



University of Toronto

OFFICE OF THE VICE-PROVOST, SPACE AND FACILITIES PLANNING

TO: University Affairs Board

SPONSOR: Ron Venter, Vice-Provost, Space and Facilities Planning

CONTACT INFO: 416-978-5515; ron.venter@utoronto.ca

DATE: May 20th, 2003 for June 3rd, 2003

AGENDA ITEM: #4

ITEM IDENTIFICATION:

Project Planning Report Addendum for the Student Centre at the University of Toronto at Scarborough [UTSC].

JURISDICTIONAL INFORMATION:

Campus and Student Services, which include residences, fall within the responsibility of the University Affairs Board. Under the Policy on Capital Planning and Capital Projects, the Board reviews the Project Planning Report prepared for a capital project that falls within its areas of responsibility and concurs with the recommendation of the Academic Board for approval in principle of the project. The University Affairs Board also reviews all *changes of scope* in capital projects.

PREVIOUS ACTION TAKEN:

In late 2001 the Project Planning Report to establish a new Student Centre Building at the University of Toronto at Scarborough was approved by the Academic and the University Affairs Boards respectively. The proposed student center comprised 2,418 net assignable square metres, or approximately 4,352 gross square metres, on a site facing Military Trail, adjacent to the Recreation Centre and connected to the Bladen Building on the UTSC campus. This significant entrance site had been identified for this purpose in the UTSC Campus Master Plan 2001.

The total project cost was estimated at \$13,923,000 in 2003 dollars with the point of tender being January 2003.

BACKGROUND:

During the implementation process a consultant was engaged to recommend a food service

26467

strategy for the new Student Centre that would ensure the provision of quality food operations. The Swanston Report examined the optimum mix of services, operating structure and service specifications and also tabled recommendations regarding the other revenue generating services. It was concluded that it would be preferable for an effective and flexible business operation to enlarge the kitchen facilities of the Pub/Café and to allocate more space to the food franchises. The current design of the building reflects these recommendations. It results in an increase of 228 net assignable square metres [nasm].

Other changes in scope include titanium siding which will enhance the quality appearance of this gate-way location, custom millwork for the restaurant/pub and an increase in the kitchen equipment requirements as recommended by the food services consultants. The building was initially envisioned as a stand-alone building. The cooling system for the building was designed as such, however it was considered preferential for the electrical and heating elements to be accommodated through the centralized campus infrastructure services. Recent studies of the functional capacity of the mechanical and electrical infrastructure on campus have indicated that this is not possible. Provision for these services, a new boiler and an electrical upgrade, is now included in the total project cost as originally intended.

Under the Policy on Capital Planning and Capital Projects, the Project Committee will continue through the implementation phase. The Working Executive of the Project Committee will comprise the lead User, a Planner and Implementer all of whom have been intimately associated with the project definition since its inception; the Working Project Executive for the UTSC Student Centre: will comprise:

User: D. Bandurka, SCSU President
T. Nowers, Associate Principal, Students or delegate
Planner: G. Milgrom, Campus & Facilities Planning
Implementer: J. Binks, Capital Projects, Facilities and Services
J. Derenzis, Capital Projects, UTSC

This Working Executive will expand to include the Project Manager, once appointed. The role of the Working Executive is to ensure the successful completion of the project and to ensure that the user needs and concepts introduced into the Project Planning Report are addressed throughout the process of consultant selection, design and implementation which are carried out under the direction of the Chief Capital Projects Officer.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

The funding centre-piece for this project will be derived from a student levy advanced and approved by the students at the University of Toronto at Scarborough. The student referendum held in March 2001 at UTSC approved, by a two thirds majority, a levy of \$60 per session per full time student, and \$18 per session per part-time and summer session student. This levy is indexed to the consumer price index and is to be continued throughout the lifetime of the mortgage. This funding is matched, at 50 cents for each student levy dollar raised, by the University of Toronto to a maximum contribution of \$3,748,695. In

addition the project will receive \$975,000 from the UIIF [University Investment Infrastructure Fund]. Other contributions to the project are fund-raising at the University of Toronto at Scarborough and from business income generated by the Student Centre.

As a result of the change of scope of the project, the cost was re-estimated at 90% completion of all drawings and had increased from the approved cost of \$13,923,243 to \$14,777,000. This cost increase was of considerable concern to all participants, but fortunately with the projected increase in student enrolments some flexibility was possible. The feasibility of the financial model was carefully re-developed and re-assessed by the Controller, Ms. Sheila Brown, to be of low to medium risk.

It should also be clarified at this time that the final tenders have been received and that the project was tabled at the Business Board on May 6th in advance of the P and B approval on May 13th, 2003. This unfortunate sequencing is not recommended, but necessary to advance the project for Governing Council approval as early as possible. The tenders received indicate that the Total Project Cost [TPC] will not exceed the original cost estimate of \$13,923,000. This pricing is an exceptionally positive outcome and reduces the level of risk that was acceptable with the higher TPC of \$14,777,000. The Total Project Price [TPC] of \$13,923,000 includes the mechanical and electrical infrastructure costs and all landscaping required for the project.

UTSC and the student body at UTSC under the aegis of the Scarborough Campus Students' Union will assume responsibility for all cost overruns on this project should this occur, as well as undertaking to carry all operating costs associated with the Student Centre. The student body at UTSC is to be congratulated on moving this project forward, for their fiscally responsible support, and for taking on the responsibility to operate a very successful Student Centre that is planned to open in September 2004.

RECOMMENDATION:

The University Affairs Board concur with the recommendation of the Academic Board

1. THAT the addendum to Project Planning Report to establish the Student Centre at the University of Toronto at Scarborough be approved in principle.
2. THAT the project scope for the Student Centre at UTSC be approved at a total project cost of \$13,923,000 with funding as follows:
 - (i) A capped contribution of \$3,748,695 from the University of Toronto for the 50 cent match on each dollar raised through the student levy support,
 - (ii) A one-time-only contribution of \$975,000 from the University Infrastructure Investment Fund [UIIF],
 - (iii) A \$1,000,000 contribution to be secured from fund raising at the University of Toronto at Scarborough [UTSC],

- (iv) Cash contribution in the amount of \$1,250,000 from the Student Levy support already collected, and
- (v) A mortgage to be amortized over a period of approximately 25 years in the amount of \$6,950,000 with payments forthcoming from the planned student levy income. Student levy income will continue until such time as the mortgage is fully paid.