addition (approximately 3,439 nasm), be approved in principle, as outlined in the Project Planning Report dated April 16, 2013, with a total project cost of \$20 million, to be funded as follows:

- Approximately \$2,000,000 from the Student Commons Capital Cost Student Levy support already collected, and
- Approximately \$18,000,000 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.