



FOR APPROVAL:

TO: Planning and Budget Committee

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DATE: April 23, 2012 for May 16, 2012

ITEM: University of Toronto Mississauga, Kaneff Centre Expansion

AGENDA ITEM: 5

JURISDICTIONAL INFORMATION:

The Planning and Budget committee recommends to the Academic Board approval in principle of capital projects and infrastructure projects over \$2 million.

BACKGROUND

The Kaneff Centre opened in early 1992 and was the first major academic building built on the UTM Campus since the construction of the North Building and the William G. Davis Building. The Kaneff Centre is a relatively modest structure on a prominent campus site that was initially designed to accommodate a centre for studies in Management and the Social Sciences. Since that time these programs and the campus have undergone considerable growth and in 2001 Planning and Budget approved a small expansion to the Kaneff Centre. That project was not implemented and the pressures on space continued to increase over the ensuing years.

The most recent enrolment growth plans for the UTM campus to 2015/16 anticipate an additional 2,000 FTE undergraduate students and at least 83 FTE graduate students. Over the past decade, UTM has experienced a 77% increase in space including classrooms, laboratories, offices and residential space. In spite of this considerable new construction, UTM's physical resources have not kept pace with the increase in student population in terms of the COU space guidelines. In 2011/12, the UTM campus is at roughly 80% of the COU standards but by 2015/16, with approximately 12,000 FTE students, that percentage will drop to 72% unless additional facilities, beyond the planned reconstruction of the Phase 1 of the North Building, are built.

The Kaneff Centre is currently home to Economics and Management programs. The proposed expansion of the Kaneff Centre will address the current and future requirements of the Department of Management and the Department of Economics, and will permit the administrative consolidation and expansion of UTM's professional graduate programs such as the Master of Management and Professional Accounting (MMPA), the Diploma in Investigative & Forensic Accounting (DIFA), the Master of Management Innovation (MMI), and the Master of Biotechnology (MBiotech).

This expansion will also provide an opportunity for the Office of the Registrar to grow and evolve its front line student operations and optimize its administrative and technical functions by relocating from its scattered facilities in the William G. Davis Building. The Office of the Registrar was originally envisioned to be a part of the development of a new Student Services Plaza and Meeting Place in the William G. Davis Building, but the design of the Kaneff Centre Expansion and the Registrar's facilities within will be developed to ensure that a strong relationship with the future Student Services Plaza and the rest of the campus is established and maintained.

HIGHLIGHTS

Consistent with the 2011 UTM Campus Master Plan, the proposed Kaneff Centre Expansion project is a three-storey (plus basement) building addition that continues to wrap around the existing central open space. It will enclose the existing courtyard, creating a Rotunda, and provide a below grade connection to the adjacent William G. Davis building. The project will:

- provide a quality of space at the standard of other recent academic buildings on campus to consolidate academic and administrative departments currently dispersed in the William G. Davis Building and elsewhere;
- address a serious campus space shortage and provide accommodation for projected growth to 2015/16;
- as a secondary effect, vacate much needed space (570 nasm) for student services expansion in the William G. Davis Building as well as space in the Davis Building, the Annex and the HMALC (600 nasm) to be reallocated for other institutional purposes

With the relocation of the Registrar's Office and the expansion of the Economics and Management programs, the resident FTE population of the Kaneff Centre will be two and a half times what it is currently; the activity of the Registrar's Office will also bring a large transient population to this location. The development of the Rotunda presents a much needed opportunity to contribute toward the levels of service envisaged by the Food Services Master Plan, but also provides an important multi-function public event space.

The new construction is a three story building plus basement and penthouse, of 5,340 gross square meters (2,670 nasm), plus new space created by the enclosure of the rotunda (approximately 950 gross square meters) and the creation of a pedestrian tunnel connecting the William G Davis Building to the Kaneff addition. The project will provide a 6,290 gsm increase in space on the campus.

The renovations to the existing building amount to a reconfiguration of approximately 420 net square meters on the ground floor and the conversion of the first floor roof area to a useable balcony of 387 net square meters.

An estimate of the total area of new construction and renovation is approximately 6,950 gross square meters.

OPERATING COSTS

Based on current utility costs in the new Instructional Centre and operating costs for the existing Kaneff Centre, the expansion to the Kaneff Centre is projected to increase UTM's annual operating cost by \$542,244 (direct and indirect costs).

From this total cost, utilities costs (electricity, water, heating and cooling) are calculated to total \$247,136 yearly, while other building maintenance activities (such as caretaking and property management) are projected to total \$295,108 annually.

It was assumed that additional building engineers, landscape technicians or police staff would not be required with the expansion of the Kaneff Centre. These increased operating costs have been provided for within UTM's Operating Budget.

FUNDING SOURCES

Funding for the Kaneff Centre expansion will be provided from accumulating capital reserves within UTM's Operating Budget, as outlined in the five-year plan, beginning in 2012/13. Those reserves are available, on a one-time basis, as UTM realizes the revenues associated with its continuing enrolment growth. If not for the lack of space, much of those revenues would be directed toward UTM's first priority: improvement to its student:faculty ratio.

Until the Kaneff Centre expansion and the North Building Re-construction Phase 1 (now underway) are complete, significant faculty hiring cannot be initiated: there is simply no space. While some additional faculty hires are being allocated to departments most in need, those allocations are dependent upon the receiving department being able to find space within their current allocation (retirements, sabbaticals and leaves, or re-allocation of space).

Once the Kaneff and North projects are complete and the additional space available, UTM will be able to re-direct growing revenue streams to accelerated faculty recruitment. UTM's Operating Budget and firm cash-flow projections confirm that the funds are available to complete the Kaneff Expansion Project.

A \$35 million budget has been established for this project.

SCHEDULE

The Design-Build Team selection for this project is to begin June, 2012. Target occupancy of the completed expansion project is August 2014.

RECOMMENDATIONS

Be it recommended to the Academic Board

1. THAT the Project Planning Report for the University of Toronto Mississauga, Kaneff Centre Expansion, dated April 26, 2012, be approved in principle, and
2. THAT the project scope, comprising a 2,670 nasm (5,340 gross square metres) building addition plus a courtyard infill for a Rotunda and the renovation of existing space, at a total project cost of \$35,000,000, funded entirely from accumulating capital reserves within UTM's Operating Budget be approved.