

**ADDENDUM TO THE
PROJECT PLANNING REPORT
FOR THE STUDENT CENTRE AT
THE UNIVERSITY OF TORONTO AT SCARBOROUGH**

April 25, 2003

1.0 Introduction

UTSC is seriously deficient in student activity space. It may be the only university campus in Canada with the exception of the University of Northern British Columbia that does not have a student or university centre of some sort. The original design for the Scarborough campus, including its student facilities, was not completed as it was originally planned and several areas to be devoted to student activities were not built. Through the years there have been various initiatives to create a student centre, however none culminated in a project planning report to address the needs of the user. The recent Council of Ontario Universities report on Physical Facilities, 2001-2002, indicates that UTSC is at only 53% of the space generated for the category in which these facilities fall. This is well below the system average of 67%.

To address this problem, a Project Committee for a Student Centre at UTSC was struck to study the requirements for a building which would be the focus of student life and government on the UTSC campus. The Committee recommended that a multi-purpose and flexible facility be built to incorporate space for student government, student media, student clubs and associations, services such as a convenience store, copy shop and food outlets, meeting rooms, a multi-faith prayer room and different types of lounges. The proposed Student Centre would also include the Office of Student Affairs, and UTSC's Health and Wellness Centre. In October 2001 the "Project Planning Report for a Student Centre at UTSC was completed and has subsequently been approved by the Planning and Budget Committee.

The approved Project Planning Report recommended a new building of 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. This site had been identified for this purpose in the 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.

A 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. The Provost committed the University to a match of 50 per cent of the student levy. Additional moneys were to be raised through the fund raising campaign of the University and from business income generated by the Student Centre. These sources of income had been modeled against the cost of the mortgage, indicating that the sources of revenue will be sufficient to meet the costs of the mortgage and the operating costs.

Annual operating costs for utilities, cleaning and maintenance were estimated at \$220,000 for 2005-2006, the first full year of operation. These are scheduled to be fully recovered through the annual Student Services Fee as student space and, as such, will not have to be charged against the levy. In addition there would be building management costs which were estimated at \$80,000.

2.0 *What Has Changed Since the Report?*

At the time that the original Project Planning Report went to Planning and Budget the Student Centre's financial model, and hence space programme, was based on Phase 1 Enrolment Growth which foresaw an enrolment increase of 26% between 2000/01 and 2007/08. As of September 2002 the planning model now foresees an enrolment increase, for the same time period, of 66%. (In terms of total FFTE for Fall/Winter and Summer, Phase I had the 2000/01 headcount of 5,066 increasing to 6,375 in 07/08. The current projections for Phases I, II and III, have the headcount reaching 8,390 in 07/08.) This represents a significant increase in demand for student activity space and the changes described below which represent a modest 9.4% increase in net space, should be seen in this context.

2.1 NASM and Gross

Both the net assignable square meters and the gross area of the building have increased – the nasm by 228 sq.m. and the gross by 361 sq.m. The increase lies mainly in two areas – Food Services (an additional 141 nasm) and Revenue Generating Facilities (98 nasm). (Details can be found in Section 3 of this Report.)

	Approved October 01	Revised March 03	Change Nasm	% Change
Nasm	2418	2646	228	9.4%
Gross	4352	4713	361	8.3%

During the implementation process a consultant was engaged to recommend a food service strategy for the new Student Centre that would ensure the provision of quality food operations. The Swanston Report looked at the optimum mix of services, operating structure and service specifications and also made recommendations regarding the other revenue generating services. In order to run an effective and flexible business operation it was necessary to enlarge the allocation for 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.

2.2 Costs

The approved budget for the UTSC Student Center is \$13,923,000 and the revised Total Project Cost recommended in this Addendum (and attached as Appendix A) is now \$14,777,000. The increase in cost of 6% or \$854,000 lies generally in four areas:

- 1) \$424,000 for the increase in gross area of 360 sq.m. This is at an average cost of \$1,178 per gross sq.m.
- 2) \$200,000 for titanium siding - a quality and low maintenance finish suitable for this signature building which will be located at the gateway of the UTSC campus.
- 3) \$150,000 to create a distinctive Pub/Restaurant character that will meet the need for a high quality and unique campus dining destination in support of the Student Centre's operating business plan
- 4) \$80,000 for additional kitchen equipment and the structural, mechanical and electrical work required to support that equipment.
- 5) The original Project Planning Report envisioned the Student Centre as a stand alone building. Although the cooling system was designed as such, during the design development phase of the building it was thought that both heating and electrical services could be provided by the campus' infrastructure with no extra cost. Recent mechanical and electrical studies have concluded 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.

2.3 Funding

The funding is to be as follows:

A mortgage, value of \$7,770,227 million is to be amortized over 25 years at an 8% rate for an annual cost of \$719,662. Repayment is to be made from the student levy as well as income to be derived from retail units within the Student Centre. The original mortgage value, approved by Business Board in November 2001, was \$6,270,885 with an annual cost of \$580,796. This represents an increase of \$1.5 million and is described in greater detail below.

A contribution of \$3,748,695 from the Provost remains fixed.

A one-time only contribution from the University Infrastructure Investment Fund (UIIF) of \$975,000 towards the cost of the project to ensure the financial integrity of the model that requires a 25-year payback at 8% remains the same.

A commitment from the University of Toronto at Scarborough (UTSC) to

contribute \$1 million dollars toward the Student Centre from fundraising activities remains the same.

Funding Sources

Revised March 2003

Student Levy (Sept. 01 – Sept. 04)	\$1,212,086
Student Services Fee – Capital (May 03 – Sept. 04)	\$40,200
Mortgage	\$7,770,227
Total Student Levy/Capital Reserve	<u>\$9,022,513</u>
Funding from Provost: 50% match	\$3,748,695
Funding from Provost: UIIF	\$975,000
Total UIIF	<u>\$4,723,695</u>
UTSC/Other/Ancillary: Fundraising	\$1,000,000
UTSC/Other/Ancillary: Interest Income	\$30,793
	<u><u>\$14,777,000</u></u>

The increase in the mortgage, of \$1.5 million is outlined in the table below:

UTSC Student Centre

Source of Funds Summary

	(1) Original Submission 30 Year 7% Interest	(2) Business Board November 2001	(3) Revision March 2003	(4) (2) vs (3) Change
Total Project Cost	13.9	13.9	14.8	0.9
Sources of Funds				
Provost's Match	3.7	3.7	3.7	-
UIIF	-	1.0	1.0	-
Fundraising	1.0	1.0	1.0	-
Student Levy/Fees	1.2	1.2	1.3	(0.1)
Investment Income	0.5	0.5	0.0	0.5
Shortfall	-	0.2	-	0.2
Mortgage Required	7.5	6.3	7.8	<u>1.5</u> Total Change in Mortgage

The column marked (1) on the previous page shows the revenue sources identified in the original submission that UTSC sent to the Controller's Office for review in October 2001. The assumptions in the original submission included a 30 year mortgage at 7%. It should be noted that at the time of this submission the assumption was that the Provost's matching funds would be provided at the front end of the project. This assumption generated the \$0.5m of interest income shown for the project.

The submission that was sent forward for P&B and Business Board approval in November 2001 (column 2) reflected a change in these assumptions to a 25 year mortgage at 8%. In order to offset the impact of this change the Provost provided an additional \$1.0m (975,000) from the UIIF. The cost labeled Shortfall shows an amount of \$0.2m. This is the result of a \$0.2m discrepancy between the total project cost used in the business model of \$13.7m versus the estimated TPC of the project of \$13.9m as stated in the Project Committee Report.

The most recent submission (Column 3) made in March 2003 shows an increase in the total project cost of \$0.9m. The flow of the Provost's Contribution and the UIIF funding is now known. The funds will flow as needed during the construction process but will not be flowed up front. The funds from the Student levy will be used first, followed by the UIIF and then the Provost's Match. As a result of this change the investment income will be nil. The business model has been tied to the total project cost of \$14.8m thereby eliminating the \$0.2m shown as Shortfall. The Students' approved an increase in their Student Service Fee to support the addition of Titanium Siding and Landscaping. This was in addition to the Student Levy. This fee provides an additional \$0.1m towards the cost of the building during the construction phase.

The net impact of all these changes is a \$1.5m ($\$0.9m + 0.5m + 0.2 - 0.1$) increase in the mortgage for the UTSC Student Centre.

2.4 Capital and Business Plan

As described above the original revenue assumptions for the Student Centre were based on Phase 1 Enrolment Growth which foresaw an enrolment increase by 26% from 2000/01 to 2007/08. As of September 2002, the planning model now foresees an enrolment increase, for the same time period, of 66%. This enrolment increase and the associated increase in levy funds available have been modeled in the new Capital and Business Plan for the Student Centre. The increased enrolment is a key factor in terms of supporting the increased construction cost.

In addition to the student levy the students have committed, from the Student Services Fee, a \$30,000 Student Centre Capital Reserve (indexed annually) to be directed towards the capital project in support of the cost of the titanium siding and the landscaping, guaranteed for the 25 year life of the mortgage. There is also an annual \$100,000 Student Centre Operating Fund to be paid from the Student Services Fee and

specifically intended to form an integral part of the continuing overall business plan as recommended by the Council on Student Services and unanimously approved at the March 25th meeting of UAB.

In terms of the impact on the financial plan for the Student Centre the overall position is still positive (see Appendix B). While the overall plan is positive it should be noted that for the first eight years the levy does not cover the entire annual mortgage costs. However, these costs are offset by a positive variance in the proposed business plan. The business plan has been built using conservative assumptions (based on information and research with a variety of comparators) and is supported by the additional \$100,000 Student Centre Operating Fund mentioned above. This overall financial position is not different from the original business plan submitted previously. However, the overall financials do show an improvement.

3.0 Amended Space Programme

UTSC Student Centre	Approved	03/27/03		
Space Programme	Programme	Design	Change	
	nasm	nasm		
STUDENT ORGANISATIONS/OFFICES				
SCSC				
President	12	12		
VP Admin	10	10		
VP Finance	10	10		
Commissioners	20	70		
Student Reps	20			
Office Manager	12	12		
SC Manager's Office	13	13		
Support Space	25	25		
Workroom	12	12		
Reception	20	19		
Kiosk	5			
Storage	20	6		
Network open office	30			
VP	0	10		
VP	0	10		
VP	0	10		
Total	209	219	10	
SAC	20	24		
SCAA	30	34		
Women's Centre	22	30		
interview room	8	*		
UGSA	20	0		
International Student Centre	0	22		
Total	100	110	10	

UTSC Student Centre		Approved	03/27/03	
Space Programme		Programme	Design	Change
		nasm	nasm	
STUDENT MEDIA				
	Lobby/reception	15	30	
CSCR radio station				
	Studio	10	11	
	Production room	14	9	
	Storage	20	12	
	Secure office	10	12	
	Office	10	12	
Underground Newspaper				
	Work room	50	35	
	Storage	12	0	
	Production room	0	43	
	Secure office	12	18	
	Total	153	182	29
STUDENT CLUBS				
	Cultural Clubs	60	66	
	Academic Clubs	60		
	Clubs Work Room	40	60	
	Mail Box Alcove		9	
	Total	160	135	-25
COMMON/SHARED PUBLIC SPACE				
	Assembly/atrium	100	121	
	DJ Booth	0	7	
	Lockers	50	0	
	Prayer Rm/Quite space	100	97	
	Storage	10	5	
	Meeting Room	30	20	
	Meeting Room	50	34	
	Meeting Room	85	71	
	Total	425	355	-70
SOCIAL SPACE				
	Fireplace Lounge	45	43	
	Intermission Lounge	45	91	
	Piano Lounge	60	48	
	TV/Movie Lounge	70	71	
	Games Room	90	70	
		310	323	13

UTSC Student Centre		Approved	03/27/03	
Space Programme		Programme	Design	Change
		nasm	nasm	
FOOD SERVICES				
	Café/Bar	350	157	
	Franchise Seating	0	160	
	Kitchen	35	158	
	Servery/bar	25	47	
	Manager's office	12	12	
	General Food Storage	40		
	Staff WC	0	11	
	Saff Changeroom	0	9	
	Garbage Storage	0	24	
	Coats	0	25	
	Total	462	603	141
STUDENT AFFAIRS AND RELATED OFFICES				
	Student Affairs			
	Associate Principal	15	17	
	Assistant/Reception	21	35	
	Coordination of Stu. Dev.	12	12	
	Projects Officer	12	12	
	Conference Room	12	12	
	Storage/Work Room	12	11	
	Peer Mentor Res. Office	12	13	
	Total	96	117	16
	Health Services			
	Reception / Waiting	15	17	
	Reception / Admin office	20	21	
	Manager's office	10	10	
	Doctor's office	10	8	
	Doctor's office	10	8	
	Counselling office	10	10	
	Counselling office	10	10	
	Counselling office	10	10	
	Nurse's office	10	10	
	Examination room	7	7	
	Examination room	7	7	
	Treatment room	8	8	
	Treatment room	8	13	
	Bedrest room	10	12	
	Accessible toilet	8	6	
	Multidisciplinary office	10	11	
	Multidisciplinary office	15	15	
	Alcove nursing station	2	1	
	Closet		1	
	Alcove - general	2	1	
	Storage	13	14	
	Total	195	200	5

UTSC Student Centre		Approved	03/27/03	
Space Programme		Programme	Design	Change
		nasm	nasm	
STUDENT REVENUE GENERATING ACTIVITIES				
	Walksafer and Ridesafer	10	6	
	Food Franchises	80	184	
	Convenience Store	30	0	
	Storage	8	0	
	Hairstylist	20	0	
	Storage	8	0	
	Photocopiers	40	34	
	Storage	8	0	
	Bookstore	100	116	
	ATM/Vending Alcove	5	46	
	Travel Office	0	21	
	Total	309	407	98
NET AREA SQUARE METERS		2418	2646	228
TOTAL GFA		4352	4713	361

APPENDIX A _ TOTAL PROJECT COST

Project Title: UTSC Student Centre Building**TABLE 1: Total Project Cost Estimates**

Column 1 will be completed with the Project Planning Report.

Column 1-5 will be included in the Project Implementation Report.

Items		Project Planning Report	Drawings @ 90%	Tender	100% Complete
Construction Cost	note 1	8,647,000	10,227,424	0	0
Pub Upgrade	note 2	0	146,614		
Landscaping,	note 4	100,000	449,614		
Electrical surcharge		0	227,739		
Escalation allowance to Feb 2003		691,760	inc		
Construction Contingency		933,876	933,000		
Applicable GST		237,299	276,839		
Total Construction Costs, incl. taxes		\$10,609,935	\$12,261,230	\$0	\$0
Site preparation		inc	inc		
Services to site		inc	51,155		
Secondary Effects	note 3	598,514	inc		
Demolition		inc	inc		
Permits & Insurance		125,312	128,207		
Professional Fees		1,411,017	1,295,000		
Computer & Telephone Terminations.		100,000	102,328		
Moving & Staging		10,000	10,231		
Furnishings & Equipment	note 5	668,465	723,466		
Miscellaneous Costs		41,000	18,921		
Commissioning		inc	20,462		
Donor Recognition		0	0		
Finance Costs	note 6	359,000	166,000		
Project Cost Escalation	[to feb 2003]	inc	inc		
Total Project Cost Estimate GST included		\$13,923,243	\$14,777,000	\$0	\$0

prepared March 27th 2003

Notes:

1. Per Hooker Mar 18 est.
2. cash allowance to allow for later fitout of pub area.
3. renovations in Bladen of \$65k, plus tax
4. all hard and soft landscaping within site, per Hooker.
5. includes \$196k for kitchen equipment, \$456k furnishings and \$72k equipment.
6. project interest expense assumes all "matching" UIF inflows as needed during project to minimise interest expense.