Capital funding covers the costs of acquiring land, buildings and building equipment, as well as costs related to building construction and major renovations. These expenditures provide for the maintenance of the institutional infrastructure that supports our teaching and research activities.

Sources of capital funding are as follows:

1. Ontario government capital grants for infrastructure renewal and construction.
2. Federal government capital grants from the Canada Foundation for Innovation (CFI) for facility construction and renewal, as well as Tri-Council (CIHR, NSERC and SSHRC) equipment grants transferred from research funds. The federal budget presented on March 22, 2017, included a $2 billion envelope to support infrastructure construction and renovation projects at Canadian universities.
3. Other sources, including transfers from the University’s operating budget ($10 millions), loans and fundraising campaigns (gifts). In November 2016, the University obtained funding on secondary markets through a $200 million long-term loan to finance projects such as the Learning Centre and the STEM building.

In May 2007, the Board approved Policy 114, which creates a framework for the University’s capital financing and debt management, to ensure that the University’s debt and liabilities are well managed. This policy promotes a comprehensive and complimentary approach to managing assets and liabilities, which includes monitoring coverage ratios and liquidity not allocated to servicing the debt. In April 2014, the Board of Governors approved an updated version of Policy 114. Certain ratios will also need to be defined when the Strategic Mandate Agreement (SMA) is finalized, and the University must maintain balanced ratios to ensure sound financial management.

The Board of Governors’ Finance and Treasury Committee reviews annually the University’s capital and expenditure plans, its borrowing capacity and other sources of financing required to complete the capital projects listed in the Campus Master Plan. In September 2016, it was resolved that the University would raise the amount to be borrowed from $120 million to $180 million, an amount that excludes ancillary services projects of $20 million. In November 2016, the University obtained market financing for a loan of $200 million bearing interest at an annual rate of 3.256% over a 40-year term. The loan’s primary purpose is to finance the Henderson residence ($20 million, ancillary service), the Learning Centre ($45 million) and the STEM building ($107 million). The University also created a sinking fund with an initial deposit of $10 million to allow the University to meet the two regulatory ratios specified in Policy 114 with respect to liability management.

Major building projects:

Capital projects that are under construction, under consideration or being planned are presented in the tables in the capital funds section. We plan to spend $202 million on infrastructure in 2017-2018 for projects totalling approximately $327 million. In its March 2016
budget, the federal government announced that $2 billion of its Strategic Innovation Fund would be earmarked for Canada’s postsecondary institutions, of which uOttawa has received $51.5 million for the STEM project. The STEM project which has an estimated total costs $158.5 million and forms part of the Campus Master Plan, will replace the obsolete MacDonald and Cube buildings and promote interdisciplinary cooperation between the faculties of Science and Engineering. This will promote their research capabilities in addition to consolidating and increasing the number of student spaces dedicated to innovation. Construction began in the summer of 2016.

Construction of the Learning Centre is ongoing and should be complete in late 2017. This $80 million project benefitted from a $30 million provincial grant. The new building will house some 800 new individual and collaborative study spaces, seating for 900 students in state-of-the-art classrooms, 5 special study spaces dedicated to blended teaching, as well as a new, 350-person-capacity food services area.

Projects to optimize and expand Roger Guindon Hall for the faculties of Health Sciences and Medicine continue and should be completed in early 2018. These projects, estimated at $16 million, will create additional research space for the new professors who have recently been hired by these faculties.

The University has partnered with the City of Ottawa to build the Arts Court project to house new spaces for the Department of Theatre at the Faculty of Arts. This project estimated at $9.4 million received a government grant of $4.5 million.

We are currently planning projects to optimize and increase space for the faculties of Medicine, Health Sciences, Science and Engineering to make room for newly recruited professors and expanded programs, in keeping with the goals of Destination 2020.

Based on the most current information, planned projects are for the most part estimated to be on time, on schedule and on budget.

Challenges

Even though we have embarked on building modern new facilities over the past few years, the campus still houses several aging buildings that require either major renovations or redevelopment. Over the coming years, the University, by way of the Buildings and Land Committee, will need to focus on maintaining or renovating these facilities. During the 2017-2018 fiscal year, we will make plans for the redevelopment of our residences, beginning with the replacement of Stanton and Marchand, which were built in the late 1960s. We will also embark on multi-year planning for other major renovations, including those required in Tabaret Hall and Colonel By Hall.