



Major Capital and Renewal Projects Status Update

To: Finance, Budget, and Enrolment Committee

Date: 23 January 2023

Report No.: 01-23-4466

Strategic Directions

- Provide Equity of Access to Learning Opportunities for All Students
- Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being

Recommendation

It is recommended that the Major Capital and Renewal Projects Status Update report be received.

Context

This bi-annual report, typically presented in the late fall and spring, provides status updates for major Capital and School Renewal projects planned or underway for 2022 - 2023. The report also provides information regarding the Federal Safe Return to Class Fund and the COVID-19 Capital Resilience Infrastructure Funding, which are intended to support improvements, repairs or maintenance related to school ventilation.

Appendix A provides the status update and summary of approved funding to date for the current capital program. Key milestone dates are provided for each project, starting with Capital Priorities funding approval, followed by other Ministry (EDU) approvals. The *EDU-ATP Final Approval Letter* indicates when a project can be issued for tender. It is at this juncture when additional Capital Priorities funding may be approved if a project has extraordinary costs such as for example, the removal of poor soils or additional infrastructure work (e.g., storm water or electrical service upgrades) as well as requirements arising from SPA, such as City of Toronto Green Standards.

The timeline duration, from receipt of Capital Priorities funding approval to *Approval to Proceed* to tender, ranges from five to three years as noted in Appendix A. However, this also includes the City's Site Plan Approval (SPA) process and issuance of the Building Permit.

In addition to Ministry and City approval, Board approval is also required at various stages throughout the process as detailed in **Appendix B** – notably, approval of the Sketch Plan (concept design) and project budget, as well as approval of the construction contract. Engagement of the school community is undertaken once the project architect has been selected and the first schematic, or preliminary concept designs, are prepared. Other consultations follow throughout the design process including receiving input from the various Teaching and Learning representatives, as well as other Facility and IT departments.

Board approval is required to award the construction contract; however, if the project (with the tender amount included) is over the approved funding, Ministry approval is required before the contract can be awarded. It is important to note that in some cases, the Ministry has provided additional capital priorities funding to cover the shortfall, although for most of the capital projects, the Ministry will also approve the utilization of Proceeds of Disposition (POD) to cover the shortfall.

Projects

Jones PS (Ward 15): The Jones PS project is one of two reconstruction projects undertaken by TDSB following building fires in May 2019. The building fire caused extensive damage to the original structure through both fire and water damage, requiring displacement of the Adult Learning ESL program from the building. The Jones facility was immediately stabilized, remediated, and is now under reconstruction. The current project will see reinstatement of the 220-pupil place (pp) Adult Learning ESL program, with an additional provision for a 440pp Elementary School accommodation. The Elementary School accommodation is intended to create a 'holding facility' for school populations displaced by other Capital Projects or school improvements. The current anticipated completion date is Spring 2023.

York Memorial CI (Ward 6): The original YMCI facility caught fire in May 2019, partially destroying the main section of the building and severely damaging the adjacent wings. The initial restoration work started in February 2020. In January 2022, the Capital Project scope was approved to accommodate a consolidated population of YMCI and George Harvey CI. The Capital Project scope expanded the YMCI school into the connected Trethewey and Annex administration buildings in order to accommodate up to 1300 pupil places. The project is divided into 3 phases: Phase 1 is currently in construction to continue the restoration and stabilization of the structure to prepare for the re-construction of the building. Phase 2 encompasses the re-construction of the

1929 and 1960's building, including all systems such as mechanical, electrical and life safety as well as new systems (full building sprinklers, updated classrooms, new elevator and entrance vestibules). Phase 3, which will overlap with the Phase 2 work, includes the renovations to the Trethewey admin building and rebuilding of the Annex to accommodate new program spaces. Phases 1 and 2 are primarily funded by the Insurance Settlement and Phase 3 will be funded by Capital Priorities and POD.

Sugar Wharf (Ward 9): In November 2021, the Ministry approved Capital Priorities funding for the first fully integrated public school within a mixed-use development in Ontario. The school will be located on the third floor of the Menkes Sugar Wharf condominium development in the Lower Yonge Precinct. TDSB has received funding to purchase the approximately 50,500 square foot of podium shell space to accommodate 455 pupil places. Toronto Lands Corporation (TLC) is in negotiation with the developer to finalize the agreement. TDSB has submitted the Facility Space Template to the Ministry for approval and once approved will engage an Architect to develop design standards for TDSB podium schools and the interior fit-up of the Sugar Wharf school. This innovative project is a new model that responds to the growing needs of schools in dense urban areas of the city, where land is scarce and cost prohibitive.

Kâpapâmahchakwêw - Wandering Spirit (Ward 15): TDSB continues to seek approval and funding for a new stand-alone Indigenous school, to be built on the site of the existing Kâpapâmahchakwêw - Wandering Spirit School. A revised concept design is being finalized which will show the 396-pupil place K to 12 Indigenous school, a 3-room childcare and space for the Urban Indigenous Education Centre. The building is intended to be both a school and Indigenous community hub.

Childcare Approvals

In 2017 and 2018, the Ministry approved Childcare Capital Priorities funding for sixteen (16) childcare additions and one (1) childcare conversion/retrofit, for a total of 1,223 new childcare spaces in underserved areas of the City. Additional childcare projects have subsequently been approved by the Ministry. **Appendix C** provides a full list of projects with a status update.

In January 2022, the Ministry provided some additional funding for the first 17 projects, including approval to utilize Proceeds of Disposition, as summarized below:

Capital Priorities Funding:	\$50,327,822
<u>Approved POD:</u>	<u>\$14,320,208</u>
Total Approved Funding:	\$64,648,030

In June 2022, the Board approved utilization of up to \$17M of POD funding for the 17 childcare projects. The first four childcare projects were issued as separate tenders in

the summer of 2022 – Kipling CI, retrofit (Ward 2); Birch Cliff PS, 3-rm addition (Ward 18); Dixon Grove JMS, 5-rm addition (Ward 2); and Kingsview Village JS, 5-rm addition (Ward 1). Although each tender received multiple bids, the lowest bid for each project was above the approved project budget and funding. As noted in the July 2022 report to the Board, the bids reflect the on-going market pressures and construction cost escalations being experienced in Ontario as well as elsewhere in the country. Arising from the July 2022 report, the Board directed staff to seek additional capital priorities funding from the Ministry, rather than using additional POD funding.

Over the course of the past few months, discussions have been held with Ministry staff regarding the need for additional childcare capital funding, not only for the four tendered projects but the other childcare additions that are ready to be issued for tender. The Ministry has acknowledged that these childcare additions meet design and area guidelines. Staff have also had discussions with the city with regards to the potential of additional capital funding; however, staff have responded that the City of Toronto does not have any capital funding available for these projects. Until the additional funding is identified and approved by the Ministry, the remaining 13 childcare projects in Group 1 will not be issued for tender. A follow up report will be provided to the Board when there are further updates regarding the childcare projects.

On-going Cost and Timeline Pressures

Staff have provided information to both the Board and the Ministry detailing the on-going construction cost pressures, which are the result of various global and local factors, including supply chain and manufacturing delays, shortage of skilled construction trades, higher transportation costs and the amount of large infrastructure and development projects occurring in Ontario.

The City's Site Plan Approval (SPA) process, which can take between three to five years, also has an impact on both project costs as well as completion timelines. The length of time for SPA was first raised at a joint city and school boards advisory committee in 2018. At that time, the city's response was to recommend that the boards could share a portion of the costs to have a dedicated City planner serve as Site Plan Approval Coordinator – someone who would be responsible for tracking the progress of all applications across the city's four planning regions, and assist with the resolution of issues as they arise. TDSB only participated in the pilot for first two years, while TCDSB has continued since 2018 and has seen benefits of having the dedicated SPA Coordinator involved with their capital projects.

While the Toronto Lands Corporation (TLC) continues to play an important role advising and advocating on behalf of TDSB's capital program, the dedicated SPA Coordinator has the advantage of being able to advocate from within the city as someone familiar

with the process, and the various city departments and staff. Staff have developed metrics to review the effectiveness of the SPA Coordinator's role over the course of the two-year agreement. The costs are charged proportionally to each capital project, and represent less than 0.04% of the overall value of the current capital program.

Recently, the Ministry asked boards to respond to 2023 - 2024 Education Funding Consultation Guide, regarding accelerating the completion timeline for Capital Projects. TDSB staff responded with two potential changes that could reduce the project timelines:

- New schools and major additions should either be exempted from SPA process or prioritized under a fast-track system. Although SPA is managed by the local municipalities, the province recently announced changes under the Rapid Housing Act to streamline the approval process which should also benefit school board capital projects.
- The Ministry's approval process should also be streamlined, and one way to accomplish this would be to update the funding benchmark, to be reflective of current construction costs. The funding should also take into consideration the increased costs associated with building in Toronto, where the sites are smaller, and often located in denser, older residential neighbourhoods with aging city infrastructure. In this case, TDSB must seek additional funding to be able to cover these extraordinary site costs – as well as seeking additional funding to meet the City's site plan conditions, including the Toronto Green Standards. Boards that have Education Development Charges (EDC) funding, are able to cover some of these site preparation costs through EDC and as such, do not need to seek additional Ministry approval or capital funding.

The Ministry continues to engage school boards in discussions of how to expedite the school completion timeline. Staff will continue to provide updates to the Board regarding any further developments arising from the Ministry's consultation process as well as when the next round of Capital Priorities funding is announced.

2022 - 2023 School Renewal Program

The Ministry of Education provides two primary sources of funding for facility improvements: School Condition Improvement (SCI) grant and the School Renewal Allocation (SRA), both of which come with rules for how the money can be spent. In 2022 - 2023, TDSB received \$246.2M in SCI funding and \$45.8M in SRA funds.

School Condition Improvement Funding:

70% of the funding must be used to replace building components (e.g., roofs, windows, boilers) and systems (e.g., electrical, mechanical) that have been

identified as urgent and high priority, based on assessments of school condition that are recorded in a Ministry of Education database.

The remaining 30% can be invested in replacing critical building components and systems and can also be used to renew deteriorating interior finishes (e.g., floor finishes, ceilings, and painting) and improve poor site conditions (e.g., hard surface play areas, parking lots, and play equipment).

School Renewal Allocation:

SRA funding program allows school boards to replace failing building components and systems, renew interior finishes, and improve poor site conditions, like SCI funding – however, SRA can also be used to fund routine and preventative maintenance, program or accommodation related changes and address health and safety concerns.

Appendix D provides a list of the 2022 - 2023 Renewal/SCI/CVRIS projects greater than \$10,000, sorted by Ward. The list includes a brief project description, funding source and construction status. **Appendix E** provides a summary of the common abbreviations used in the renewal project list.

The chart below provides a summary of the 2,870 Renewal/SCI/CVRIS projects with activity (design, tender or construction) in the 2021-22 school year.

	Actuals	Project Count	School Count
Renewal	\$44,647,850	838	436
SCI	\$217,734,995	1415	482
CVRIS	\$35,022,429	617	400

Safe Return to Class Fund and the Safe Indoor Air Top-Up

The Board has received additional funding since 2020 to address air quality and ventilation improvements in schools. This has included funding to purchase stand-alone high-efficiency particulate (HEPA) filter units. To date, approximately 17,000 HEPA units have been distributed to all schools and work locations.

In August 2020, the federal government announced the Safe Return to Class Fund, with an initial phase of \$381M provided to Ontario. The TDSB allocation was \$84.7M. This funding supported key policy initiatives related to school reopening, including health and safety, personal protective equipment (PPE), student transportation, school-based

staffing and remote learning. The funding relating to optimizing air quality and ventilation was provided in two phases. The second phase of these investments was announced in February 2021. The TDSB allocation was \$6.9M for each phase, for a total of \$13.8M.

On March 22, 2022, the Board received an additional \$5.8M of top-up funding, under the Safe Return to Class Fund (2022: B08). The Safe Indoor Air Top-Up is intended to support a range of ventilation work including retrofits, repairs and upgrades to improve ventilation as well as maintenance and recommissioning of existing HVAC systems. However, eligible expenses must be incurred between September 1, 2021, and August 31, 2022. The Ministry has recently provided additional information to help clarify the eligible expenses, including eligible work that occurred in the year prior that can be charged to the additional funding.

COVID-19 Resilience Infrastructure Stream (CVRIS) Funding

In April 2022, a further amount of funding was made available as part of the Federal Investing in Canada Infrastructure Program: Ventilation Improvements in Schools program ([2022: B12](#)). Referred to as the CVRIS program, the TDSB received an additional \$3.5M in federal funding with a matching \$989,957 in provincial funding for ventilation improvements. Eligible expenses were originally intended to be incurred between April 6, 2022, and March 31, 2023. Eligible expenses are to be incurred between April 6, 2022 to March 31, 2023. We are currently awaiting confirmation of a possible extension to the March 31, 2023 deadline to December 31, 2023. **Appendix F** provides a summary update regarding the CVRIS projects to date.

Resource Implications

Ministry approval is required to use POD for any work other than critical building renewal work, following the same guidelines as the School Condition Improvement grant. However, as noted previously in this report, the Ministry has routinely approved utilization of POD to cover capital overages for new schools/major additions and childcare additions. POD may not be used to build a new school or addition.

POD may be used, subject to Ministry approval, to undertake specific building and/or site upgrades such as adding elevators and other accessibility features to a building, converting open plan spaces to individual classrooms, installing a new artificial turf field and/or undertaking program-related upgrades, such as adding a Transportation or Construction program space to a school. These types of projects will be part of an overall revitalization strategy that will be presented to the board in the spring of 2023, subject to further direction from the Ministry regrading accommodation reviews.

Communications Considerations

To provide regular and consistent communication to Trustees and the public, the TDSB has created a new Capital Projects website. The new website was launched in October 2022 and the first completed project website is the Hodgson MS Renovation and Addition project. The remaining Capital project websites will be created in the next few months to allow easy and equitable access to project information by our school communities. All pertinent project information, important updates and current timelines will be available on the public website for new replacement schools. This new way of communicating project information will improve transparency and community engagement.

Hodgson MS renovation and addition project can be viewed at this link:

<https://www.tdsb.on.ca/About-Us/Facility-Services/Capital-Projects>

School administrators and Trustees are able to view a complete list of all current work notifications, work orders and construction projects by school on the [Facility Services](#) webpage.

Board Policy and Procedure Reference(s)

Not applicable.

Appendices

- Appendix A: Project Status Updates for Schools and Major Additions
- Appendix B: Capital Projects – Approval Process Flowchart
- Appendix C: Project Status Updates for Childcare Additions
- Appendix D: 2022 - 2023 School Renewal Program, List of Projects
- Appendix E: Abbreviations used in the School Renewal Program List
- Appendix F: CVRIS projects to date.

From

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