



University of Toronto

OFFICE OF THE VICE-PRESIDENT, BUSINESS AFFAIRS

TO: Business Board

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DATE: June 11 for June 19, 2003

AGENDA ITEM: 6(a)

ITEM IDENTIFICATION:

Capital borrowing for the current Capital Plan and Other Requirements.

JURISDICTIONAL INFORMATION:

The Business Board approves the financing of capital projects.

PREVIOUS ACTION TAKEN:

On January 15, 2001, the Business Board approved capital borrowing of \$160 million for the financing of capital projects which had been or would be approved by the Governing Council.

HIGHLIGHTS:

The current Capital Plan includes capital projects which have been approved by the Planning and Budget Committee of the Academic Board, and which are estimated to cost \$739.2 million. (This estimate includes the University College residence proposal which is an agenda item for this meeting of the Business Board.) In addition, there are other requirements totaling \$157.1 million, for a total requirement of \$896.3 million. \$271.7 million of this is being funding from donations, and other available funds, leaving \$624.6 million for which borrowing is required. Of that total \$575.5 million is planned borrowing and about \$49.1 million represents contingency plans that would result in borrowing if planned funding sources – primarily donations or research grants – do not materialize.

The University's current borrowing capacity has been conservatively estimated by management to be about \$620 million, made up of:

- external borrowing capacity of about one third of capital. At April 30, 2003, capital was about \$1.266 billion, generating about \$420 million external borrowing capacity.

-internal borrowing capacity from the University's expendable funds investment pool (EFIP) of about \$200 million representing that portion of EFIP which is projected to be available to be invested longer term.

The requirement for allocating operating budget resources for repayment of borrowing is also a consideration in estimating borrowing capacity. The \$624.6 million borrowing will be repaid with interest from the following sources.

- \$ 109.7 million from the University Infrastructure Investment Fund
 - \$ 55.1 million from the Enrolment Growth Fund.
 - \$ 290.2 million from residence and ancillary revenues.
 - \$ 25.4 million from student levy revenues.
 - \$ 34.7 million from divisional revenues.
 - \$ 60.4 million from other central funds.
 - \$ 49.1 million in contingency internal financing.
- \$ 624.6 million

Borrowing of \$624.61 million, at an estimated average borrowing rate of 7.00% for 25 years, results in blended principal and interest payments of about \$53.0 million per annum. About 36% of that amount, or \$19.1 million annually, is projected to be repaid from the University operating budget in respect of the University Infrastructure Investment Fund, the Enrolment Growth Fund and other central funds. This \$19.1 million represents about 2% of 2003-2004 revenue as projected in the Operating Budget Report for 2003-04.

To ensure that the University does not exceed its borrowing capacity, and that no more borrowing is undertaken than absolutely necessary, the University is engaging in a careful scrutiny of all projects that have not yet begun to ensure that they reflect high academic priorities and that borrowing is being kept to a minimum. As an example, the University College residence was assigned a higher donation target than originally established, and has risen wonderfully to this challenge with significant new donation pledges. We are also assessing other methods of developing capital resources, including structured financing, leasing, etc and there are ongoing efforts to ensure that projects come in on budget and that the original funding sources materialize.

The \$624.6 million borrowing requirement includes both existing and planned borrowing. The sum of \$294.7 million has already been borrowed either externally (\$160 million debenture and \$56.7 million other loans) or internally (\$78.0 million), leaving about \$329.9 million to be borrowed, comprised as follows:

- \$129.9 million from EFIP. In the event that contingency financing is not needed, the additional borrowing needed from EFIP will be correspondingly less than the \$129.9 million indicated.

\$200 million externally.

We would like approval for this additional external borrowing at this meeting so that we can take advantage of good market rates at the appropriate time.

FINANCIAL AND/OR PLANNING IMPLICATIONS:

See highlights above.

RECOMMENDATION:

It is recommended that the Business Board approve:

- (a) That the senior officer of the University responsible for financial matters, as so designated by the President, be authorized to borrow up to \$200 million, in addition to the \$160 million approved by the Business Board on January 15, 2001, and to determine, in consultation with the University's financial advisor, the most appropriate financing structure for this borrowing, including without limitation, by way of private debt placement, a public debenture issue, syndicated bank financing, or securitization;
- (b) That the borrowed funds be added to the Long-Term Borrowing Pool;
- (c) That an investment strategy be developed, in consultation with the University of Toronto Asset Corporation to invest the borrowed funds until the funds are required for each project;
- (d) That the senior officer of the University responsible for financial matters be authorized to allocate borrowing as internal financing for spending that has been approved by the Business Board;
- (e) That the senior officer of the University responsible for financial matters report periodically to the Business Board on the status of the Long-Term Borrowing Pool.

UNIVERSITY OF TORONTO



CAPITAL PLAN FOR BUILDINGS AND PROJECTS IN EXCESS OF \$2 MILLION AND OTHER REQUIREMENTS

AND ASSOCIATED BORROWING

REPORT AS AT MAY 31, 2003

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CHAPTER 1

INTRODUCTION AND PURPOSE

The University has undertaken an ambitious capital construction program to significantly expand space capacity to accommodate enrolment growth and to enhance and update research infrastructure. The current Capital Plan commenced in 1999 and is expected to be largely completed by about 2007. The Capital Plan includes a significant expansion of the University of Toronto at Mississauga and Scarborough as well as considerable expansion of facilities and renovation on the St. George Campus. The new facilities include academic buildings for teaching and research, buildings for student services, such as residences and athletics facilities, and associated infrastructure such as electrical upgrades, parking and roadway improvements. Space may be added through construction, renovation or acquisition.

Capital projects are divided into two major categories, depending upon their size: projects less than \$2 million, which may be approved by the administration within the Accommodation & Facilities Directorate [AFD], and projects equal to or greater than \$2 million, which must be approved by governance.

The purpose of this report is to provide a summary of the Capital Plan for buildings and projects in excess of \$2 million and other requirements and to compare these requirements to borrowing capacity to ensure that they are achievable.

The key definitions are provided in Appendix 1. The details of the current Capital Plan and other requirements are provided in Appendix 2. Details of additional projects which are possible future candidates for the Capital Plan are provided in Appendix 3.

CHAPTER 2

CAPITAL PLAN FOR BUILDINGS AND PROJECTS IN EXCESS OF \$2 MILLION AND OTHER REQUIREMENTS

The detailed current Capital Plan is presented in Appendix 2, Section 1. The Capital Plan identifies all buildings and projects, in excess of \$2 million and incorporates both academic and non-academic buildings; the latter includes numerous residences, a students' centre, day-care facilities, parking and various other campus improvements all of which contribute to the academic mission of the University.

All capital projects undertaken at the University are grouped within a particular sector of the University for ease of identification; there are eight such sectors and these are listed:

- Sector 1: UTSC: University of Toronto at Scarborough
- Sector 2: UTM: University of Toronto at Mississauga
- Sector 3: Health Sciences
- Sector 4: Faculty of Arts & Science
- Sector 5: Faculty of Applied Science & Engineering
- Sector 6: All Other Faculties
- Sector 7: Campus
- Sector 8: Residences

Furthermore, within Appendix 2 all projects have been categorized with respect to the relevant stage of the planned development of each capital project. Three specific sections are defined. Section 1 lists all the projects within the current Capital Plan which is summarized in Table 1, Section 2 is summarized in Table 2 only and Section 3 identifies an additional set of future projects that are presently not part of the current Capital Plan and are therefore not included in either Tables 1 or 2.

Section 1: CURRENT CAPITAL PLAN

- Section 1a: Completed Projects within the Current Capital Plan.
- Section 1b: Projects that are Under Construction or Being Acquired. All approved.
- Section 1c: Projects at Pre-Tender & At-Tender Stage with governance approval.

Section 2: OTHER REQUIREMENTS:

- Section 2a: Existing
- Section 2b: Planned.

Section 3: FUTURE PROJECTS THAT WILL REQUIRE APPROVAL & FUNDING

- Section 3a: Projects that are scheduled to proceed with SuperBuild Support
- Section 3b: Projects with Fund Raising Needs
- Section 3c: Listing of Capital Projects to be Re-Evaluated within the Capital Plan

CURRENT CAPITAL PLAN AND OTHER REQUIREMENTS (SECTIONS 1 & 2 WITHIN APPENDIX 2)

Within the current Capital Plan a total of thirty-four projects have been approved totaling some \$739.15 million, see Table 1, Appendix 2, page 1. Ten of these projects are completed nearing completion or have been commissioned. Completed projects cost \$266.57 million. Eleven others are under active construction or *being acquired* as is the case with new property acquisitions such as the Board of Education on College Street, the future home of Faculty of Nursing and Departments within the Faculty of Medicine. Projects under construction or being acquired are estimated to cost \$187.14 million. The remaining thirteen are at the pre-tender/ tender stage of development and are estimated to cost \$285.44 million. The various projects address the full spectrum of university facilities from new academic buildings to residences, day-care, campus improvements, roads, parking and basic infrastructure needs. The current Capital Plan does not include other projects under development such as projects arising from the recent SuperBuild announcement (see Appendix 3 for full list).

In addition to the \$739.15 million required for the current Capital Plan, an additional \$157.13 million is needed for other requirements, such as the MARS project, and other pre-existing projects, which are mostly residences for a total of \$896.28 million.

This \$896.28 million is being funded from a variety of sources. \$271.67 million has been assembled from donations, research infrastructure grants, ATOP and SuperBuild funds etc. The balance of \$624.61 million in principal will be financed and repaid with interest as follows:

- \$ 109.70 million from the University Infrastructure Investment Fund
 - \$ 55.08 million from the Enrolment Growth Fund.
 - \$ 290.25 million from residence and ancillary revenues.
 - \$ 25.38 million from student levy revenues.
 - \$ 34.66 million from divisional revenues.
 - \$ 60.45 million from other central funds.
 - \$ 49.09 million in contingency internal financing.
- \$ 624.61 Total

Borrowing of \$624.61 million, at an estimated average borrowing rate of 7.00% for 25 years, results in blended principal and interest payments of about \$53.0 million per annum. About 36% of this annual amount, or about \$19.1 million, is expected to be repaid from the University operating budget in respect of the University Infrastructure Investment Fund, the Enrolment Growth Fund and other central funds. This \$19.1 million represents about 2% of 2003-2004 revenue as projected in the Operating Budget Report for 2003-04.

CHAPTER 3 BORROWING STATUS REPORT

BORROWING REQUIREMENT

It is estimated that \$624.61 million of borrowing will be needed for the current Capital Plan and for Other Requirements. This estimate will change over time as additional projects are approved and added to the Capital Plan.

Borrowing of \$294.66 million is already in place. An additional \$329.95 million is needed, with the following approximate timing: \$101.51 million during the rest of 2003-04, \$121.92 million in 2004-2005 and \$106.52 million after May 1, 2005.

MANAGEMENT OF BORROWING

During construction each capital project receives construction financing from the University's expendable funds investment pool (EFIP), at an interest rate of treasury bills plus 25 basis points (bps).

Once construction is substantially complete, any borrowing required is provided through the *Internal Financing Program*. Internal borrowers enter into an internal financing agreement with Finance Division, which must balance these requirements with borrowing to ensure that the rates charged to internal borrowers capture the cost of capital. Internal financing may be for up to 25 years, with repayment by way of monthly blended principal and interest payments. The rate is determined from the Canadian swap curve on the date the internal financing is undertaken, for that term, plus a spread of 100 bps. Most existing internal financing has been done in this program, which has been in place since November 2002, with the remainder coming from individual external loans and from the expendable funds investment pool (EFIP). The intent is that future internal financing will be managed via the internal financing program.

BORROWING CAPACITY

We are currently looking to EFIP and to external lenders as sources of borrowed funds. Future consideration may also be given to investment by the long-term capital appreciation pool (LTCAP) and/or the pension fund in real assets of the University or to other external methods such as structured financing or leasing. However, specific terms and conditions have not been fully developed.

a) EFIP borrowing capacity:

The expendable funds investment pool (EFIP) contains expendable funds that are pooled and invested until spent. It includes the University's cash for operations, capital projects, ancillary operations, expendable donations, expendable payouts from

endowments and research grants. It excludes endowment funds and the supplemental retirement arrangement, which are part of LTCAP.

The size of EFIP varies over the course of a year. Its average cash balance for 2002-2003 was about \$445 million. Multi-year analysis of actual cash inflows and outflows shows that the University's outflows generally do not exceed inflows by more than about \$50 million in a particular month. Even with a margin of safety, this historical data would suggest that we need to keep only about \$75 million on average in short term investments, and that the remainder of EFIP can be invested for longer periods of time.

The plan is to for EFIP to provide all short-term construction financing and up to \$200 million in long-term borrowing, which generates predictable investment returns for EFIP. If the funds invested by EFIP were needed for short-term expenditures, the borrowing would have to be re-financed from another source.

b) External borrowing capacity:

The University's external borrowing capacity is conservatively estimated by management to be about one third of capital. At April 30, 2003, capital was about \$1.266 billion, generating a borrowing capacity of about \$420 million.

BORROWING STRATEGY

Estimated borrowing capacity and borrowing to date are summarized in the following chart:

	Borrowing from EFIP Millions of \$	External Borrowing Millions of \$	Total Millions of \$
Borrowing capacity	200.00	420.00	620.00
Less:			
Borrowed to date	(77.96)	(216.70)	(294.66)
Planned borrowing	(129.95)	(200.00)	(329.95)
Capacity not used or planned for use	(7.91)	3.30	(4.61)

The \$216.70 million in external borrowing is made up of \$56.70 million in individual external loans and a \$160 million debenture, which was issued on July 18, 2001. At that time, credit rating assessments anticipated an additional \$140 million debenture. The University's credit ratings as of 2002 were Aa1 (Moody's), AA+ (S&P) and AA high (DBRS).

The \$624.61 million estimated requirement includes about \$49.09 million in contingency internal financing and \$575.52 million in expected internal financing. The \$49.09 million in contingency financing reflects contingency plans that provide for borrowing in the event that the original planned funding source does not materialize. In most cases, these are donation targets or research grant applications where donation

pledges or research awards have not yet been secured. If the contingency financing is not needed, then the University will be comfortably within its borrowing capacity for the current Capital Plan and other requirements and the borrowing requirement of \$129.95 million targeted from EFIP will be correspondingly less.

To ensure that the University does not exceed its borrowing capacity, and to ensure that no more borrowing than absolutely necessary is undertaken, it is engaging in a careful scrutiny of all projects that have not yet begun to ensure that 1) they reflect high academic priorities and that borrowing is being kept to a minimum. As an example, the University College residence was assigned a higher donation target than originally established, and has risen wonderfully to this challenge with significant new donation pledges. The University is also assessing other methods of developing capital resources, including structured financing, leasing, etc. There are also ongoing efforts to ensure that projects come in on budget and that the original funding sources materialize, to minimize the draws on contingency financing.

CHAPTER 4

RECOMMENDATION FOR \$200 MILLION EXTERNAL BORROWING

The discussion in Chapter 3 indicates that incremental external borrowing capacity is about \$200 million. We would like to be ready to borrow these funds to take advantage of the currently low interest rates.

The methodology for managing the funds thus borrowed will be the same as that developed for the \$160 million authorized by the Business Board on January 15, 2001. Therefore, it is recommended to the Business Board for approval:

- (a) That the senior officer of the University responsible for financial matters, as so designated by the President, be authorized to borrow up to \$200 million, in addition to the \$160 million approved by the Business Board on January 15, 2001, and to determine, in consultation with the University's financial advisor, the most appropriate financing structure for this borrowing, including without limitation, by way of private debt placement, a public debenture issue, syndicated bank financing, or securitization;
- (b) That the borrowed funds be added to the Long-Term Borrowing Pool;
- (c) That an investment strategy be developed, in consultation with the University of Toronto Asset Corporation to invest the borrowed funds until the funds are required for each project;
- (d) That the senior officer of the University responsible for financial matters be authorized to allocate borrowing as internal financing for spending that has been approved by the Business Board;
- (e) That the senior officer of the University responsible for financial matters report periodically to the Business Board on the status of the Long-Term Borrowing Pool.

APPENDIX 1

DEFINITIONS

CURRENT CAPITAL PLAN

Completed:

Construction is substantially complete, or title has transferred to the University.

Under construction or being acquired:

Tenders have been awarded and construction is underway or about to begin. With respect to acquisitions, offers for purchase have been accepted, but title has not yet transferred.

Pre-tender and at-tender:

This includes all capital projects and planned acquisitions which have been approved by the Planning and Budget Committee/ Academic Board, the University Affairs Board, as necessary, Business Board and finally Governing Council. Tenders have not yet been awarded. If an acquisition, the purchase deal has not yet been signed. These reports DO NOT INCLUDE any projects that have not yet been approved. So, for example, there are projects which have been approved for fundraising, and which have a borrowing component, which are not yet included. Projects are only added to these reports once the following have occurred:

- the Vice-President and Provost and the Vice-President, Business Affairs have approved the project to proceed to governance on the grounds that it is an academic priority, is financially prudent, and that it fits within the overall borrowing capacity, AND
- the project has been approved by Planning and Budget Committee/ Academic Board and will advance to secure approval at the Business Board and Governing Council.

OTHER REQUIREMENTS

This includes other requirements that do not relate to the current Capital Plan, such as the MARS project, pre-existing project shortfalls in the Capital Renewal Fund, and a number of pre-existing financial arrangements, predominantly for residences built prior to the current Capital Plan.

FUNDING FOR THE PROJECTS:

Donations: Pledges are defined as *funds available*. Donation targets may be included PROVIDED THAT the contingency plan is for a cash contribution from another source.

If the contingency plan is for internal financing, then the donation target is treated as contingency internal financing.

Research grants: A research award (e.g. CFI/OIT) is defined as *funds available*. Research grant applications may be included PROVIDED THAT the contingency plan is for a cash contribution from another source. If the contingency plan is for internal financing, then the research grant application is treated as contingency internal financing.

SuperBuild: A SuperBuild award is defined as *funds available*.

University Infrastructure Investment Fund (UIIF): UIIF has been in place for a number of years with funding provided in two ways: 1) funding allocations through the operating budget, and 2) internal financing to be repaid from the operating budget over 25 years. University Infrastructure Investment Funds once allocated to support a project are defined as funds for that project. The UIIF is to be identified as *expected internal financing* [debt repayment sources], to be borrowed and paid by the University from annual operating income.

Enrolment Growth Funds (EGF): Enrolment Growth Funds once allocated to support a project are defined as funds for that project. The EGF is separately funded with *expected internal financing* [debt repayment sources], to be borrowed and paid by the Division from additional annual operating income from enrolment growth.

Divisional contributions: Cash contributions are *funds available*. Divisional contributions in the form of future projected cash flows are separately listed under *expected internal financing* [debt repayment sources].

Student Levy: Student Levy contributions in the form of future projected cash flows are separately listed under *expected internal financing* [debt repayment sources].

Residence & Ancillary Revenues: Residence Fees & Ancillary revenues are contributions in the form of future projected cash flows and are separately listed under *expected internal financing* [debt repayment sources].

Expected internal financing: Some projects are expected to receive internal financing, which is expected to be repaid over time from predictable cash flows, such as residence fees, parking fees, student levy income, divisional contributions or from operating budget allocations derived from undergraduate or graduate student enrolment growth [EGF], or the University Investment Infrastructure Fund [UIIF]

Contingency Internal Financing: Where funding is required but not included above as funding for the projects, it is recorded as *contingency internal financing*. This includes donation targets and research grant applications that are not backstopped by contingency plans for cash contributions. Where contingency plans call for additional internal financing in the event that funds are not received, the amounts are recorded in this category. If there is any uncertainty as to whether cash or internal financing will be used as a contingency, then contingency internal financing is assumed.

APPENDIX 2: CAPITAL PLAN FOR BUILDINGS and PROJECTS in EXCESS of \$2M and OTHER REQUIREMENTS. MASTER LIST MAY 31st, 2003.

Table 1: SUMMARY OF CURRENT CAPITAL PLAN [all funds in Millions of dollars]											
SUMMARY DATA FOR SECTION 1		Total Project Cost	Funding Available, all Sources	Borrowing Required [I=G-H]	Expected Internal Financing [Debt Repayment Sources]						Contingency Internal Financing
					UIIF	EGF	Division	Student Levy Revenues	Residence & Ancillary Revenues	Other Central Funds	
		G	H	I = J+K+L+M+N+O+P	J	K	L	M	N	O	P
COMPLETED CURRENT CAPITAL PLAN		266.57	94.49	172.08	53.67	1.31	19.81	0.00	97.29	0.00	
PROJECTS UNDER CONSTRUCTION OR BEING A/C		187.14	36.16	150.98	28.50	20.14	0.60	0.00	96.72	0.00	5.02
PROJECTS AT PRE-TENDER OR AT TENDER STAGE		285.44	141.02	144.42	21.72	24.17	6.00	22.95	25.51	0.00	44.07
Total for CURRENT CAPITAL PLAN		739.15	271.67	467.48	103.89	45.62	26.41	22.95	219.52	0.00	49.09
Table 2: OTHER REQUIREMENTS											
OTHER REQUIREMENTS: SECTION 2		Total Cost	Funding Available, all Sources	Borrowing in addition to Capital Plan	UIIF	EGF	Division	Student Levy Revenues	Residence & Ancillary Revenues	Other Central Funds	Funding Gap
EXISTING		97.86		97.86			8.25	2.43	70.73	16.45	0.00
PLANNED											
UIIF : Not Capital Plan		5.81		5.81	5.81	9.46				44.00	
EGF : Available for Capital Plan		9.46		9.46							
Endowment Matching Funds [Not Capital Plan]		44.00		44.00							
Total for OTHER REQUIREMENTS		157.13		157.13	5.81	9.46	8.25	2.43	70.73	60.45	0.00
TOTAL: CAPITAL PLAN & OTHER REQUIREMENTS		896.28	271.67	624.61	109.70	55.08	34.66	25.38	290.25	60.45	49.09

SECTION 1: CURRENT CAPITAL PLAN: Three sections, SECTIONS 1a, 1b & 1c													
Sector	Priority	Current Cost	Funds Available: Build, OIT, FPR, Interest, Donations, CFI, Super, Faculty Cash etc.	UIIF Funds	Enrolment Growth Funds	Division	Student Levy Funds	Residences & Ancillaries Funding	Other Central Funds	Contingency Internal Funding	Notes		
Expected Internal Financing [Debt Replacement Sources]													
SECTION 1a: COMPLETED PROJECTS WITHIN THE CURRENT CAPITAL PLAN													
Health Sciences: UTM: Renovation of 500 University Ave/Centre for Biotech	A1	339	2.08	0.00	1.31	0.00	0.00	0.00	0.00	0.00	Funding Gap		
Health Sciences: UTSC: Renovation of 500 University Ave/Centre for Biotech	A1	1112	0.70	0.42	0.00	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Renovation of 500 University Ave/Centre for Biotech	A1	11187	73.44	8.62	0.00	19.81	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Renovation of 500 University Ave/Centre for Biotech	A1	607	6.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Renovation of 500 University Ave/Centre for Biotech	A1	1519	6.36	8.83	0.00	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Renovation of 500 University Ave/Centre for Biotech	A1	72.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Renovation of 500 University Ave/Centre for Biotech	A1	3.77	3.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Renovation of 500 University Ave/Centre for Biotech	A1	15.80	0.00	5.80	0.00	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Renovation of 500 University Ave/Centre for Biotech	A1	14.26	0.00	0.00	0.00	0.00	0.00	0.00	14.26	0.00			
Health Sciences: UTSC: Renovation of 500 University Ave/Centre for Biotech	A1	13.10	2.07	0.00	0.00	0.00	0.00	11.03	0.00	0.00			
TOTAL		26657	94.49	53.67	1.31	19.81	0.00	97.29	0.00	0.00			
SECTION 1b: PROJECTS UNDER CONSTRUCTION or BEING ACQUIRED WITHIN THE CURRENT CAPITAL PLAN													
Health Sciences: UTSC: Residence Phase 4	A1	20.26	6.38	0.00	11.99	0.00	0.00	0.00	0.00	1.89	\$1.2M to be raised UTSC + \$0.69M is the shortfall \$50k fundraising not added \$1.2M to be raised UTSC + \$0.69M is the shortfall \$352k/yr 8yrs APF College 0.75M A&S 35M \$1.06M is \$0.876M from Library + \$0.18 from Raiman \$0.4M is Commerce		
Health Sciences: UTSC: Residence Phase 4	A1	16.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.35			
Health Sciences: UTSC: Residence Phase 4	A1	34.37	24.02	2.50	8.15	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Residence Phase 4	A1	12.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Residence Phase 4	A1	15.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.72			
Health Sciences: UTSC: Residence Phase 4	A1	3.38	1.08	2.00	0.00	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Residence Phase 4	A1	26.76	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Residence Phase 4	A1	17.00	0.00	17.00	0.00	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Residence Phase 4	A1	4.80	1.90	2.70	0.00	0.20	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Residence Phase 4	A1	32.00	1.68	0.00	0.00	0.40	0.00	28.86	0.00	1.06			
Health Sciences: UTSC: Residence Phase 4	A1	4.30	0.00	4.30	0.00	0.00	0.00	0.00	0.00	0.00			
TOTAL		18714	36.16	29.50	20.14	0.60	0.00	96.72	0.00	5.02			
SECTION 1c: PROJECTS AT PRE TENDER OR AT TENDER STAGE													
Health Sciences: UTSC: Management Building	A1	15.53	0.00	0.00	14.37	0.00	0.00	0.00	0.00	1.16	\$1.16M backed by Enrolment Growth Fund \$184k from ARC. Continue to monitor At Tender stage of development \$2.4M in 70.69M to be clarified Greenhouse cost is \$1.035M		
Health Sciences: UTSC: Management Building	A1	10.11	2.31	0.00	0.00	0.00	0.00	7.80	0.00	0.00			
Health Sciences: UTSC: Management Building	A1	13.92	1.25	4.72	0.00	0.00	6.95	0.00	0.00	1.00			
Health Sciences: UTSC: Management Building	A1	2.50	0.00	0.00	2.50	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Management Building	A1	24.50	0.00	0.00	0.00	0.00	16.00	0.00	0.00	1.50			
Health Sciences: UTSC: Management Building	A1	87.60	70.69	2.80	0.00	0.00	0.00	0.00	0.00	14.11			
Health Sciences: UTSC: Management Building	A1	71.04	50.44	7.20	0.00	0.00	0.00	0.00	0.00	13.40			
Health Sciences: UTSC: Management Building	A1	5.60	1.60	0.00	4.00	0.00	0.00	0.00	0.00	8.30			
Health Sciences: UTSC: Management Building	A1	14.30	0.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00			
Health Sciences: UTSC: Management Building	A1	3.30	0.00	0.00	3.30	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Management Building	A1	4.40	4.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Health Sciences: UTSC: Management Building	A1	7.10	0.00	0.00	0.00	0.00	0.00	4.50	0.00	2.60			
Health Sciences: UTSC: Management Building	A1	25.54	10.33	0.00	0.00	0.00	0.00	13.21	0.00	2.00			
TOTAL		28514	141.02	21.72	24.17	6.00	22.95	25.51	0.00	44.07			
TOTAL		73015	221.67	103.89	45.62	126.41	219.95	219.52	0.00	49.09			

SECTION 3: FUTURE PROJECTS THAT WILL REQUIRE APPROVAL & FUNDING												
Projects in Section 3a are those projects for which SuperBuild support has been secured. Projects in Section 3b are a set of projects that will not advance to an A1 priority until the necessary funds have been raised. Section 3c is a listing of potential projects which are required to be re-evaluated												
SECTOR	UTSC:	SECTION 3a: PROJECTS WITH SUPERBUILD SUPPORT	Priority Unassigned	Project Cost Estimate	Fund Raising Targets						Funding Gap	Notes
	UTSC:	Arts Classroom Building	PA	20.00								SuperBuild Funding
	UTSC:	Science Renovations	P	2.90								SuperBuild Funding
	UTM:	Academic Learning Centre	PA	36.09								SuperBuild Funding
SECTOR		SECTION 3b: PROJECTS WITH FUNDRAISING NEEDS			25.00							\$25-38M. Cost vtd to be established
	Arts & Science:	1 Spadina Cres Renovation	PA									
	Arts & Science:	Chemistry Courtyard (Davenport-McClemman)	PA									
	Other Facilities:	Law Flavelle House, Phase 2	PA									
	Other Facilities:	MUSIC: Johnson Building Renovation	PA									
	Other Facilities:	Music Centre	PA	3.00	3.00							
	Campus:	Woodsworth AV facilities	PA	2.24	2.50							Cost to cover refurbishing and part of the construction
	Campus:	Woodsworth AV facilities	PA	1.02	1.02							Library to Fund-raise
SECTOR		SECTION 3c: PROJECTS TO BE RE-EVALUATED										
	Campus:	Deferred Maintenance		216.00								
	UTSC:	Food Services	P	2.00								
	UTSC:	Residence, Phase 5	P									
	UTSC:	Science Building	P									
	UTSC:	Infrastructure	P									
	UTSC:	Humanities Extension	P									
	UTM:	Residence, Phase 8	P									
	UTM:	Science Building	P									
	UTM:	South Building Renovations	P									
	UTM:	Infrastructure	P									
	Health Sciences:	155 College Street: Faculty of Nursing + Medicine	P									
	Health Sciences:	Building upgrade: 3rd and 5th floors	P									
	Health Sciences:	Benjamin Franklin	P									
	Health Sciences:	Ramsey Wright Laboratories	PA									
	Arts & Science:	Medical Arts Building	P									
	Arts & Science:	1000 Seat Classroom	P									
	Arts & Science:	Math/Statistics/Physical Science	P									
	Arts & Science:	Kelly Library	P									
	Arts & Science:	Psychology Building	P									
	Other Facilities:	Library Storage	P									
	Other Facilities:	Library Storage	P									
	Other Facilities:	Library Storage	P									
	Other Facilities:	Faculty of landscape architecture design	PA	25.40							16.16	On hold, pending review of UTS structure
	Other Facilities:	OISE-UT: Institute of Child Study (ICS)	PA	12.00							9.00	Fund-raising on-going
	Other Facilities:	ROTMAN: New Facilities Exploration	PA	2.00								
	Other Facilities:	ROTMAN: New Building	PA									
	Other Facilities:	LIBRARY: Gerstlen Science Info Centre, rema	P									
	Other Facilities:	LIBRARY: Sound & Moving Image Archives	PA									
	Other Facilities:	LIBRARY: New Media Theatre/Classroom	PA									
	Other Facilities:	LIBRARY: Resource Centre for Academic Teaching	PA									
	Other Facilities:	Library Renovation	P									
	Other Facilities:	OISE-UT: Educational Commons	P									
	Campus:	Student Centre at St. George	PA									
	Campus:	255/257 College Street: Offices of V-P Business	P									
	Campus:	Varsity Stadium & Arena	P									
	Campus:	Classroom Complex	P									
	Campus:	Day-Care at 35 Charles Street [54 spaces]	P									
	Campus:	Hart House: Great Hall	PA									
	Campus:	Hart House: Theatre	PA									
	Campus:	Hart House: Theatre	PA									
	Campus:	St. George: Concession Hall Renov./Donors Wal	PA									
	Residence:	Varsity Residences [floor East, Bloo, West, Trmly, The Bar]	P									
	Residence:	Innis College: Town Hall & Cinema Studies	PA									
	Residence:	New College: Student Centre	PA									

APPENDIX 3

ADDITIONAL PROJECTS TO BE UNDERTAKEN (ALSO SEE SECTION 3, APPENDIX 2)

In addition to the projects identified, approved and underway within Sections 1, Section 3 identifies three further categories of projects which are presently being developed and prepared for approval within the governance structure. A brief background on each of these categories is provided.

Section 3a: Section 3a identifies three SuperBuild projects, namely, the Arts Classroom at UTSC, the Science Laboratories at UTSC and the Academic Learning Centre at UTM. SuperBuild has allocated \$55.5 million towards these projects, so that these projects are anticipated to proceed in the fall of 2003 to secure governance approval once the respective Project Planning Reports have been completed. These projects will be financed from the SuperBuild funds announced in April, 2003 and from the Enrolment Growth Funds, identified in the current Capital Plan which is targeted to be directed to the planned SuperBuild projects. It is anticipated that these projects will be submitted for governance approval in September, 2003. No additional borrowing will be necessary to initiate the three SuperBuild projects: each project is being developed within a defined cost envelope.

Section 3b: A significant number of potential projects including the Multifaith Centre and 1 Spadina Crescent are listed within Section 3b. All projects identified within this category will require substantial external funds to be raised prior to securing the necessary governance approvals to consider architect selection leading to the initiation of the construction process. Additional projects could be added to the grouping as various projects are considered within the academic mission of the University for which internal funding sources are not available.

Section 3c: A large number of important projects which were previously identified and where substantial planning has already taken place are located within this category. All projects will be required to be re-evaluated in the context of the academic priorities of the University. Notable projects include the need to address the entire development at Varsity Stadium, the Board of Education upgrade into academic space and the requirement for facilities renewal (deferred maintenance). A review of the listing will reveal numerous other projects that are important for various local reasons but will have to be re-explored. It is the intent of the Provost and the Vice-President Business that this listing will be suitably reduced to control the capital expenditures in relation to the operating costs of the University.

It is also evident that there is considerable demand for new facilities to accommodate new initiatives in support of research and teaching. These demands extend to student residences, faculty housing, day-care and many forms of campus improvement. Financial resources too, unfortunately, are in short supply and it will require a careful selection of the various academic priorities as well as a careful examination of particular investment options to decide which of the many projects can and should move ahead.

With the on-going development of the Capital Plan future iterations will endeavour to tabulate and include all additional projects, less than \$2 million, that are approved by AFD. In addition, the deferred maintenance requirements of the University need to be further refined and incorporated into a more comprehensive Capital Plan for the University.