

University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
Notice of Meeting

Date: Wednesday 12 January 2022

Time: 1:00-3:00 p.m.

Place: via MS Teams

*material attached

**material to be distributed

Action

OPEN SESSION

- | | |
|---|-------------|
| 1. Declaration of Conflicts of Interest | Declaration |
| 2. Minutes of the 29 September 2021 Meeting* [George] | Decision |
| 3. Business Arising from the Minutes | Information |
| 4. Capital Financing Commitments and Construction Status [Huber] | Information |
| (a) Building & Properties Finance Summary – January 2022* | |
| (b) Construction Status Report – January 2022* | |
| i. Project Listing of Original Budget vs Post-Tender Budget Since 2016* [Huber] | |
| (c) Capital Financing Commitments – April 30, 2021* | |
| 5. University of Waterloo Real Estate Holdings* [Huber] | Information |
| 6. Work Plan for Next Fiscal Year; Orientation/Briefing Requirements* [George] | Information |
| 7. Execution Against the Work Plan* [George] | Information |
| 8. Other Business | Information |
| 9. Proceed into Confidential Session | Information |

Next Meeting: Wednesday 9 March 2022, 1:00-3:00 p.m., via MS Teams

5 January 2022

Alice Raynard
Associate University Secretary

University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
Minutes of the 29 September 2021 Meeting
[in agenda order]

Attendees: Peter Barr, Anne Bordeleau, Martha George (chair), Tony Giovinazzo, Alice Raynard (secretary), Naima Samuel, James Schlegel, Matthew Schwarze

Administration: Vivek Goel, Dennis Huber, Rob Hunsperger, James W. E. Rush

Guests: Mike Ditty, Murray Gamble, Robert Lemieux

Regrets: none

Organization of Meeting: Martha George took the chair and Alice Raynard acted as secretary. The chair welcomed members to the meeting. The agenda was approved by consensus as circulated. The secretary advised that quorum was present.

OPEN SESSION

1. DECLARATION OF CONFLICTS OF INTEREST

No conflicts of interest were declared.

2. MINUTES OF THE 12 MAY 2021 MEETING

A motion was heard to approve the minutes of the meeting as distributed. Barr and Schwarze. Carried.

3. BUSINESS ARISING FROM THE MINUTES

There was no business arising.

4. Resolution by Electronic Vote

a. Science Laboratories Renovation. This item was approved on 8 July 2021. Samuel and Giovinazzo. Carried. A report from this Committee will be submitted to the Board of Governors in October 2021.

b. Math 4 – Appointment of Architects. This item was approved on 25 May 2021. Schlegel and Giovinazzo. A report from this Committee was submitted to the Board of Governors in June 2021.

5. CAPITAL FINANCING COMMITMENTS AND CONSTRUCTION STATUS

a. Building & Properties Finance Summary – September 2021.

Huber advised that the University is well within its capital debt policy. Almost all payments are on scheduled. Due to COVID-19, ancillaries are allowed to defer their payments – amortization extended by two years.

b. Construction Status Report – September 2021. Hunsperger provided specifics to the following projects: Animal aquatic lab; ESC 3rd floor renovations' Health Innovation Arena; Math 4; Waterloo EYE Institute; Biology 1 and 2. Members discussed: price index on certain materials and volatility of prices; resorting to global environmental leaders from GHD; working with consultants on Eye Institute; fundraising efforts; awards moved from 60 to 30 days to ensure better prices. Concerning projects' budgets, Huber to do an analysis as to how often budgets are too low or too high, to support a future discussion by Committee.

c. Capital Financing Commitments – 30 April 2021. The report was received for information.

6. ESC 3rd Floor Renovation (Revised Budget Recommendation)

Huber, Lemieux, Rush spoke to the document, indicating the necessity to proceed with the project given the age of Science buildings and market prices (note: no master plan implications, internal to existing building). Members discussed: cost escalation; change in scope; contingency standards for older and new buildings. Bordeleau and Schlegel. Carried

7. Health Innovation Arena (Revised Budget Recommendation)

Huber and Rush spoke to a recommendation for a revised budget of \$34.4 million to the Board of Governors for the renovation of UW's warehouse building on the Health Sciences Campus in downtown Kitchener. Members

discussed: good quality of design; early involvement of contractor for expert advice. Schlegel and Giovinazzo. Carried.

8. COMMITTEE'S TERMS OF REFERENCE

George indicated this item was provided to assess the adequacy of the Committee's term of reference, which was recently updated in February 2020. Members discussed: members' onboarding; Committee not being involved at scoping stage of projects; discussion over role of the President's Advisory Committee on Design; Committee's role with respect to strategic planning re: sustainability, acknowledge traditional land, accessibility, non-financial risks.

9. EXECUTION AGAINST THE WORK PLAN

George referred the committee to the document. There were no questions.

10. OTHER BUSINESS

There was no other business.

11. PROCEED INTO CONFIDENTIAL SESSION

The Committee convened in confidential session.

The Committee is scheduled to meet on Wednesday 12 January 2022, 1:00-3:00 p.m. via Teams.

22 December 2021

Alice Raynard
Associate University Secretary

Report to the Building & Properties Committee
Capital Financing Commitments
January 2022

The Building & Properties Committee (B&P) reviews the summary of Capital Financing Commitments at each meeting.

Highlights during 2021/22:

New Since September 2021:

- Scheduled principal and interest payments were made by applying approved student fees for the PAC/SLC addition (\$0.824M) and for the Health Services addition (\$0.576M)
- The Faculty of Engineering has repaid \$2M from operating funds to the DWE C Wing Renovation
- The Faculty of Health has repaid \$0.657M from operating funds to the addition to BMH
- The Faculty of Math has contributed \$17.5M from operating funds to the future construction of Math 4 (total \$47.5M contributed to date)

Earlier in 2021/22:

- The University has allocated \$7.7M to capital projects as follows:
 - East Campus 5 - \$2.5M
 - Engineering 7 - \$1.2M
 - Health Addition to BMH - \$2.3M
 - PAC/SLC - \$1.7M
- Repayments by ancillary enterprises (Housing, Food Services and Parking) on internal loans have been deferred for 2 years (2020/2021 and 2021/2022) due to the impact of the pandemic on ancillary unit operations and their revenue-generating activity

Summary:

- Contributions to capital projects made fiscal year-to-date total \$29M
- The University remains well within its approved policy limits and below the 4.0% of annual gross revenue maximum for principal and interest payments
- The financing position for each project as of April 30, 2021 is attached

Dennis Huber

Construction Status Report
Dec-21
\$000s

Projects	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Estimated Completion	Risks/Status
<u>In-Progress</u> Aquatic Animal Lab Upgrade (B1)	3,836	4,900	stipulated sum (CCDC2-2008)	RossClair	~99.9%	2020	Mar 2022	Project substantially complete. Chief Veterinary Inspector has reviewed and approved project Air balancing remains incomplete due to base building deficiencies. Recommendations to resolve problem have been made. Awaiting on equipment supply (mid. February) This project will be removed from the list moving forward. Anticipated Total Project Costs incl. 3.41% HST: increased to \$5.2M
	<u>3,836</u>	<u>4,900</u>						

Projects	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Actual Completion	Risks/Status
<u>In-Progress</u> Third Hydro Feed	4,170	4,220	stipulated sum (CCDC2-2008)	Sutherland Schultz (\$3.326M)	100%	Sept. 2021	Dec. 2021	Construction is completed for the third feed project and everything is operational. We are currently waiting on close-out documentation. This project will be removed from the list moving forward. Total Project Cost: \$4.0M (incl. 3.41% HST) \$220K under budget.
	<u>4,170</u>	<u>4,220</u>						

Projects	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Estimated Completion	Risks/Status
<u>In-Progress</u> Earth Science Chemistry (ESC) Third Floor Renovations	17,500	22,140	TBA	TBA	10%	2022	2023	Schematic Design completed with Class D estimate. Design Development has been paused to focus on the pre-requisite project required to relocate researchers off the 3rd floor. Pre-requisite project set for completion by October 2022 Third floor renovations dependent upon completion of pre-requisite project Estimated Construction: November 2022 - January 2024
	<u>17,500</u>	<u>22,140</u>						

Projects	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Actual Completion	Risks/Status
<u>In-Progress</u> Health Innovation Arena 280 Joseph Street Kitchener	30,000	34,400	TBA	TBA	9%	2023		Programming and visioning complete with Velocity stakeholders Exterior concept and schematic design floor plan revised per value engineering effort Project has been reviewed by Presidents Advisory Committee on Design (PACOD) Meeting with City of Kitchener RE: Site Plan Application and Small Business Centre review scheduled for January 2022 Environmental Soil Remediation, reducing hydrocarbon threshold to Tier 2 limits completed Dec 2021 Substantial Completion anticipated for October 2023
	<u>30,000</u>	<u>34,400</u>						

Projects	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Actual Completion	Risks/Status
<u>In-Progress</u> Math 4	90,000	90,000	TBA	TBA	5%	2023		Programming complete, and validated by Faculty of Math Consultants finalizing Schematic Design Phase Order of Magnitude costing indicates additional funding may be required based on current market conditions. Class D Estimate will be produced following Schematic Design ready for March 2022 B&P meeting Math in consultation with Provost and Registrar have added Registrar controlled classrooms to the program Addition of server room (data centre) is pushing electrical demand above available power on North Loop. Presidents Advisory Committee on Design (PACOD) to be convened at end of Schematic Design once budget is confirmed.
	<u>90,000</u>	<u>90,000</u>						

Projects	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Actual Completion	Risks/Status
<u>In-Progress</u> Optometry - Waterloo Eye Institute	45,250	45,250	TBA	TBA	15%	2023		100% Design Development milestone achieved Design Development estimate completed, and being evaluated Class C Construction Estimate = \$42.5M up \$7.23M from Class D Estimate of \$35.2M \$2.5M attributable to market conditions with remainder due to design development Needs to be reviewed against fundraising status.
	<u>45,250</u>	<u>45,250</u>						

Projects	Original Budget	Current Approved Budget	Procurement Method	Contractor	percent complete	Original Schedule	Actual Completion	Risks/Status
<u>In-Progress</u> Biology 1/Biology 2 Lab Renovation	6,800	6,800	Stipulated Sum (CCDC2-2008)	Harbridge & Cross (\$5.196M)	100% Design 15% Construction	Jun-22		Construction Contract awarded. Approved 3rd application for payment Abatement complete Demolition proceeding, with relocation of existing mechanical, and electrical services ongoing. Work advancing in both B1 and B2 locations: plumbing, including insulation, electrical panel feeder work, openings for HVAC, chilled water line removals, door frame install 15% complete per December certificate for payment
	<u>6,800</u>	<u>6,800</u>						

Major Capital Projects Tendered since 2016

Nov-21

		(\$ millions to nearest \$100k)				
<u>Project #</u>	<u>Project Name</u>	<u>Pre-tender Budget Estimate</u>	<u>Post-tender Budget Approval</u>	<u>Budget \$ Change</u>	<u>Budget % Change</u>	<u>Comments for project costs >10% of approved budget</u>
1	Science Teaching Complex	\$45.0	\$45.0	\$0.0	0.00	
2	North-west Campus Servicing	\$9.3	\$9.3	\$0.0	0.00	
3	AHS Expansion	\$12.0	\$18.6	\$6.6	55.00	Significant change to scope; rather than stand alone building, infilled outdoor connecting spaces
4	CMH Residence Tower	\$47.5	\$47.5	\$0.0	0.00	Original budget permitted adding an optional floor
5	HH Courtyard Infill	\$4.8	\$8.3	\$3.5	72.92	Complex in-fill project with unanticipated structural and electrical engineering challenges
6	Engineering 7	\$88.0	\$88.0	\$0.0	0.00	
7	SLC/PAC Addition and Reno	\$34.0	\$41.0	\$7.0	20.59	Complex in-fill project
8	Field House	\$15.0	\$16.5	\$1.5	10.00	
9	CPH Arch Renovation	\$2.8	\$3.1	\$0.3	10.71	
10	AVRIL - Auto Vehicle	\$3.9	\$3.9	\$0.0	0.00	
11	Service Tunnel Rehab	\$4.0	\$1.4	(\$2.6)	-65.00	
12	MC Electrical Service Upgrade	\$4.2	\$3.2	(\$1.0)	-23.81	
13	Physics Chiller Replacement	\$3.5	\$3.9	\$0.4	11.43	Incinerator abatement required
14	B1 Acquatics Lab Reno	\$3.8	\$4.9	\$1.1	28.95	Complex renovation to a 50 year old research space
15	HH Emergency Generator	\$3.5	\$2.5	(\$1.0)	-28.57	
16	Village 1 - Site Work	\$4.9	\$4.9	\$0.0	0.00	
17	Third Electric Feed South Campus	\$4.2	\$4.2	\$0.0	0.00	
18	B1 & B2 Renovations	\$6.8	\$6.8	\$0.0	0.00	Original budget approval was requested at the time of tender award
	Total over 5 years	\$297.2	\$313.0	\$15.8	5.32	

11 of the 18 tenders (61%) closed within approved budget

7 of the 18 tenders (39%) closed over budget and required new budget approval

University of Waterloo
Capital Financing Commitments
April 30, 2021
(\$000s)

Capital Project					Currently Internally Financed	Estimated Amortization Period	Comments	
Construction Completed								
Residence - UWP and MKV					12,687	8 years*	Recovery through student residence fees	
Engineering 7					21,641		Pledges of approximately \$33 million against these Engineering buildings, Engineering has committed to funding any unrealized pledges	
Other Engineering (including 5, 6, and DWE)					10,337			
Health Services Addition/Renovations					2,403	4 years	Compulsory undergrad and grad student fees; donations	
Blackberry Buildings (5)					2,899	4 years	Operating funds, (\$400k from Parking (\$100K/year)*)	
Applied Health Sciences Addition					9,199		Faculty, operating funds; donations	
Student Residence - Claudette Millar Hall					26,243	< 15 years*	Residence fees and Food Services revenues	
North Campus Field House					16,880	10 years	\$16.9M from operating funds	
Completed Total					102,289			
	Expenses to Date	Total Budget	Funding On-hand	Committed Future Funding	Currently Unfunded	Currently Internally Financed	Project Completion Date	Comments
In-Progress								
Student Life Centre and PAC Addition	46,530	46,530	3,098	43,432	-	43,432	2021	\$24 million compulsory undergrad and grad student fees; \$19.4 million operating funds
Recently Approved								
Health Innovation Arena	180	30,000	300	17,200	12,500	-		\$8.5m commitment from City of Kitchener, \$7.5m commitment from University operating funds, \$1.2m pledge
Math	113	90,000	30,000	15,000	45,000	-		\$30m contributed from Math and \$15m commitment from University operating funds
Earth Sciences & Chemistry	121	22,700	-	22,700	-	121		50% to be funded from Science and 50% from University operating funds
Optometry Eye Institute	395	45,250	1,364	15,000	28,886	-	969	\$8.8m in donations, a \$2.2m UW contribution plus a further \$4 million University commitment to match a potential major donation
In-Progress and Recently Approved Total						42,584		
Total Internal Financing Commitments						144,873		

Debt Policy: Annual Principle & Interest Payments must be < 4% of annual gross revenue (currently approximately \$48 million)

Conclusion: Required annual P&I payments to service this debt are < 4% of annual gross revenue

Notes:
There is a \$22 million lease-back financing commitment until 2053 for Columbia Lake Village Townhouses, with minimum \$7 million lease commitments being recovered through student residence fees.

* Repayments have been suspended for 2 years due to the impact of covid on operations in the ancillary units

**University of Waterloo Real Estate Holdings
Sites Owned By UW - December 2021**

Bldg #	Location	Land Area Acres	Building Area Square Feet	Acquisition Date	Description
Various	North and South Campus - Waterloo	976.3	8,434,357 (excludes Research and Technology Park buildings)	1950s to Present	Original campus of the University of Waterloo. Site of approximately 55 major buildings used for teaching, research, administration and student housing and recreation. The north campus is the site of UW's 200 acre environmental reserve and 120 acre Research and Technology park, designed to accommodate 1.2 million square feet of office space.
	Rockwood Gorge - Rockwood	18	0	1977	Ecological reserve. Scenic gorge bisected by the Eramosa river, located in the town of Rockwood. Features dolomitic limestone cliffs, caves, and potholes. This area is used for research by the Faculty of Environment.
	Spongey Lake - Baden	79	0	1989	Ecological reserve. Small lake, sphagnum bog and forest located near the town of Baden. This area is used for research by the Faculty of Environment.
	School of Architecture Parking Lot - Cambridge	0.503	0	2012	Small parking lot on River Street, across the street from the School of Architecture
47	School of Architecture - Cambridge	1	83,336	2004	Former Riverside Silk Mills (and later Tiger Brand) building (circa 1920) on Melville Street, on the banks of the Grand River. Occupied by the University of Waterloo School of Architecture.
49 and 52	Health Sciences Campus - Kitchener	4	192,812	2009	Former Epton Industries site at Victoria and King. The two buildings on the site are occupied by the School of Pharmacy and the McMaster University Michael G. DeGroote School of Medicine.
55	Digital Media Stratford	1.38	51,334	2012	Offers programs focused on digital media technologies and global business issues. Former CNR railway yard site located at 125 St. Patrick Street, Stratford.
128	Tri-University Library Facility - Guelph	1	18,190	1996	Library materials storage and distribution facility, located on Malcolm Road in the City of Guelph. Facility is a joint venture with Wilfrid Laurier University and the University of Guelph. Land and building areas shown represent Waterloo's 48% share of the total 2.1 acres of land and 38,500 square feet of building space.
129 and 131	Aberfoyle (Puslinch) Property - Aberfoyle	41	18,362	1997	Small research facility, leased to a biofilter manufacturer. The property also features storage barn, located on Wellington Rd.
139	68 Victoria St. South - Kitchener	3	92,923	2005	Former Ontario Seed Company warehouse, located adjacent to the Health Sciences Campus site.
	Owned Sub-Total	1,125.2	8,891,314		

**University of Waterloo Real Estate Holdings
Sites Leased By UW - December 2021**

Bldg #	Location	Land Area Acres	Building Area Square Feet	Acquisition Date	Description
	Parking Lot "E" - Waterloo	1	0	1975	Leased land. Small parking lot on Seagram Drive, across the street from UW Place.
	School of Architecture Parking Lot - Cambridge	0.5	0	2004	Leased land. Small parking lot on River Street, across the street from the School of Architecture
95	Waterloo Tennis Courts - Waterloo	1	0	1975	Leased land. 6 all-weather tennis court surfaces located at the Waterloo Tennis Club beside Seagram Stadium in Waterloo. The courts are covered in the winter by an air supported structure owned by the Tennis Club. Use of the courts is shared with the Tennis Club.
135	Fire Research Facility - Waterloo	0	10,494	2003	Building is owned by UW, situated on leased land at the Waterloo Landfill site. Used by the Engineering Faculty for fire research and by Applied Health Sciences for fitness research.
136 and 137	Pavement and Transport Technology Facility - Waterloo	0	2,048	2004	Buildings are owned by UW, situated on leased land at the Waterloo Landfill site. The site is used for paving materials research. There is also a UW windmill research site located nearby.
140	School of Architecture - Rome, Italy	0	6,000	1979	Leased space. Design studios, library and office space, used for the School of Architecture's Rome program for 4th year students. Located in Piazza Santa Maria in Trastevere. The program has been running since 1979.
156	Balsillie School of International Affairs / CIGI	0	50,000	2011	Leased space in the Centre for International Governance Innovation used for the Balsillie School of International Affairs.
158	Velocity Garage Incubator	0	36,798	2012 & 2014	Name Change Mar 2016. Leased space located in the former Lang Tannery building on Victoria Street South in Kitchener. Velocity promotes entrepreneurship and commercialization of new products and technologies developed by students.
162	220 Yonge Street, Eaton's Ctr Toronto	0	4,415	2015	Leased space occupied by the Master of Taxation program. 5 year term until Jun 30, 2020. Renewed for a further 5 year term thru June 30, 2025.
167	Research Institute for Aging	0	8,853	2015	RIA/Schlegels' building on the north campus. Lease started in September 2015, and was revised in 2020 to reflect changes to the space being used. Used by Health for aging research. Lease will end 2111 if not terminated sooner..
169	EVolv1	0	7,879	2018	Sub lease 420 Wes Graham Way, Waterloo. 5 year lease term beginning Jan 1 2019.
170	Bradshaw Lofts	0	4,895	2019	Lease of space at 245 Downie St., Stratford, ON - more or less on the lower floor of building - for use as classroom, meetings, events. 3 years September 2019 - August 2022.
171	The Cora Building	0	6,119	2018	Sub lease of space at 375 Hagey Boulevard (Suite 302) for 67 months (Dec, 2018 through June 2024)
172	Critical Media Lab	0	500	2019	Lease of space at 151 Charles St. for 2 years beginning January 2019 for Critical Media Lab; 1 year extension through Dec. 2021; Further 1 year extension through Dec. 2022.
	Catalyst 137	0	14,737	2021	Lease of space at Catalyst 137 Glasgow St., Kitchener for Faculty of Engineering's Additive Manufacturing Group. Dec. 1, 2021 through March 31, 2032
	Leased Sub-Total	2.5	152,738		
	Total	1,127.7	9,044,052		

Changes since December 2020

Critical Media Lab extended 1 year through Dec. 2022

Velocity extended 3 years through Nov. 2023

Leased space at Catalyst for Engineering's Additive Manufacturing Group

University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
2022-2023 Work Plan

May Meeting*

- Campus Master Plan (as needed)
- Capital financing commitments and construction status
- Environmental sustainability practices in the context of campus planning and development activity
- Maintenance program and energy conservation efforts
- Orientation/tour of campus – as required/for new members

September/October Meeting*

- Capital financing commitments and construction status
- Five-year plan for development projects anticipated to be considered during that five-year Period
- Assessment of adequacy of committee's term of reference with recommendations for amendments, as appropriate, to the Governance Committee
- Review results of Self-Assessment

January Meeting*

- Capital financing commitments and construction status
- Statutory compliance
- University of Waterloo real estate holdings
- Work plan for next fiscal year/special topics; orientation/briefing requirements

March Meeting*

- Capital financing commitments and construction status
- Committee Self-Assessment Survey Committee Self-Assessment (ahead of Board of Governors meeting)

*each meeting will also include, as required, award of tenders (approval of recommendation to the board) and appointment of architects/consultants

January 2022

University of Waterloo
Board of Governors
BUILDING & PROPERTIES COMMITTEE
Work Plan Execution

canceled

Task	Frequency	19/01/2018	09/03/2018	18/05/2018	12/10/2018	18/01/2019	08/03/2019	15/05/2019	02/10/2019	15/01/2020	03/04/2020 and 5/13/2020	30/09/2020	13/01/2021	10/03/2021	05/12/2021	29/09/2021	12/01/2022
Campus Master Plan (as needed)	annual			•						•			•				
Capital financing commitments and construction status	each meeting	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•
Committee self-assessment survey results	annual		•		•		•		•			•		•		•	
Environmental sustainability practices	annual			•					•						•	•	
Maintenance program and energy conservation efforts	annual								•						•		
Orientation/tour of campus	as required			•				•							•		
Development projects five-year plan			•														
Committee terms of reference	annual	•				•			•			•				•	
Statutory compliance	annual	•				•				•			•				
University of Waterloo real estate holdings	annual	•				•				•			•				•
Committee work plan/special topics; orientation/briefing requirements	annual	•				•				•		•					•