

The Fanshawe College of Applied Arts and Technology

Annual Financial & Other Reporting Ending 31 March 2013.

Grant Agreement (“Agreement”), dated 11 May 2011, between The Corporation of the City of London (“City”) and The Fanshawe College of Applied Arts and Technology (“College”) for the Downtown London School for the Applied and Performance Arts (“School”), as amended by the Amending Agreement, dated 01 May 2012.

In accordance with Section 14 of the Agreement, the College “shall provide, within 90 days after its fiscal year-end, annual financial and other reporting, in writing, to the City commencing on June 30, 2012 describing:

- a. The details of any completed acquisition of the Acquired Properties for the School;
- b. The details of the progress and costs of Renovations of Acquired Properties;
- c. The progress of the development and establishment of the School compared to the projections in the Business Plan.”

The following is provided addressing the requirements of the Agreement.

## **Completed Acquisitions of the Acquired Properties for the School**

On 03 October 2011, the College acquired the former Royal Trust building, municipally known as 137 Dundas Street, London, for \$4,100,000 exclusive of applicable realty fees and tax. Located on the south side of Dundas Street between Talbot and Richmond Streets, the 137 Dundas property is situated the Education and Arts District (“District”) defined by the City.

## **Progress and Costs of Renovations of Acquired Properties**

Demolition in late 2011/ early 2012 advanced the removal of obsolete infrastructure and tenant improvements to bringing the structure to base building condition in time for the commencement of construction activity, which commenced in September 2012.

Through late 2012/ early 2013, City and College officials met to successfully coordinate requirements of the City for its developments in preparation for the 2013 ISU World Figure Skating Championships and of the College for its development, including sidewalk/ roadway restrictions for construction access, deliveries and staging.

As at the 31 March 2013, the College’s general contractor indicated that the renovation progress is largely trending well towards the original substantial performance target of mid-July 2013. The general contractor recently informed the College that contractor has experienced slight delays on the lower and ground levels as a result of work necessary to be incorporated into the ground level’s black box theatre and has set substantial performance for those two floors one month further out to mid-August.

The College has been and continues to cautiously monitor progress of its two new elevator installations, which has been stalled since an elevator trade union labour dispute commenced the beginning of May, 2013. The College, through its architect and consulting engineers, is evaluating any adverse impacts of that labour disruption as well as options to mitigate such impacts to ensure smooth progress towards occupancy and opening in time for September 2013 classes.

The following table summarizes acquisition and renovations costs as at 31 March 2013.

Description	Progress to Date		Fanshawe Business Plan 2010-20			
	Progress Draws as at 31 Mar 13 (\$1,000s)	Post-Tender Budget (\$1,000s)	Total Phases I, II & III (\$1,000s)	Phase I 2011-2012 (\$1,000s)	Phase II 2013-2015 (\$1,000s)	Phase III 2016-2020 (\$1,000s)
<b>Sources of Financing</b>						
City of London Economic Development Grant	\$4,875		\$20,000	\$4,000	\$5,500	\$10,500
College Capital Plan Allocation	\$646		\$6,500	\$5,000	\$1,500	
Other Fundraising/ Donations			\$7,500		\$4,500	\$3,000
Government Funding	\$5,350		\$6,000			\$6,000
<b>Total Financing</b>	<b>\$10,871</b>		<b>\$40,000</b>	<b>\$9,000</b>	<b>\$11,500</b>	<b>\$19,500</b>
<b>Project Expenditures</b>						
Property Acquisitions	\$4,748	\$4,748	\$8,000	\$8,000		
Property Renovation/ Redevelopment	\$6,123	\$16,751	\$32,000	\$1,000	\$16,000	\$15,000
Construction	\$4,586	\$14,468				
Professional Fees & Other Related Construction Costs	\$839	\$1,663				
Furnishings, Fixtures, Office Equipment	\$698	\$819				
Instructional Equipment		\$1,801				
HST Rebates	included above	(\$1,999)				
<b>Total Expenditures</b>	<b>\$10,871</b>	<b>\$21,500</b>	<b>\$40,000</b>	<b>\$9,000</b>	<b>\$16,000</b>	<b>\$15,000</b>

The College continues to actively identify, investigate and evaluate real property opportunities that meet the financial and operational requirements of the College that will enable advancement of the next phase of the School within the District. Senior representatives from the City and the College have met periodically during the reporting period to discuss general activities of common interest, and during such meetings, the City has been kept apprised and informed by the College of its efforts and challenges relating to sourcing properties suitable to meet both the College financial and operational requirements within and near the District.

At the time of this Report, progress and costs of renovations of acquired properties remain within projections in the Business Plans.

## Progress of the Development and Establishment of the School Compared to Projections in the Business Plan

The following table compares the progress of the development and establishment of the School compared to projections contained in the Business Plan as at 31 March 2013.

	Progress To Date as at 31 Mar 13	Total Phases I, II & III
Student Enrolments (FTEs)*	355	1,000
Staffing (FTEs)	26	75
Building Area (SF)	58,244	110,000

\*In this 2012/ 13 Report, Student Enrolments means Application Confirmations Paid and Unpaid as of the Report Date.

At the time of this Report, progress of the development and establishment of the School remains comparable to projections in the Business Plans.