



FOR RECOMMENDATION

CONFIDENTIAL

IN CAMERA

TO: Business Board

SPONSOR: Scott Mabury, Vice President, University Operations
CONTACT INFO: 416-978-7116, scott.mabury@utoronto.ca

PRESENTER: As above
CONTACT INFO:

DATE: June 1 for June 16, 2016

AGENDA ITEM: 13e (ii)

ITEM IDENTIFICATION:

Capital Project: One Spadina Crescent - John H. Daniels Faculty of Architecture, Landscape and Design (FALD) – Execution of 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:

A. Revised Total Project Costs

1. Business Board [for approval] (June 16, 2016)

B. Execution of the Project

1. Business Board [for approval] (June 16, 2016)

PREVIOUS ACTION TAKEN:

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.

In May 2014, Governing Council approved in principle, the Phase 2 relocation of the John H. Daniels Faculty of Architecture, Landscape and Design to One Spadina with a space program of 4,690 nasm with a total project cost of \$40.16 million.

On September 21, 2015, the project was brought to Business Board for approval since it was necessary to increase the Total Project Cost by more than 10% of the original Total Project Cost for both phases. The increases at that time were due to: Heritage Building unanticipated infrastructure repairs, Impact of the phasing of the project and Tender results which came in higher than budgeted/expected due to design complexity, market conditions, escalation and currency variation in the US-Canadian dollar.

Phases One & Two:

Capital Campaign pledges to date	\$22.177 M
Capital Campaign Outstanding	\$10.00 M
Provost Central Funds	\$ 6.11 M
Graduate Expansion Funds	\$ 4.0 M
Deferred Maintenance Fund	\$ 4.1 M
Financing	\$ 27.913 M
Total	\$74.3 M

HIGHLIGHTS:

- see above

FINANCIAL IMPLICATIONS:

a) Total Project Cost Estimate

The Total Project Cost (TPC), for the two phases, is proposed to be \$81.7 million which is an increase of \$7.4M over the current TPC which is \$74.3 million. The additional costs are as follows:

- \$2.0M for schedule extension relating to Phase 2
- \$1.6M for unrealized design savings

- \$2.4M for contingency to cover authorities having jurisdiction and design site conditions
- \$1.4M is being included in anticipation of possible escalation of costs and contingencies.
\$7.4M

The new TPC for Phase One and Phase Two together is proposed as:

b) Funding Sources

The funding sources for the project are as follows:

Capital Campaign pledges to date	\$22.177 M
Capital Campaign Outstanding	\$10.00 M
Provost Central Funds	\$ 6.11 M
Graduate Expansion Funds	\$ 4.0 M
Deferred Maintenance Fund	\$ 4.1 M
Financing	<u>\$ 35.313 M</u>
Total	\$81.7 M

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

RECOMMENDATION:

Be It Resolved

THAT the Vice-President, University Operations be authorized to implement the project for Phases 1&2 of One Spadina Crescent, John H. Daniels Faculty of Architecture Landscape and Design with a revised total project cost of \$81,700,000.

DOCUMENTATION PROVIDED:

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