



TO: Business Board

SPONSOR: Scott Mabury, Vice-President University Operations

DATE: May 25th for June 14th 2012

AGENDA ITEM: 3(b)

ITEM IDENTIFICATION:
University of Toronto Mississauga Kaneff Building Expansion

JURISDICTIONAL INFORMATION:

Pursuant to Section 5.2. (b) of its Terms of Reference, the Business Board approves expenditures for, and the execution of, approved Capital Projects.

PREVIOUS ACTION TAKEN:

Previously approved at Planning & Budget, May 16th 2012.

HIGHLIGHTS:

The Kaneff Centre was 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 as early as 2001 an expansion of the Kaneff Centre had been proposed. This expansion proposal was not implemented and the pressures on space continued to increase over the ensuing years.

The proposed expansion of the Kaneff Centre will address the current and future requirements of Management, 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), the Master of Biotechnology (MBiotech), etc. 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.

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FINANCIAL AND/OR PLANNING IMPLICATIONS:

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 addition will be 5,340 GSM (57,500 GSF) of new construction, plus the roofing in of an existing open courtyard, plus some minor internal renovations to the existing building.

The project has a total project cost of \$35.0M, with an average new construction cost of \$3,972 per GSM or \$369 per GSF.

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). These increased operating costs have been provided for within UTM's Operating Budget.

Funding for the Kaneff Centre expansion will be provided from accumulating capital reserves within UTM's Operating Budget, as outlined in their 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 otherwise be directed toward UTM's first priority: improvement to its student faculty ratio. Using the reserves towards the Kaneff Centre expansion will allow UTM to add more offices, thus room for additional faculty hires.

Once the Kaneff Expansion and the North Building Re-construction Phase 1 (now underway), UTM will be able to re-direct growing revenue streams to accelerated faculty recruitment. UTM's Operating Budget and cash-flow projections confirm that the funds are available to complete the Kaneff Expansion Project.

RISK IMPLICATIONS:

1. Unanticipated site conditions discovered during excavation.
2. Unanticipated issues related to the connection to the existing building.
3. Labour disruptions in the construction industry.

RECOMMENDATION:

That the Vice-President University Operations be authorized to implement the Kaneff building expansion at a total project cost of \$35.0M, with sources of funding as follows:

UTM Capital reserves	\$35.0M
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