

MEMORANDUM

To: Regional Council

From: Bruce Macgregor
Chief Administrative Officer

Date: November 15, 2018

Re: **Extension of the construction milestone date for the start of the York University Markham Centre Campus until December 31, 2019.**

This memorandum informs Council of an amendment of the Memorandum of Understanding (MOU) between York Region and York University to extend the start of construction for York University Markham Centre Campus for one year to December 31, 2019.

In September 2014, the Region agreed to provide York University with up to \$25,000,000 in financial support for a new campus

In 2013, the Province initiated a process to identify potential sites for post-secondary expansion, with a focus on providing additional university undergraduate capacity in high growth locations in the province.

On [September 11, 2014](#), Council approved entering into an MOU with York University, which was signed on September 12, 2014. Council agreed to provide up to \$25,000,000 in financial support towards a potential new Markham Centre campus. One of the two milestone requirements set out in the MOU was that the Province would select the University's proposal before December 31, 2015 (first milestone).

In May 2015, the Province announced that it had selected York University's Markham Centre campus as the site for expansion and subsequently in June 2017, the Province announced an investment of \$127 million towards the new campus.

Release of funds to the University is currently subject to commencement of construction by December 31, 2018

Under the second milestone outlined in the MOU, the Region's funding obligation was conditional upon the university commencing construction, the "Construction Milestone," on or

before December 31, 2018. The MOU did not stipulate the timing of cash flows to the University.

In May 2018, Council granted authority to enter into a Funding Agreement with York University and to amend the Memorandum of Understanding, if necessary

On [May 17, 2018](#), Council granted the Chief Administrative Officer and the Regional Treasurer the authority to execute the Funding Agreement and to amend the MOU, if necessary, to extend the date to commence construction to allow York University to retain eligibility for the Region's funding.

Council also approved the timing of payment of four installments totalling \$25,000,000 and key terms of the funding agreement. The proposed funding source for this payment is a draw of funds available in the University Campus Reserve (\$4 million) and the remaining draw from the General Capital Reserve (\$21 million).

On October 23, 2018, the Province announced cancellation of funding for the expansion of three post-secondary campuses

On October 23, 2018, the Province announced cancellation of funding for the Markham campus, along with announced new campuses in Brampton and Milton.

Extension of the date to commence construction will allow York University to retain eligibility for the Region's funding

It is the intent of York University to try and proceed with the Markham campus despite the loss of Provincial funding, with the support of York Region, the City of Markham and Seneca College.

The Chief Administrative Officer and Regional Treasurer will exercise the authority granted to them on May 17, 2018 to amend the MOU to extend the date to commence construction for one year to December 31, 2019. Extension of the date to commence construction will allow York University to retain eligibility for the Region's funding under the second milestone outlined in the MOU as they work towards replacing the Provincial funding share.

Bruce Macgregor
Chief Administrative Officer

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