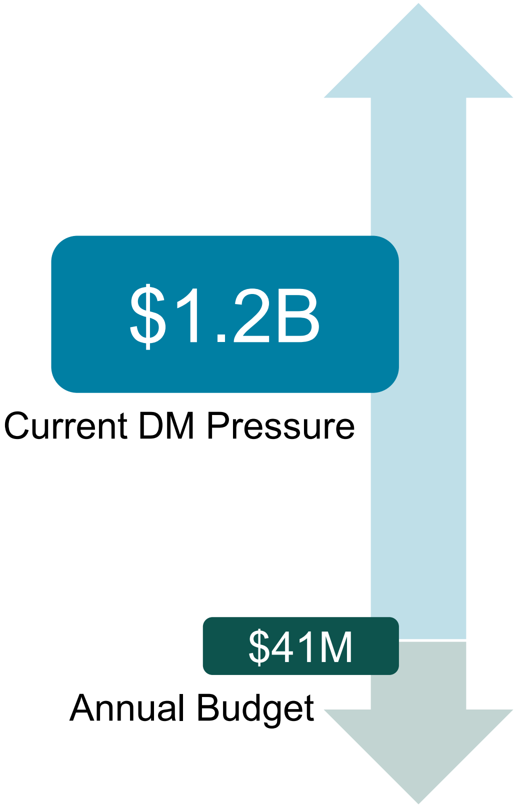
Making a dent in U of T's deferred maintenance backlog (while we can)

UNIVERSITY OF TORONTO | Facilities & Services

Executive Summary

Key Challenge



Key Components

- The proposed program would address $300M in Deferred Maintenance on the St George Campus
- Seeking $250M in debt room
  - $200M for UTSG, and
  - $50M UTM/UTSC/Residences
- UTM/UTSC to manage program through their local processes
- Residences must show ability to repay debt allocation

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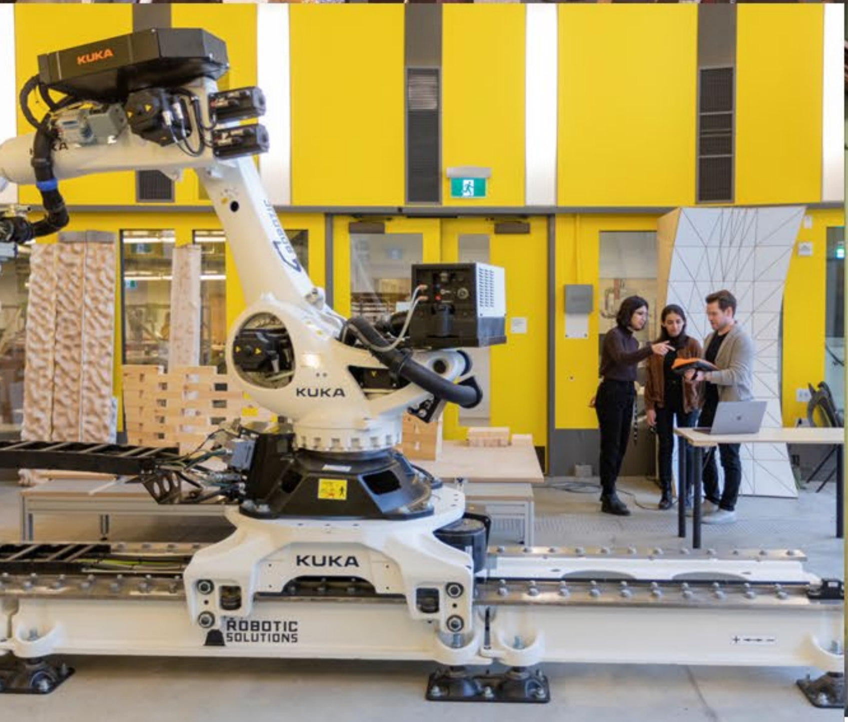
TORONTO
Congratulations to all our graduates


KUKA
KUKA
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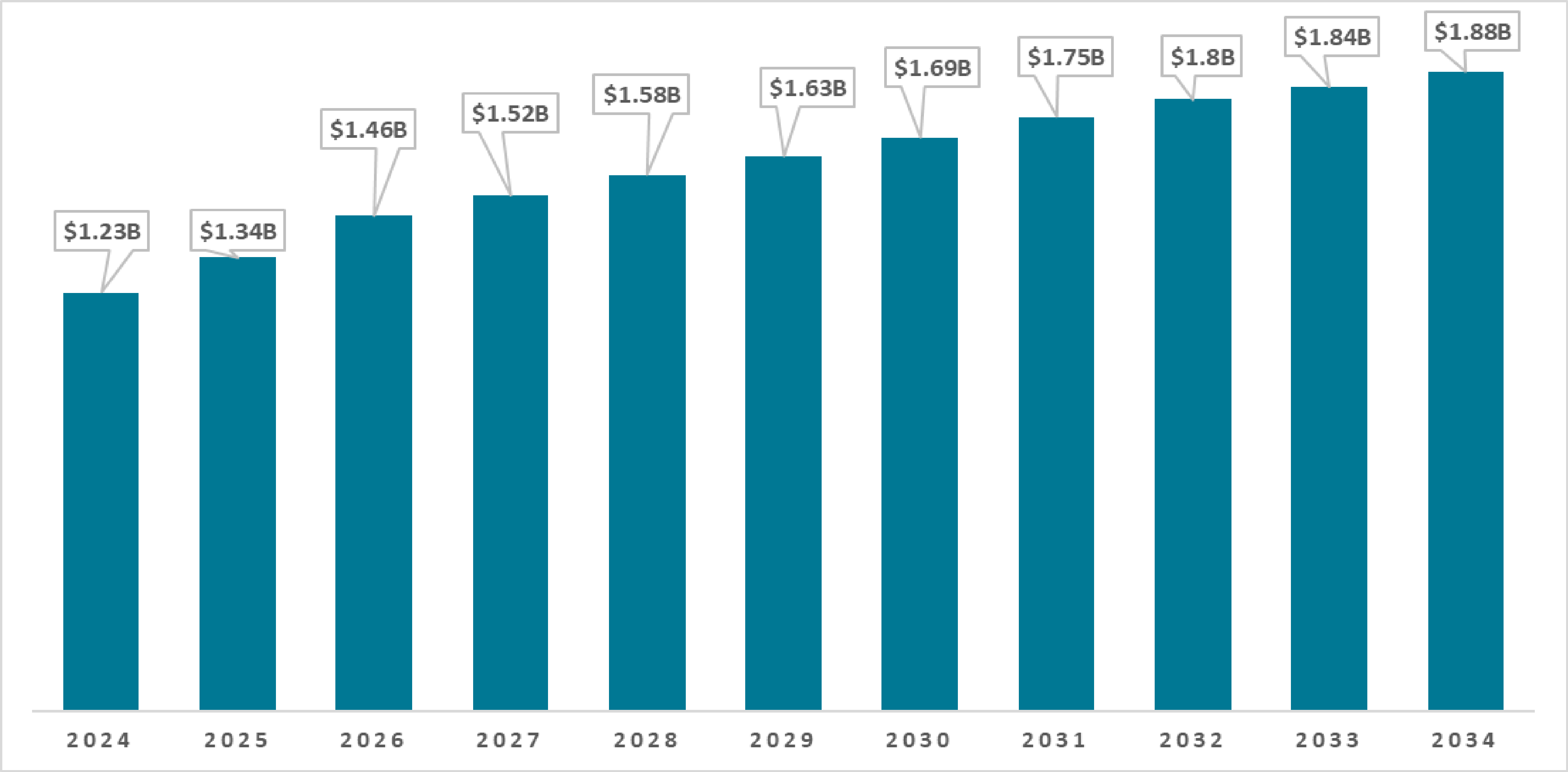
ROBOTIC SOLUTIONS


Previous leaks,
with repairs

The St. George backlog is projected to grow by $650M by 2034



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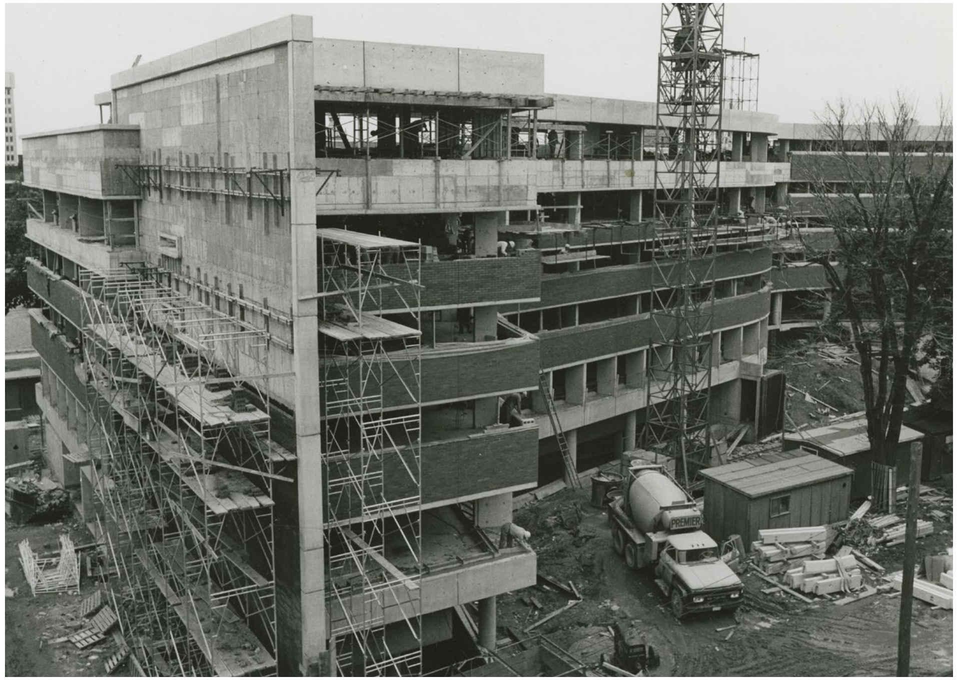
Building systems from two construction booms are approaching obsolescence simultaneously

POST-WAR



New College, 1968

EARLY 21ST CENTURY

Leslie L. Dan Pharmacy Building, 2006

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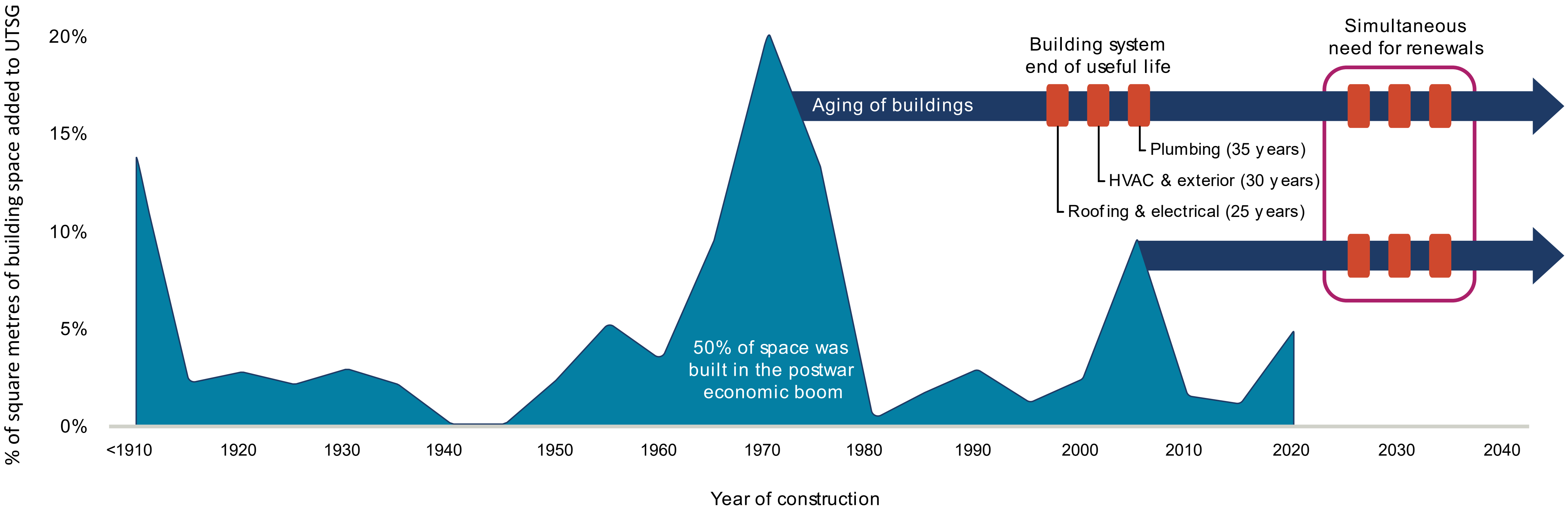
Incoming waves of renewals are growing our backlog



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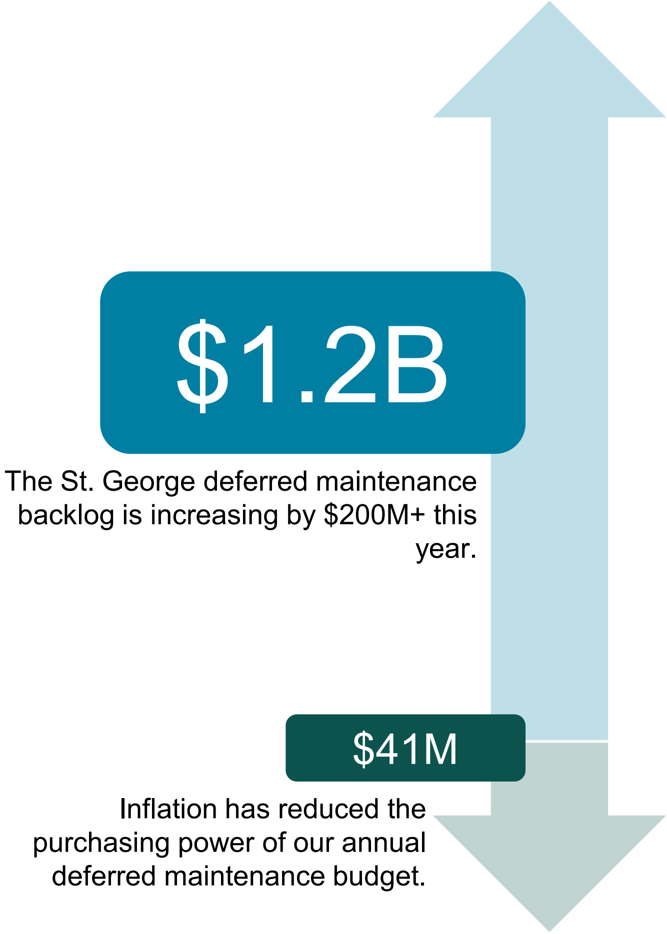
In summary:

A growing gap between need and funding



Our backlog of deferred maintenance is:

- Large due to years of underfunding
- Quickly growing as many building systems simultaneously reach obsolescence

Meanwhile, our capacity to address the backlog now and into the future is diminishing as:

- Inflation continues to erode our purchasing power
- We face significant fiscal pressures
- No government support for infrastructure is coming

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We have a small window to make a significant dent in the backlog

We are proposing a $300M program for UTSG that will address a significant amount of deferred maintenance over three years

✓ Supported by leveraged financing without impact to concurrent projects and aligned with the University’s debt policy

✓ Sufficient to address highest priority assets using the existing prioritization model

✓ Potential to yield co-benefits such as annual energy savings, increased flexibility and reduced costs of future capital upgrades

✓ Managed to budget, not to scope

✓ Equal to ~$600M in upgrades in 2050

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Today, we prioritize funding for assets with highest risk of failure and greatest potential impact on the University

As part of our annual deferred maintenance program, each asset is assigned a weighted risk score of one to five based on the following criteria:

- The **physical condition** of the asset based on the facilities condition audit
- The **current use** of the facility that prioritizes academic and research functions
- The **future use** of the building based on the University's capital plan
- If the asset fails, the severity of **impact on building occupants and other building systems**

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Proposed project schedule & expenses

Planning & approval

2024/25 FY
Program development and governance approval

Design & implementation

Launch May 2025

Design development and delivery

- Wave one
- Wave two
- Wave three

Target Completion Fiscal 2027/28

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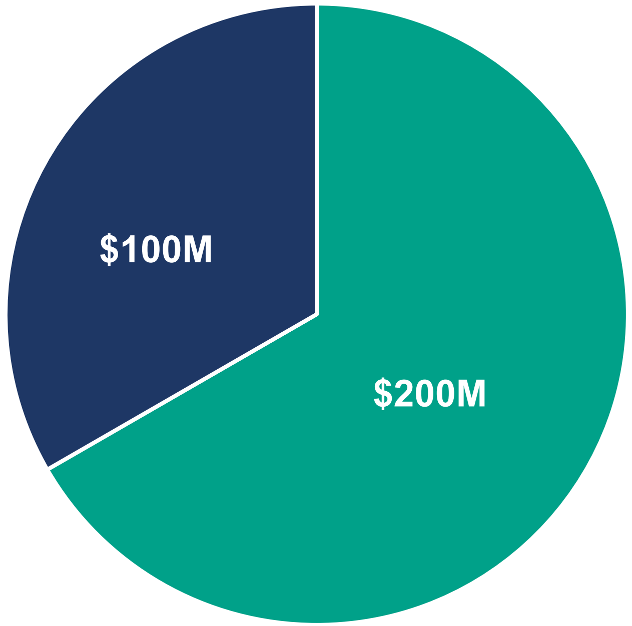
Proposed financing plan

One third – from DM budget

- Partially leverage annual DM budget and future energy savings



Two thirds – financing

- Finance $200M over 25 years
- Annual principal & interest payments of $17M
    - Fully covered by annual DM budget and utilities savings

Principles for selection & execution

- Take an institutional lens to reduce overall campus risk
  - Use existing risk-based prioritization system to select projects based on greatest need and maximum impact on academic mission
  - Ensure a transparent and collaborative project selection approach
- Funding will be used exclusively for deferred maintenance projects, not new spaces or expansion
- Maximize opportunities to increase climate resilience and energy efficiency
- Commit to projects in phases to ensure ability to stay flexible and within budget


MAXIMUM
30