

THE UNIVERSITY OF BRITISH COLUMBIA

REQUEST FOR DECISION

FORWARDED TO: BOARD OF GOVERNORS ON RECOMMENDATION
OF PRESIDENT STEPHEN J. TOOPE

APPROVED FOR SUBMISSION:



Stephen J. Toope

DATE: 4/02/11

PRESENTED BY: David Farrar, Vice President - Academic and Provost
Pierre Ouillet, Vice President – Finance, Resources & Operations
Wes Pue, Vice Provost and Associate VP, Academic Resources
Daniel Muzyka, Dean, Sauder School of Business
John Metras, Managing Director, Infrastructure Development
Peter Smailes, Treasurer, UBC Treasury
Al Poettcker, President & CEO - UBC Properties Trust

DATE OF MEETING: February 7, 2011

SUBJECT: **Sauder School of Business Building Project**

DECISION REQUESTED: **Revised Board 3 Approval - Phase 3 Renovations***

Approval:

Capital Budget – Phase 1 (previously approved)	\$46,350,000
Capital Budget – Phase 2 (previously approved)	\$17,900,000
Capital Budget – Phase 3 (for approval)	\$5,684,000

Revised Total Capital Budget	\$69,934,000
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Operating Budget (Incremental) – Phase 1	\$514,855
Operating Budget (Incremental) – Phase 2	\$518,373
Operating Budget (Incremental) – Phase 3	Nil

Operating Budget	\$1,033,228
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Project in Principle – Phase 3
Consultant Selection – Phase 3
Program – Phase 3
Schedule – Phase 3
Award of Contract – Phase 3

Funding Release	\$5,684,000
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Information:

Expenses to Date:	\$45,406,000
Funding Releases to Date:	\$64,250,000

** Subject to tenders for Phase 3 construction components being received at or below budget. Removal of this condition will be based on results from approximately 80% of tenders.*

EXECUTIVE SUMMARY:

The Sauder School of Business (SSB) proposes to undertake additional renovation work in the Henry Angus office tower over and above the scope approved in the current SSB Phase 2 renovation project. This additional renovation work includes: academic and administrative office layout and finishes, elevator lobby finishes, washroom upgrades, electrical upgrades, exterior envelope repairs, and window replacement. The magnitude of this proposed work is of sufficient scale to be viewed as Phase 3 of the overall SSB building project.

The original Phase 2 scope for the office tower included development of a conference centre on the top floor and limited code upgrades through all floors. Office and public areas finishes in Phase 2 were very basic, essentially amounting to touch up work where code upgrades had disturbed existing finishes. As Phase 2 renovations have proceeded and the impacts of the code upgrades have become better understood, SSB feels that it makes sense to undertake the additional renovation work now in conjunction with Phase 2. The proposed work will have the following benefits: 1) asset protection - through repair of spalling concrete on exterior envelope; 2) energy savings - through replacement of single-pane windows; 3) capacity upgrade - through electrical system upgrades to properly handle current load; and 4) enhancement of public image in keeping with a world class business school - through upgrades to office and public area finishes, and a repaired and refreshed exterior.

The Phase 3 renovation has an estimated capital cost of \$5.684 million. Funding for the project will come entirely from Sauder School of Business reserves. No UBC Central Administration funds will be required. No debt financing will be required. Operating costs for the renovated space will remain the same as that proposed under the previously approved Phase 2 project.

Sauder, which benefitted from better than expected market conditions and from the very strong performance of its programs, for which the Dean should be congratulated, is expected to end the 2010/11 fiscal year with \$24 million in unrestricted operating reserves. The Phase 3 investment, additional AV expenses that will benefit students and significant investments into the MBA program that will also benefit students will bring this reserve down to a \$10-\$12 million range over time. Sauder is therefore in a position to transfer \$2 million back to UBC Central (reducing UBC's contribution to Phase I from \$10,097,000 to \$8,097,000) and \$2 million back to commerce students in the form of early principal payments on debt supported by undergraduate and graduate student fees for Phase 1 & 2, which will have the effect of reducing the amortization on this debt by 7 years.

UBC Properties Trust will project manage the Phase 3 renovation, which will be incorporated into the current SSB Phase 2 building project to allow for logistical and cost efficiencies. Construction is scheduled to start in April 2011 with completion targeted for January 2012.

It is important to note that the work to date for Phase 1 & 2 is on budget. No portion of Phase 3 is required for Phase 1 & 2.

ORIGIN OF REQUEST AND ADVANCED CONSULTATION

Background

The Sauder School of Business (SSB) is located in three facilities at the intersection of Main Mall and University Boulevard. These include the 1965 Henry Angus Building, the adjoining 1976 E.D. MacPhee Buildings and the 1992 David Lam Management Research Centre. These facilities are currently undergoing a significant renewal to meet the expanding and changing needs of SSB faculty and students. The renewal project was originally planned in two phases. Phase 1 was completed in January 2010 and included construction of a new addition, renovation of the ground floor of the Henry Angus classroom building and a new façade for the Henry Angus building and E.D. McPhee north & south buildings. Phase 2 is currently underway and includes renovations to the remainder of the Henry Angus classroom building and renovations and required fire-safety and seismic upgrades to the Henry Angus classroom block and tower, E.D. McPhee buildings and David Lam Management Research Centre. Phase 2, which received Board 3 approval at a special meeting of the Board in May 2010, is targeted for completion in January 2012. The overall capital cost for Phases 1+2 is \$64.25 million. Funding sources for Phase 1+2 include faculty fundraising and internal loans supported through student fees and the Trek Endowment.

As Phase 2 renovations have proceeded and the impacts of the code upgrades on the Henry Angus office tower have become better understood, SSB has identified additional renovation work in the office tower that would make sense to undertake now in conjunction with Phase 2 work. The additional proposed scope includes: academic and administrative office layout and finishes, elevator lobby finishes, washroom upgrades, electrical upgrade, exterior envelope repair, and window replacement. This work is in addition to the original Phase 2 scope for the tower which included re-development of the penthouse conference centre and code upgrades through all floors, specifically installation of fire protection sprinkler systems. Office and public areas finishes in Phase 2 were very limited, essentially amounting to touch up work where code upgrades had disturbed existing finishes.

The magnitude of the proposed expanded scope, which has an estimated capital cost of \$5.684 million, is of a sufficient scale that it is viewed as Phase 3 of the overall SSB building project. Benefits of the proposed work include: 1) asset protection - through repair of spalling concrete on exterior envelope; 2) energy savings - through replacement of leaking, single-pane windows; 3) capacity upgrade - through electrical system upgrades to properly handle current load; and 4) enhancement of public image in keeping with a world class business school - through upgrades to office and public area finishes, and a repaired and refreshed exterior. Repairing the exterior was a specific priority for the SSB Faculty Advisory Board. The proposed window replacement will also provide a sustainability benefit and help to ameliorate longstanding climate control issues in the tower.

Current Project Status

Phase 1 renovations were completed in January 2010. Phase 2 renovation work is underway and on track for completion in January 2012, with student and classroom areas targeted for completion in September 2011. Phase 1 & 2 are on budget and no portion of Phase 3 is required for these preliminary phases. The project architect has provided preliminary scope and cost estimates for the proposed Phase 3 renovation work to the office tower. Executive approval for Phase 3 was

granted in November 2010. Revised Board 3 approval is required in February 2011 in order for Phase 3 construction to commence on the targeted schedule in April 2011. This will allow Phase 3 to proceed in conjunction with Phase 2 thus achieving logistical and cost efficiencies. Undertaking Phase 3 at the same time as Phase 2 will be less expensive than proceeding with Phase 3 as a stand alone project at a future date. The heads of SSB student government at the undergraduate and graduate levels have been consulted and they are supportive of the project.

DISCUSSION SUMMARY

Project Management

UBC Properties Trust is the project manager for Phase 3.

Consultants

Acton Ostry Architects, who provided have provided design services for Phase 1 and 2, will continue as the design consultant for Phase 3. Scott Construction will continue as the construction manager.

Project Scope

Phase 3 Scope (Subject of this Revised Board 3 Approval Request):

The Phase 3 scope includes the following renovation work in the Henry Angus tower:

- reconfiguration and re-finishing of academic and administrative offices
- upgrades to washrooms and elevator lobby areas
- upgrades to electrical distribution system to increase capacity
- repairs to exterior building envelope to address spalling concrete and exposed re-bar
- replacement of end of life single pane windows with high efficiency double pane glazing

The building area covered by these Phase 3 office tower renovations is 4,000 m² (43,056 ft²).

Phase 1 Scope (Completed in January 2010):

- New addition of classrooms and lecture halls and Leadership Centre
- Renovations to existing Level 1, including seismic upgrades.
- Façade upgrade to the remainder of building (approved in April 2009)

Phase 2 Scope (Currently under construction):

- Renovations to Henry Angus classrooms and E.D. McPhee north/south as well minor renovations to David Lam and the Henry Angus Tower
- Computer and research labs in Henry Angus basement
- Conference Centre at the top floor of the HA Tower
- Phase 2 audio visual, security, code, seismic and life safety upgrades (budget for the code and life safety upgrades was included within the Phase 1 budget and held in reserve in the event that Phase 2 did not go forward)

Revised Capital Budget (\$000's)

	Phase 1 (Approved)	Phase 2 (Approved)	Phase 3 (For Approval)	Total
Construction	\$27,961	\$11,584	\$4,091	\$43,636
Phase 2 Seismic + Code Upgrades	\$4,514			\$4,514
Consultants	\$3,155	\$1,951	\$530	\$5,636
FFE Allowance	\$1,550	\$804		\$2,354
UBC IT/AV/Security	\$1,700	\$320	\$200	\$2,220
Permits, Inspections, Testing, Insurance	\$190	\$200	\$50	\$440
Relocation Allowance	\$2,000	\$500	\$100	\$2,600
Project Management	\$870	\$452	\$120	\$1,442
Contingency	\$3,501	\$1,500	\$327	\$5,328
Retained Risk	n/a	n/a	\$82	\$82
Sub Total	\$45,441	\$17,311	\$5,500	\$68,152
Tax	\$909	\$589	\$184	\$1,682
Total	\$46,350	\$17,900	\$5,684	\$69,934

Operating Budget

Operating costs for the Phase 3 renovated space will remain the same as that previously approved for Phase 1 and 2.

Phase 1	m ²	\$/m ²	Cost (\$)
New Space (APPA Level 2)	4,678	90.16	421,768
Renovated Space (APPA Level 2)	3,047	90.16	274,718
Less: Renovated Space (Current APPA Level 5 Budget)	3,047	59.61	(181,631)
Total Phase 1 – Incremental Cost (Approved Jan 2007)			514,855
Phase 2			
Renovated Space (APPA Level 2)	16,968	90.16	1,529,835
Less: Renovated Space (Current APPA Level 5 Budget)	16,968	59.61	(1,011,462)
Total Phase 2 – Incremental Cost			518,373
Phase 3			
Total Phase 3 – Incremental Cost			Costs covered in Phase 2
Total Phase 1, 2 and 3 – Incremental Cost	24,693		\$1,033,228

The operating budget includes costs for provision of building system maintenance, custodial, municipal and utilities services at the APPA Level 2 standard. The total figures shown represent incremental new costs net of APPA Level 5 operating budget already in place for existing space. Funding for this incremental increase has been included in the University operating budget.

The annual allowance for on-going capital renewal and upgrade of this facility is estimated at approximately \$1.0 million. This requirement will be funded at least in part through the annual inflationary increases in the student fees, which according to the terms of the student fee

referendums must be “set aside in a discrete fund that will only be used with student consultation for the purpose of updating and renewing the facility”.

Funding Sources

The entire \$5.684 million in funding for the Phase 3 renovations will come from Sauder School of Business reserves. No UBC Central Administration funds will be required. Sauder, which benefitted from better than expected market conditions and from the very strong performance of its programs, for which the Dean should be congratulated, is expected to end the 2010/11 fiscal year with \$24 million in unrestricted operating reserves. The Phase 3 investment, additional AV expenses that will benefit students and significant investments into the MBA program that will also benefit students will bring this reserve down to a \$10-\$12 million range over time. Sauder is therefore in a position to transfer \$2 million back to UBC Central (reducing UBC’s contribution to Phase I from \$10.097 million to \$8.097 million) and \$2 million back to commerce students in the form of early principal payments on debt supported by undergraduate and graduate student fees for Phase 1 & 2, which will have the effect of reducing the amortization on this debt by 7 years. The University administration believes that leaving \$6-\$8 million in structural reserves at Sauder is necessary to protect against the revenue volatility from the Real Estate Program and to allow its next Dean to build and expand on the current Dean’s legacy. We are grateful for Sauder’s contributions and hope that the Board and commerce students share our appreciation.

The following shows the updated breakdown of funding sources for the overall project.

	Revised Board 3 May 2010 \$000’s	Revised Board 3 Feb 2011 \$000’s
Phase 1		
Sauder Fundraising (confirmed)	23,947	23,947
Sauder Fundraising (verbal commitment)	1,950	1,950
Sauder Fundraising (underway)	1,000	1,000
Fundraising Sub-total	26,897	26,897
Sauder Debt supported by MBA/MM Student Fees ^{1,2}	5,000	4,560
Sauder Debt supported by operations	4,356	4,356
UBC Central Debt supported through Trek Endowment	7,862	7,862
Debt Sub-total	17,218	16,778
UBC Central Cash Contribution	1,985	0
Classroom Services (Social Space FF&E)	250	235
Sauder Cash Contribution from Reserves	0	2,440
Operating Cash Contribution Sub-total	2,235	2,675
Total Phase 1	\$46,350	\$46,350
Phase 2		
Sauder Debt supported by BComm Student Fee ³	17,900	16,340
Sauder Cash Contribution from Reserves	0	1,560
Total Phase 2	\$17,900	\$17,900
TOTAL PHASE 1 & 2 (Board Approved)	\$64,250	\$64,250
Phase 3		
Sauder Cash Contribution from Reserves		5,684
Total Phase 3 (Subject of this Board approval request)		\$5,684

TOTAL PHASE 1, 2 & 3\$64,250\$69,934

1 - The MBA/MM fees will be used to fund seismic and code upgrade work that was included in the Phase 1 budget but will be undertaken as part of Phase 2.

2 - Sauder intends to reduce the debt supported by MBA/MM Student Fees by making a cash contribution of \$440,000 from Faculty cash reserves. This payment will be made by September 30, 2012. The net effect will be to reduce the amortization of the loan by 7 years.

3 - Sauder intends to reduce the debt supported by BComm Student Fees by making a cash contribution of \$1,560,000 from Faculty cash reserves. This payment will be made by September 30, 2012. The net effect will be to reduce the amortization of the loan by 7 years.

Financing

No debt financing will be required for Phase 3. Phase 1 and Phase 2 financing requirements of up to \$35.9 million were previously approved by the Board in May 2010.

Revised Project Schedule

Construction Start – Phase 1	September 2007
Substantial Completion – Phase 1	December 2009
Occupancy – Phase 1	January 2010
Board of Governors (Revised Board 3 – Phase 2)	May 2010
Construction Start – Phase 2	May 2010
Board of Governors (Revised Board 3 – Phase 3)	February 2011
Construction Start – Phase 3	April 2011
Substantial Completion – Phase 2 + 3	January 2012
Final Occupancy – Phase 2 + 3	January 2012
Board of Governors (Board 4)	February 2013

Sustainability

Phase 3 will be designed to be LEED Silver equivalent as a minimum. This is consistent with the standard set on Phases 1 and 2. Where applicable, the project will include the latest energy and water saving technologies used on LEED Gold projects.

Attachments

1. Previous Board Action
2. Capital Project Accountability – Scope and Planning
3. Capital Project Accountability – Budget and Funding

PREVIOUS BOARD ACTION**BOARD ACTION (2010)**

1. May 17, 2010 – **Revised Board 3 (Phase 2)****Approval:**

Phase 1 Capital Budget	\$46,350,000
Phase 2 Capital Budget	<u>\$17,900,000</u>
Total Capital Budget	\$64,250,000
Operating Budget (Net Increase)	\$1,033,228
Award of Contract for Phase 2	
Funding Release	\$18,150,000

Information:

Expenses to Date:	\$41,500,000
Funding Releases to Date:	\$46,100,000

BOARD ACTION (2009)

2. Dec 3, 2009 – **Information Report**

Phase 1 Capital Budget:	\$46,350,000
Phase 2 Capital Budget:	<u>\$17,900,000</u>
Total Phase 1 + Phase 2	\$64,250,000

Expenses to Date:	\$30,554,000
Funding Releases to Date:	\$46,100,000

3. April 7, 2009 – **Revised Board 3****Approval:**

Revised Capital budget:	\$46,100,000
Revised Program	
Revised Schedule	
Revised Funding	
Funding Release:	\$24,000,000

Information:

Expenses to Date:	\$16,745,000
Funding Releases to Date:	\$40,000,000

- Phase 1 nearing completion
- Project brought to Board for Conditional Board 3 approval for Phase 2.
- Phase 2 construction budget remained unchanged \$16.4M
- Additional scope was deemed necessary for current needs (conference centre, and additional AV, security, and enhanced environmental graphics) and increased the Phase 2 budget by \$7.6M (\$24.0M total Phase 2)

- Approval subject to provincial funding in the amount of \$18.0M.
- Provincial funding was not approved. Phase 2 not able to proceed, however the façade work (\$6.1M) from Phase 2 was moved to Phase 1 and undertaken.
- Revised Phase 1 approved capital budget: \$46.1M
- Phase 2 capital budget: \$17.9M
- Total project budget: \$64.0M

BOARD ACTION (2007)

4. September 27, 2007 – Revised Board 3

Approval:

Revised Schedule	
Revised Capital budget:	\$40,000,000
Revised Funding	
Funding Release:	\$4,514,000

Information:

Expenses to Date:	\$1,837,000
Funding Releases to Date:	\$35,486,000

- 60% of the tenders had been received in July 2007, but due to the issues surrounding the funding sources (student fee not being approved) the construction start for the new wing was put on hold.
- Revised Board 3 approved for Phase 1
- A budget reallocation of \$4.5M was made from Phase 2 to Phase 1 in order to cover the required seismic, code and life safety upgrades for Phase 2 in the event that this phase did not proceed.
- Phase 1 approved capital budget: \$40.0M.
- Phase 2 capital budget: \$16.4M (gst rate change)
- Total project budget: \$56.4M
- Financing approved in the amount of \$18.0M to be debt serviced by UBC discretionary funds or MBA student fees.
- Phase 1 construction commenced in September 2007.

5. May 22, 2007 – Conditional Board 3*

Approval:

Capital budget:	\$35,486,000
Operating budget:	\$514,855
Funding Release:	\$34,636,000

Information:

Funding Releases to Date:	\$850,000
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*Approval for Board 3 is conditional on tenders being received on or below budget and is also conditional on receiving provincial government approval for the student building fee prior to the commencement of construction.

- In order to maintain the project schedule and in order for demolition to occur during the summer months, Phase 1 was split into two phases.
- Conditional Board 3 approval granted for the new construction portion (new wing) of Phase 1 only, subject to tenders being received at or below budget and subject to the student fee being approved by the government.
- Approval for the renovations portion of Phase 1 was to come in the Fall.
- Financing for Phase 1 in the amount of \$16.08M also approved which was to be debt serviced by the student fees once approved.

6. March 22, 2007 – **Completion of Board 2***

Approval:

Revised Capital budget:	\$35,486,000
Approval to proceed to working drawings & tender	
Funding Release:	\$750,000

Information:

Funding Releases to Date:	\$550,000
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- Full Board 2 approval granted
- \$1.5M added to the Phase 1 budget for relocation costs
- Phase 1 approved capital budget: \$35.5M
- Phase 2 capital budget received for information: \$21.0M
- Total project budget: \$56.5M
- Project approval still conditional upon the student fee.
- Under separate cover, the student fee was approved by the UBC Board of Governors, however approval to levy this fee was also required by the provincial government.

7. January 25, 2007 – **Conditional Board 2**

Approval:

Capital Budget:	\$33,986,000
Preliminary Operating Budget:	\$514,855
Schedule	
Authorization to issue Development Permit	
Proceed to Working Drawings & Tender	
Funding Release:	\$200,000

Information:

DP Application Review Summary	
Funding Releases to Date	\$350,000
Schematic Design	

- Conditional Board 2 received for Phase 1 subject to approval of the student fee
- Program revised to carry out Level 1 renovations in Phase 1 as opposed to Phase 2
- Budget consequently amended.
- Phase 1 approved capital budget: \$34.0M
- Phase 2 capital budget received for information: \$21.0M

- Total project budget: \$55.0M

BOARD ACTION (2006)

8. September, 28 2006 – Board 1*

Approval:

Preliminary Capital Budget:	\$23,973,000
Preliminary Operating Budget:	\$465,729
Schedule	
Consultant Selection	
Program	
Proceed to Schematic Design	
Funding Release:	\$350,000

Information:

Expenses to Date:	\$21,500
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- Due to funding shortfalls and schedule constraints, project is split into 2 phases
- Phase 1 includes the construction of the new wing to the west of the Henry Angus as well as some minor renovation work to the existing buildings (Grad Centre, café, lobby).
- Phase 1 construction is entirely free standing and self sufficient, so that if for any reason the renovations in Phase 2 did not proceed, the new areas would be fully useable.
- Phase 2 was to include the renovation of the three existing buildings.
- Phase 1 approved capital budget: \$24.0M
- Phase 2 budget received for information: \$31.2M
- Total project budget: \$55.0M


*Please note that this project was brought back for Board 1 subsequent to the revision of the project management process, approved by the Board in December 2005. The project received approval in principle and its location in July 2005 under the former project management process.

BOARD ACTION (2005)


9. Date of Meeting July 14, 2005 – Board 1
 Resolution: Approval in principle and its location.

- Project scope includes renovations and new construction in the Henry Angus office tower and classrooms, E.D. MacPhee north and south and the David Lam Centre, as well as a new addition to the west of the Henry Angus.

Capital Project Accountability – Scope and Planning

PROJECT NAME		CURRENT APPROVAL STATUS			
	Project Name:	Sauder Building Project		Level	Approval Date
	Department/Unit:	Sauder School of Business	Executive:	3 (Phase 3)	22-Nov-10
	Sponsor:	Dan Muzyka, Dean, SSB	Board:	R3 (Phase 2)	17-May-10
PROJECT DESCRIPTION		FUNCTIONAL PROGRAM			
Development Type:	New Construction/Renovation	Space Type	Phase 1	Phase 2+3	Total (GSM)
Facility Type:	Academic Building	New Addition	4,678	0	4,678
Gross Building Area:	265,793 gsf (24,693 gsm)	Minor Renovation	0	6,999	6,999
Capital Cost:	\$69,934,000	Major Renovation	3,047	9,969	13,016
Location/Site:	UBC Vancouver, Main Mall	Total	7,725	16,968	24,693
Primary Users / Tenants:	Sauder School of Business	Comments:	Phase 1 - New addition of classrooms and Leadership Centre, Henry Angus Level 1 renos and seismic upgrade, façade upgrade. Phase 2 - Renos to Henry Angus Classroom Block + Tower, ED McPhee, and David Lam. Phase 3 - Enhanced renovation to Henry Angus Tower.		
PROJECT RATIONALE & BENEFITS					
Need/Benefit Area	Description				
Academic Growth:	Supports increasing number of undergraduate and graduate students				
Research Growth:					
Learning & Research Environment	Provides updated classrooms and lecture theatres with state of the art AV systems				
Student Amenity	Provides refurbished undergraduate and graduate student social space				
Community Amenity					
Other Benefits:	Provides enhanced space for executive education				
SCHEDULE		SUSTAINABILITY GOALS			
	Target	Actual	Indicator	Target	Actual
Board 1		Sep 2006	Certification:		
Board 2		Mar 2007	Energy Efficiency Level:		
Board 3 (Phase 1)		Sep 2007	Energy Use Intensity:		
Phase 1 Construction Start		Sep 2007	GHG Reduction:		
Phase 1 Substantial Completion		Jan 2010	Const Waste Recycling		
Phase 1 Occupancy		Jan 2010	Water Use Efficiency		
Revised Board 3 (Phase 2)	Apr 2010	May 2010	Innovative Features:	* Project commenced prior to establishment of firm sustainability targets.	
Phase 2 Construction Start	May 2010	May 2010			
Revised Board 3 (Phase 3)	Feb 2011				
Phase 2+3 Substantial Completion	Jan 2012				
Phase 2+3 Occupancy	Jan 2012				
Board 4	Jan 2013				
DEVELOPMENT PROCESS					
Project Manager	UBC Properties Trust (Nick Maile)		Construction Manager	Scott Construction	
Architect	Acton Ostry		Infrastructure Development Rep	John Metras	
	Date	Comments			
AUDP Review	Dec 7, 2006	No significant issues raised.			
Dev. Review Committee	Dec 14, 2006	Ensure seismic and code compliance elements are included in project scope.			
Public Open House	Dec 13, 2006	No significant issues raised.			
Building Permit	Sep 07/May 10	Phase 3 permit will be requested in April 2011.			
CAMPUS & COMMUNITY PLANNING COMMENTS					

Capital Project Accountability – Budget and Funding

PROJECT NAME		CAPITAL BUDGET (\$000s)		LIFE-CYCLE OPERATING BUDGET				
 Project Name: Sauder Building Project Department/Unit: Sauder School of Business Sponsor: Dan Muzyka, Dean, SSB								
Capital Development Cost		\$000s	\$/GSF	Operating Costs		Annual \$	\$/GSF	Funding Source
Phase 1 - Construction/Renovations	\$ 33,986			Ops & Maintenance*	\$ 1,634,627	\$ 6.15	UBC Central	
Phase 1 - Relocation	\$ 1,500			Utilities	\$ 591,694	\$ 2.23	UBC Central	
Phase 1 - Seismic & Code Upgrades	\$ 4,514			Gross Total O&M Cost	\$ 2,226,321	\$ 8.38		
Phase 1 - Façade	\$ 6,100			Less: Current Level 5	\$ (1,193,093)			
Phase 1 - Additional social space FF&E	\$ 250			Budget				
Sub-Total Phase 1 (Complete)	\$ 46,350			Net O&M Cost	\$ 1,033,228	\$ 6.59	UBC Central	
				* Includes: building maintenance, custodial, municipal and security services				
Sub-Total Phase 2	\$ 17,900			Life-Cycle Capital Costs		Annual \$	\$/GSF	Funding Source
				Cyclical Maintenance	\$ 642,500	\$ 4.10	Student Fees	
Sub-Total Phase 3	\$ 5,684			Modernization/Upgrade	\$ 321,250	\$ 2.05	Student Fees	
Total Project Budget	\$ 69,934	\$ 263		Total Cap Renewal Cost	\$ 963,750	\$ 6.15		
Capital Budget Notes:				Operating Budget Notes: Facility to be maintained at APPA Level 2 standard				
FUNDING AGREEMENTS (\$000s)				FINANCING AGREEMENTS				
Funding Source	Liability with:	Committed	Secured*	Debt Serviced By:	Loan Amt*	Amort.	Int.	Ann. Payment
Donor Fundraising	Sauder	\$ 26,897	\$ 26,897		\$ -			
Faculty/Unit	Sauder	\$ 5,000	\$ -	Sauder (MBA/MM fees)	\$ 5,000	35	5.75%	\$ 335
Faculty/Unit	Sauder	\$ 4,356	\$ -	Sauder (Operations)	\$ 4,356	35	5.75%	\$ 292
Faculty/Unit	Sauder	\$ 17,900	\$ -	Sauder (BComm fee)	\$ 17,900	35	5.75%	\$ 1,199
Faculty/Unit	Sauder	\$ 5,684	\$ 5,684		\$ -			
Central Administration	UBC Central	\$ 9,847	\$ 1,985	UBC Central (Trek)	\$ 7,862	35	5.75%	\$ 526
Grants/Other	Classrm Services	\$ 250	\$ 250		\$ -			
Total		\$ 69,934	\$ 34,816	Total	\$ 35,118			\$ 2,352
* Funding paid or firmly committed to be paid before end of construction				* Loan amts in this case represent liabilities for unsecured funding sources				
Funding Notes:				Debt Capacity Impact:				
PROJECT REQUIREMENTS CHECKLIST & SIGN-OFF								
CHECK	REQUIREMENT	NAME		SIGNATURE	DATE			
	Programmatic need and benefit	Provost's Office Vice Provost and Associate Vice President, Academic Resources		Wes Pue	13-Jan-11			
	Project scope and budget P3 screen Project manager assignment Swing space requirements	Infrastructure Development Managing Director		John Metras	12-Jan-11			
	Project site Development review process Sustainability measures	Campus & Community Planning Associate Vice President		Addressed in Phase 1				
	Classroom/teaching lab review	Classroom Services Director		Addressed in Phase 1				
	Food, housing and child care	Student Housing & Hospitality Services Managing Director		Addressed in Phase 1				
	Funding & financing agreements	Project Sponsor Dean, Sauder School of Business		Dan Muzyka	13-Jan-11			
	Funding & financing agreements Debt capacity	Treasury Treasurer		Peter Smailes	13-Jan-11			
	Fundraising plan	Development Office AVP, Development Services		Addressed in Phase 1				
	Life-cycle operating costs	Building Operations Managing Director		Addressed in Phase 1				
	Security & access control Parking	University Community Services Managing Director		Addressed in Phase 1				
ATTACHMENTS								