



<b>SUBJECT</b>	<b>GAGE SOUTH STUDENT RESIDENCE</b>
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<b>MEETING DATE</b>	<b>JUNE 9, 2015</b>
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Forwarded to the Board of Governors on the Recommendation of the President

**APPROVED FOR  
SUBMISSION**

Arvind Gupta, President and Vice-Chancellor

<b>DECISION REQUESTED</b>	<p><b>IT IS HEREBY REQUESTED that the UBC Board of Governors grant BOARD 1 approval for the Gage South Student Residence project with a funding release of \$1,000,000 to undertake schematic design.</b></p> <table> <tr> <td>Preliminary Capital Budget</td><td>\$69,700,000</td></tr> <tr> <td>Preliminary Operating Budget</td><td>see report</td></tr> <tr> <td>Preliminary Schedule</td><td></td></tr> <tr> <td>Preliminary Program</td><td></td></tr> <tr> <td>Architect</td><td></td></tr> <tr> <td>Proceed to Schematic Design</td><td></td></tr> <tr> <td><b>Funding Release</b></td><td><b>\$1,000,000</b></td></tr> <tr> <td><b>Information</b></td><td></td></tr> <tr> <td>Expenses to date</td><td>\$0</td></tr> <tr> <td>Funding released to date</td><td>\$0</td></tr> </table>	Preliminary Capital Budget	\$69,700,000	Preliminary Operating Budget	see report	Preliminary Schedule		Preliminary Program		Architect		Proceed to Schematic Design		<b>Funding Release</b>	<b>\$1,000,000</b>	<b>Information</b>		Expenses to date	\$0	Funding released to date	\$0
Preliminary Capital Budget	\$69,700,000																				
Preliminary Operating Budget	see report																				
Preliminary Schedule																					
Preliminary Program																					
Architect																					
Proceed to Schematic Design																					
<b>Funding Release</b>	<b>\$1,000,000</b>																				
<b>Information</b>																					
Expenses to date	\$0																				
Funding released to date	\$0																				

<b>Report Date</b>	<b>May 12, 2015</b>
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**Presented By**

Louise Cowin, Vice-President Students  
 Lisa Castle, Vice-President Human Resources (Acting VP Resources & Operations)  
 Andrew Parr, Managing Director, Student Housing & Hospitality Services  
 John Metras, Managing Director, Infrastructure Development  
 Michael White, Associate Vice-President Campus + Community Planning  
 Al Poettcker, President & CEO, UBC Properties Trust

## EXECUTIVE SUMMARY

As a key component of its growth plan to address significant demand for on-campus student housing, Student Housing & Hospitality Services (SHHS) propose to develop the Gage South Student Residence to provide expanded accommodation for upper year students. The project will be integrated with the planned new Bus Exchange at the southwest corner of Wesbrook Mall and Student Union Boulevard, adjacent to the Student Recreation Centre and new Aquatic Centre in the Gage South precinct.

The new Gage South Student Residence will provide approximately 630 beds for upper year students in suite style configuration (micro units, studios, 1, 2, 3 and 4 bedroom units with kitchen) including some larger studios and 1 bedroom units that will generate higher rents and greater revenue and some small (145 sq ft) micro units to assist in addressing affordability issues for some students. Typical residence amenities will be provided including lobby, front desk, house lounge, meeting/study rooms, bike storage, fitness/games room, music practice rooms and laundry. A collegium for commuter students is also planned to be included.

The residence will include four towers, ranging in height from 5 – 14 storeys, and will be constructed on a 2-storey (equivalent) podium over top of the bus exchange layover facility. The addition of student housing in this location implements key aspects of both the Land Use Plan and Campus Plan for sustainable campus and community design by bringing learning, housing, jobs, recreation and transit closer together. The design of the residence will include mitigation of noise, light and exhaust emissions based on best practice throughout North America for motor vehicle parking beneath mixed use developments.

The preliminary capital budget for the project is \$69.7 million, including \$500,000 for the collegium fit-out. The cost per residence bed is \$109,841. This is in line with the cost per bed for the Ponderosa Commons Phase 2 project (\$105,342) factoring in construction cost escalation between the tender dates for the two projects (2013 versus 2016).

The project will be financed with a \$69.7 million internal loan at 5.75% annual interest paid back over 30 years from housing rental revenue. While current projections indicate there will be a shortfall of available liquidity in 2017, a comprehensive liquidity plan will be brought to the September Board meeting. At that time the August 2015 low point liquidity numbers will be known as well as the outcome of the potential third party loan for the New Student Union Building. If this third party loan is unsuccessful the University will free sufficient liquidity for this project by deferring other projects to a future date.

UBC Properties Trust is the project manager. Executive 3 approval was received on May 8, 2015. Project construction will be undertaken in conjunction with the New Transit Terminal/Bus Exchange project and is targeted for completion in August 2019.

#### INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED

☐ Learning      ☐ Research      ☐ Innovation      ☒ Engagement  
(Internal / External)      ☐ International

or ☐ Operational

#### DESCRIPTION & RATIONALE Student Housing Growth Strategy: 2017 – 2020

Access to student housing is a key strategic initiative for UBC. The location of the UBC Vancouver campus on the Point Grey peninsula, adjacent to the most expensive housing in Canada, presents a significant challenge for students to find proximal and affordable housing. Despite growth in UBC's housing stock from 2010 to 2016 of over 2,800 beds, wait lists and demand continue to grow, for the following reasons:

- International student enrolment continues to exceed growth targets and, statistically, 92% of 1<sup>st</sup> year international students reside in student housing.
- 60% of students (domestic and international) report that they wish to reside on campus for the duration of their studies; a significant increase from previous years.
- The Vancouver rental marketplace is growing at a slower rate than demand, hence reducing availability of the rental stock. This results in higher rents and longer commute times for students renting off campus.
- As the campus resident population grows so does the number and diversity of desired amenities, hence creating an enhance community vibrancy. This, in turn, results in more students wish to reside on campus.
- Students experience greater academic and social benefits, partake more in extracurricular activities and have a stronger affinity to UBC as compared to students who commute.

The most recent (May 2015) student housing wait list numbers are as follows:

- Year Round Residence for start date of May 1, 2015 – 1,240 students
- Year Round Residence for start date between June 1 and Sep 1, 2015 – 2,350 students
- Winter Session Residence Application Process (RAP) waitlist – 2,690 students

The combined waitlist number of approximately 6,300 represents the largest waitlist ever recorded.

To maintain the first-year residence guarantee in 2014/15, 750 first-year students had to be accommodated in upper year residences, impacting their first year experience and bumping upper year students from residence. This trend will continue in 2015/16 but will be partially addressed with the opening of Orchard Commons in summer 2016.

For these reasons SHHS created a 2017-2020 growth plan to add an additional 2,250 beds, as described in the chart below:

Project	Beds	Est. Cost	Completion
Totem Park Residence In-Fill – 1 <sup>st</sup> year dormitory	350	\$29.8 M	Aug 2017
Brock Commons Tall Wood – upper year, suite style	400	\$40.0 M	Aug 2017
<b>Gage South – upper year, graduate suite style</b>	<b>500</b>	<b>\$58.0 M</b>	<b>Aug 2019*</b>
Old Armoury Commons – unit type TBD	1,000	\$100.0 M	TBD
<b>Total</b>	<b>2,250</b>	<b>\$227.8M</b>	

\*Project will need to align with timing of bus exchange (transit terminal) project

### Gage South Student Residence

The new Gage South Student Residence is proposed to be integrated with the reconfigured TransLink Bus Exchange at the southwest corner of Wesbrook Mall and Student Union Boulevard, adjacent to the Student Recreation Centre and new Aquatic Centre in the Gage South precinct (see Site Map in Attachment 1).

The residence will include four towers (3 along Wesbrook Mall, 1 along Student Union Blvd), ranging in height from 5 to 14 storeys, and will be constructed on a 2-storey (equivalent) podium over top of the new Bus Exchange. TransLink supports the reconfiguration of the Bus Exchange to replace the originally planned below-grade bus layover facility with a more easily accessible at-grade facility integrated at the base of the student residence. This reconfiguration was proposed as a land efficient solution to avoid anticipated cost overruns with the below-grade facility. The design of the residence will include mitigation of noise, light and exhaust emissions based on best practice throughout North America for motor vehicle parking beneath mixed use developments.

The addition of student housing in this location implements key aspects of both the Land Use Plan and Campus Plan for sustainable campus and community design by bringing learning, housing, jobs, recreation and transit closer together. Originally designated as a site for faculty and staff housing, the plans were amended in 2012 to enable student housing to expand in this part of campus, building on the close proximity to Gage Towers.

The Gage South Student Residence is proposed to provide approximately 630 beds for upper year students. This exceeds the original SHHS growth plan estimate of 500 beds and is based on preliminary site capacity analysis by the project architect which sought to achieve the maximum density appropriate for

the location. The residence will have suite style accommodation comprised of micro units, studios, 1, 2, 3 and 4 bedroom units with kitchen. Consideration is being given to creating larger studios and 1 bedroom units to provide a different living environment within the overall inventory mix and generating higher rents / revenue as a result. Micro units are currently programmed at 145 sq ft and are being developed to address affordability issues for some students. Rents are expected to be in the \$670 - \$690 per month range. These units will also act a test for marketplace acceptance for this style and size of living environment.

### ***Preliminary Residence Program***

Unit Type	Suites	Beds	% Beds
Micro	43	43	7%
Studio	50	50	8%
1 Bed	67	67	11%
2 Bed	14	28	4%
4 Bed	103	412	65%
City Home	10	30	5%
<b>Total</b>	<b>287</b>	<b>630</b>	<b>100%</b>

Typical residence amenities will be provided including lobby, front desk, house lounge, meeting/study rooms, bike storage, fitness/games room, music practice rooms and laundry. A collegium for commuter students is also being planned. This is viewed as a good location for commuter students in terms of proximity to transit.

It is proposed that Dialog be sole sourced as the project architect for the Gage South Student Residence project given that they are the architect for the Bus Exchange project and the overall development will be highly integrated in terms of building structure and design treatment required to ensure compatibility of uses. UBC Properties Trust is the project manager for both projects.

### **BENEFITS** Learning, Research, Financial, Sustainability & Reputational

The project will efficiently add new upper year residence beds to address significant demand for on-campus student housing. The project is targeting LEED Gold certification with a specific energy use intensity target in order to reduce life cycle costs and impact on the campus electrical grid. By adding more on campus student housing to the UBC Vancouver campus the project will contribute to reduction in commuter volume to and from campus. From a social sustainability perspective, more on campus student housing allows for more students to realize an enhanced social and academic experience while studying at UBC, adds vibrancy to the overall campus community and supports a greater retail presence.

### **RISKS** Financial, Operational & Reputational

#### **Risk Mitigation**

- Integration with the Bus Exchange – Provision of easy pedestrian access and mitigation of noise, vibration, light and bus exhaust emissions are key factors in the design of the residence facility but readily addressable given best practice throughout North America for integration of motor vehicle parking beneath mixed use developments. The same architect (Dialog) will be used for both the Gage South Student Residence project and New Transit

Terminal/Bus Exchange project to ensure an effectively integrated design.

- Project schedule – Construction of the Gage South Student Residence and New Transit Terminal/Bus Exchange cannot commence until the adjacent Aquatic Centre project is completed in October 2016. The Aquatic Centre project is currently on target for this completion date.
- Financing Capacity – Internal liquidity is constrained due to confirmed and anticipated commitments. While current projections indicate there will be a shortfall of available liquidity in 2017, a comprehensive liquidity plan will be brought to the September Board meeting. At that time the August 2015 low point liquidity numbers will be known as well as the outcome of the potential third party loan for the New Student Union Building. If this third party loan is unsuccessful the University will free sufficient liquidity for this project by deferring other projects to a future date.

### **COSTS Preliminary Capital Budget**

Capital &  
Lifecycle Operating

The preliminary capital budget for the project is \$69.7 million. This includes \$500,000 for fit-out of the proposed collegium. The cost per residence bed is \$109,841 per bed. This is in line with the cost per bed for the Ponderosa Commons Phase 2 project (\$105,342) factoring in construction cost escalation between the tender dates for the two projects (2013 versus 2016).

Component	\$	\$/gsf	\$/bed
Construction (incl. General Conditions + CM fee)	\$51,800,000	\$185	
Construction Contingency	\$1,800,000		
<b>Total Construction</b>	<b>\$53,600,000</b>	<b>\$191</b>	
Public Realm (Podium + Street Front) Allowance	\$750,000		
Site Servicing Allowance	\$500,000		
FF+E	\$2,400,000		
UBC IT and Secure Access	\$1,100,000		
Audio Visual	\$150,000		
<b>Total Cash Allowances</b>	<b>\$4,900,000</b>	<b>\$18</b>	
Design Consultants	\$3,000,000		
Project Management	\$1,650,000		
IIC, Permits, Insurance & Legal	\$1,900,000		
Commissioning, Inspection, Move-In	\$600,000		
<b>Total Soft Costs</b>	<b>\$7,150,000</b>	<b>\$26</b>	
<b>Project Subtotal</b>	<b>\$65,650,000</b>	<b>\$234</b>	
GST	\$1,100,000		
Retained Risk	\$450,000		
Construction Period Financing	\$2,000,000		
<b>STUDENT HOUSING TOTAL</b>	<b>\$69,200,000</b>	<b>\$247</b>	<b>\$109,841</b>
Collegia Fit-Out	\$500,000		
<b>PROJECT TOTAL</b>	<b>\$69,700,000</b>	<b>\$249</b>	
Gross Area (ft <sup>2</sup> )	280,000		
Bed Count	630		

### Preliminary Operating Budget

Operating and maintenance costs will be covered by SHHS through student housing rental revenue. The SHHS preliminary operating budget for the Gage South Student Residence, including debt servicing, is provided in Attachment 4 and shows positive cash flow starting in Year 3 of operation (2021/22).

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**FINANCIAL** The project will be financed with a \$69.7 million internal loan at 5.75% annual interest paid back over 30 years from housing rental revenue. While current Funding Sources, impact on liquidity projections indicate there will be a shortfall of available liquidity in 2017, a comprehensive liquidity plan will be brought to the September Board meeting. At that time the August 2015 low point liquidity numbers will be known as well as the outcome of the potential third party loan for the New Student Union Building. If this third party loan is unsuccessful the University will free sufficient liquidity for this project by deferring other projects to a future date.

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### SCHEDULE Preliminary Schedule

Implementation  
Timeline

The Gage South Student Residence project schedule will be coordinated with the New Transit Terminal/Bus Exchange schedule. Board 2 and Board 3 approvals for each project will be scheduled to coincide if feasible.

Milestone	Target Date
Executive 1 + 2	April 2015
Exec 3	May 2015
Property & Planning Advisory Committee + Senate Academic Building Needs Committee	May 2015
Board 1	Jun 2015
Board 2	Dec 2015
Board 3	Sep 2016
Construction Start	Jan 2017
Construction Completion	Aug 2019
Occupancy	Aug 2019
Board 4	Sep 2021

**CONSULTATION**  
Relevant Units, Internal  
& External  
Constituencies

Executive 3 approval for the project was received on May 8, 2015. A presentation will be made to the Property & Planning Advisory Committee on May 19, 2015 in advance of Board 1. The use and location are consistent with the UBC Vancouver Campus Plan and the Land Use Plan as confirmed through the New Building Site Selection Committee (Policy 7, Vancouver Campus Plan).

The project has been presented to the public and stakeholders as part of the University Boulevard precinct planning process. This involved a two phase consultation and testing process (January 2015-present), which included conversations with various faculty, staff, and student committees, the University Neighbourhoods Association (UNA) and University Endowment Lands (UEL), two public open houses, online consultation, and several workshops with senior administrative staff, external design experts, students, faculty and community members.

Overall, there was a broad level of support for the proposed planning and design concepts for the Gage South student housing. Feedback received from both public and stakeholders largely focused on:

- Convenient access to Gage South student housing.
- The need to mitigate environmental impacts (noise, vibrations and emissions), particularly as part of the design of the Gage South student residences but also for the adjacent residents in the UEL.

Both of these themes from the consultation are being reflected in the update to the precinct Design Guidelines, and more specifically being addressed through the design process for the integrated development, including:

- Ensuring convenient access to Gage South Student Residence by having the buses access the transit terminal directly off Wesbrook Mall, thereby keeping the Student Union Boulevard frontage free of bus access where most residents will be coming to and from the main entrance to the Gage South residence.
- Design measures that mitigate noise, emissions and vibration impacts based on best practice for mixed-use developments with vehicle parking underneath.

#### UBCPT COMMENTS

Complete for all reports that include a property component

Date of Review:

N/A

Signed off by:

#### Previous Report Date

This is the first Board report for the Gage South Student Residence project.

#### Decision

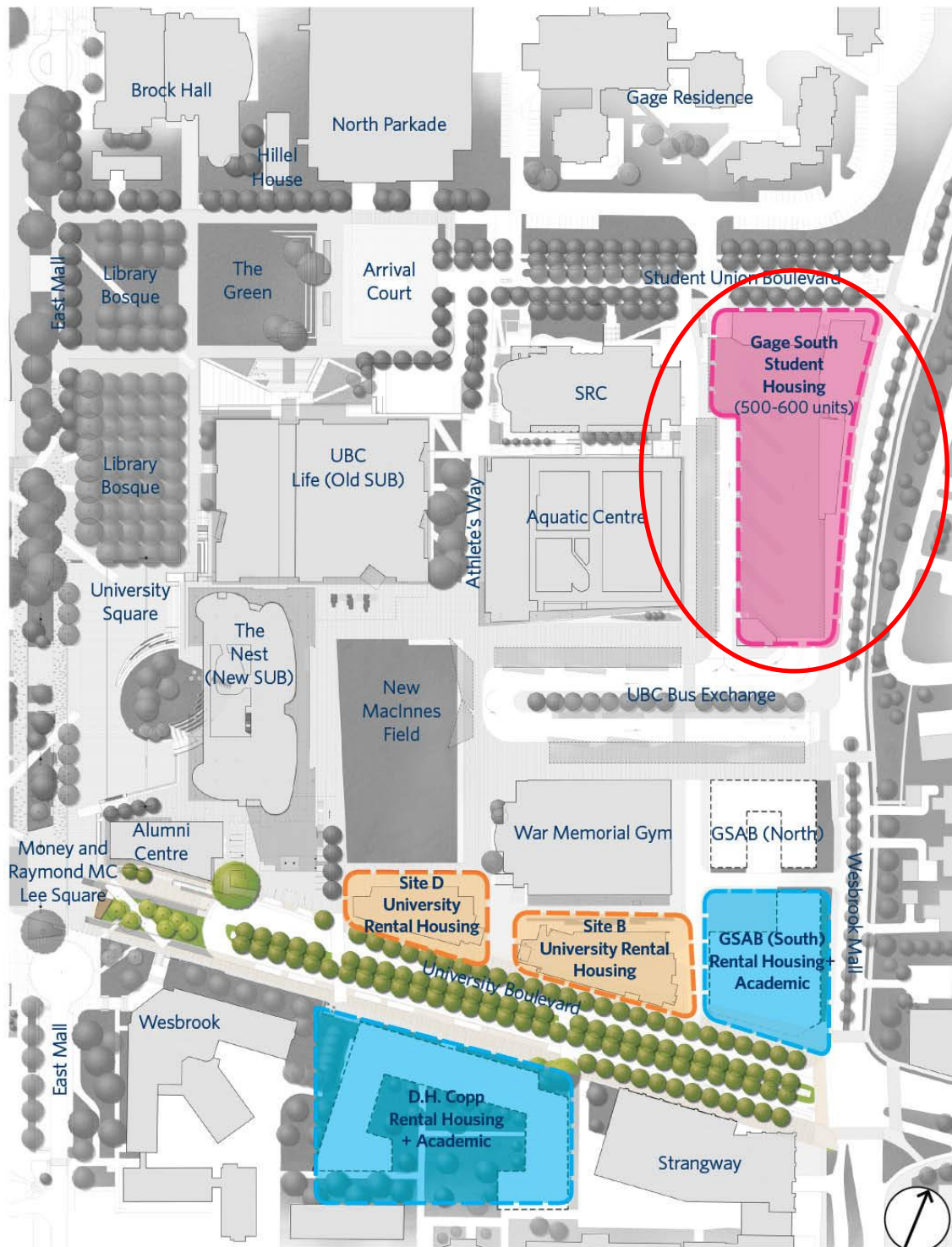
#### Action / Follow Up

#### Attachments

- 1) Site Map
- 2) Indicative Rendering of Gage South Student Residence (from the southwest)
- 3) Preliminary Layout: Bus Exchange + Student Resident
- 4) Preliminary Operating Proforma
- 5) Capital Project Accountability - Scope & Planning
- 6) Capital Project Accountability - Budget & Financing



Attachment 1 - Site Map

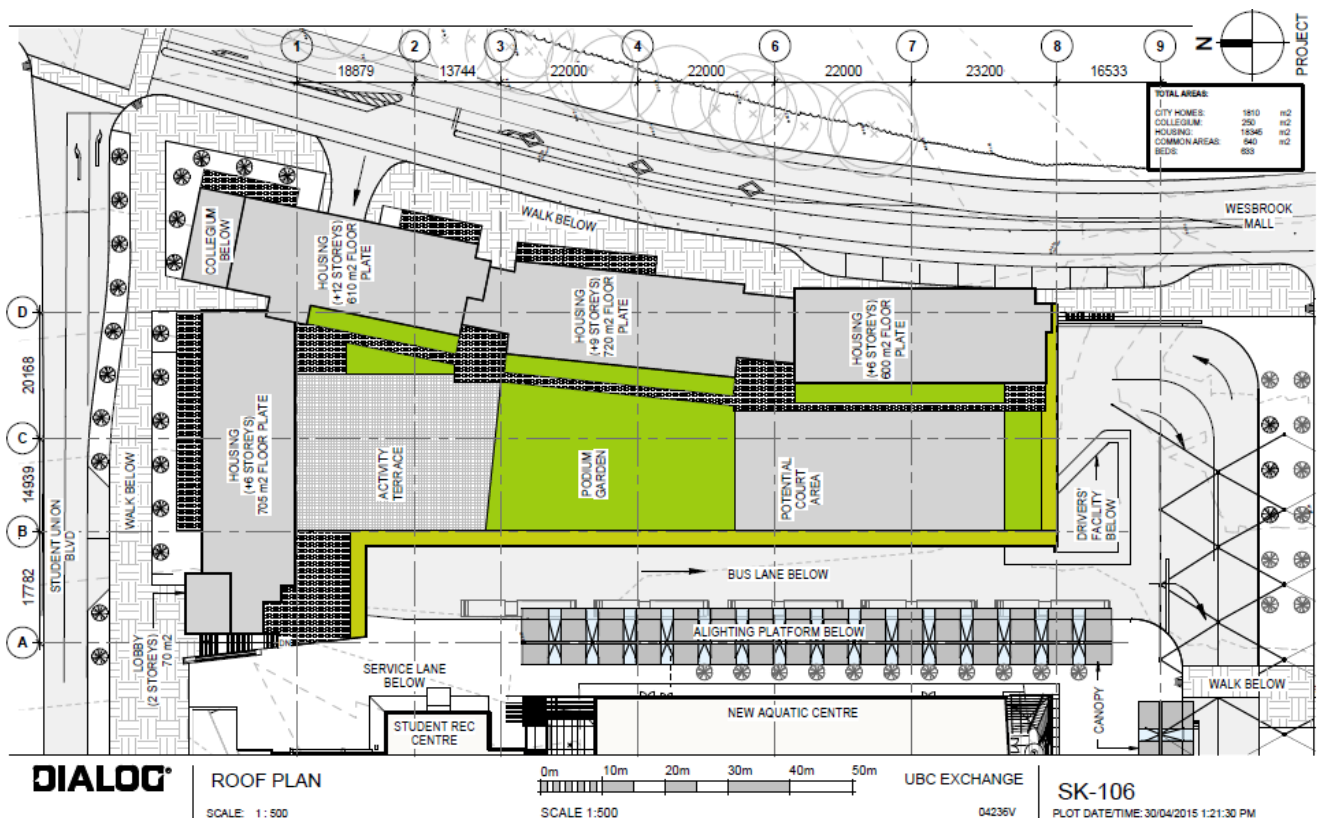
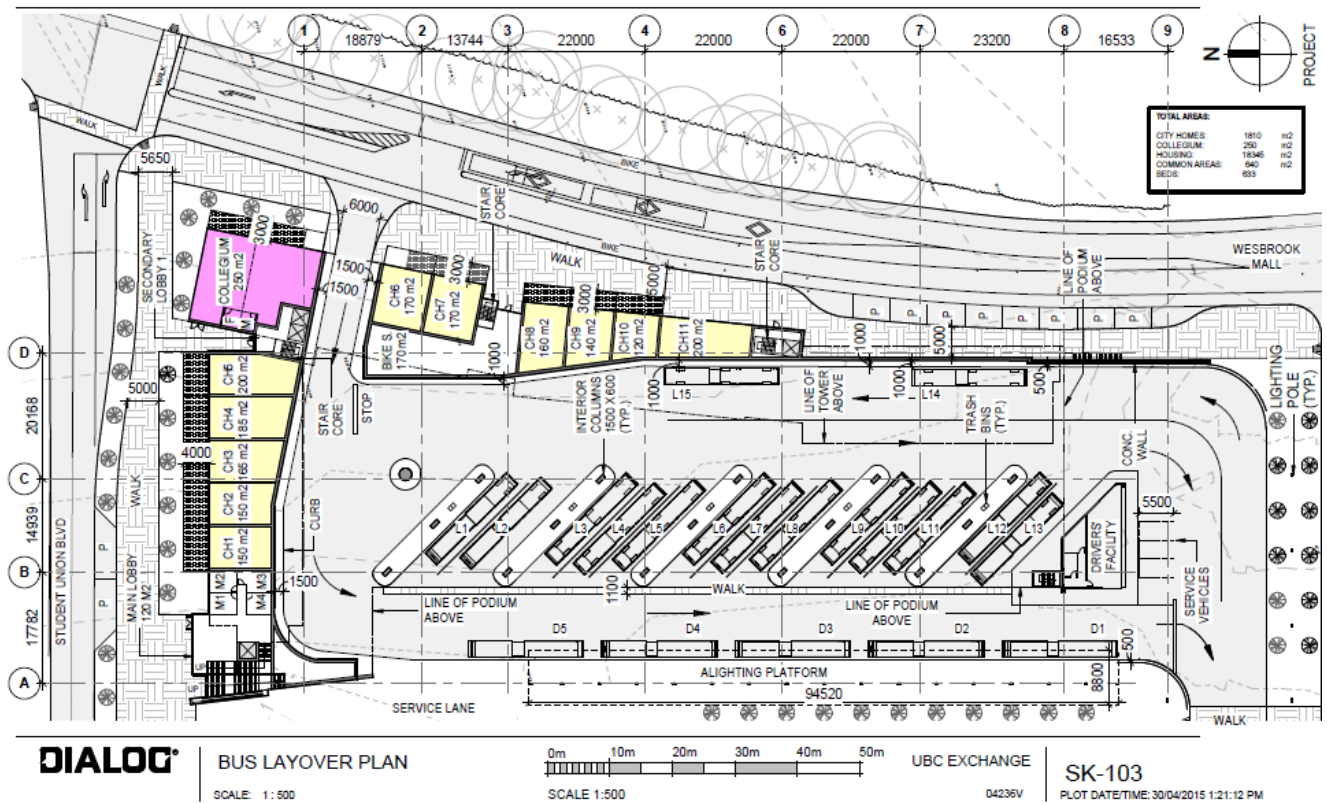




**Attachment 2 – Indicative Rendering of Gage South Student Residence (from the southwest)**



Attachment 3 – Preliminary Layout: Bus Exchange + Student Resident



**Attachment 4 – Preliminary Operating Proforma**

Cashflow Positive in 2021/22 (Year 3)

\$000's	2019/20	2020/21	2021/22
			Cashflow Positive
Rental Revenue <sup>1</sup>	7,502	7,727	7,958
Less Rental Vacancy <sup>2</sup>	(150)	(155)	(159)
Lease/Other Revenue <sup>3</sup>	0	0	0
	7,352	7,572	7,799
Less Student Housing Operating Costs <sup>4</sup>	(2,626)	(2,704)	(2,785)
Less Public/Other Operating Costs <sup>5</sup>	(63)	(64)	(66)
	(2,689)	(2,769)	(2,851)
Net Operating Income	4,663	4,803	4,948
Less Debt Service <sup>6</sup>	(4,881)	(4,881)	(4,881)
Add Interest Earnings Discount <sup>6</sup>	0	0	0
Cash Flow	(218)	(78)	67

**Cash Flow NPV:** \$23,761**IRR:** 8.15%

1 - Comparing current rates and current unit sizes, with a Rental Inflation factor applied.

New unit types are priced relative to existing units.

2 - Contemplates vacancy rates of 1% in Winter Academic term and 4% in Summer Academic term.


3 - No lease revenue contemplated.

4 - Current operating costs are 35% based on Marine Drive and Ponderosa Residences operating figures.


5 - Public and other area operating costs are \$14 per Square foot per annum, derived from Building Operations.

6 - Assumes financing at a rate of 5.75% amortized over 30 years, borrowing from Student Housing Financing Endowment (SHFE) or general working capital as required

## Attachment 5 – Capital Project Accountability – Scope &amp; Planning

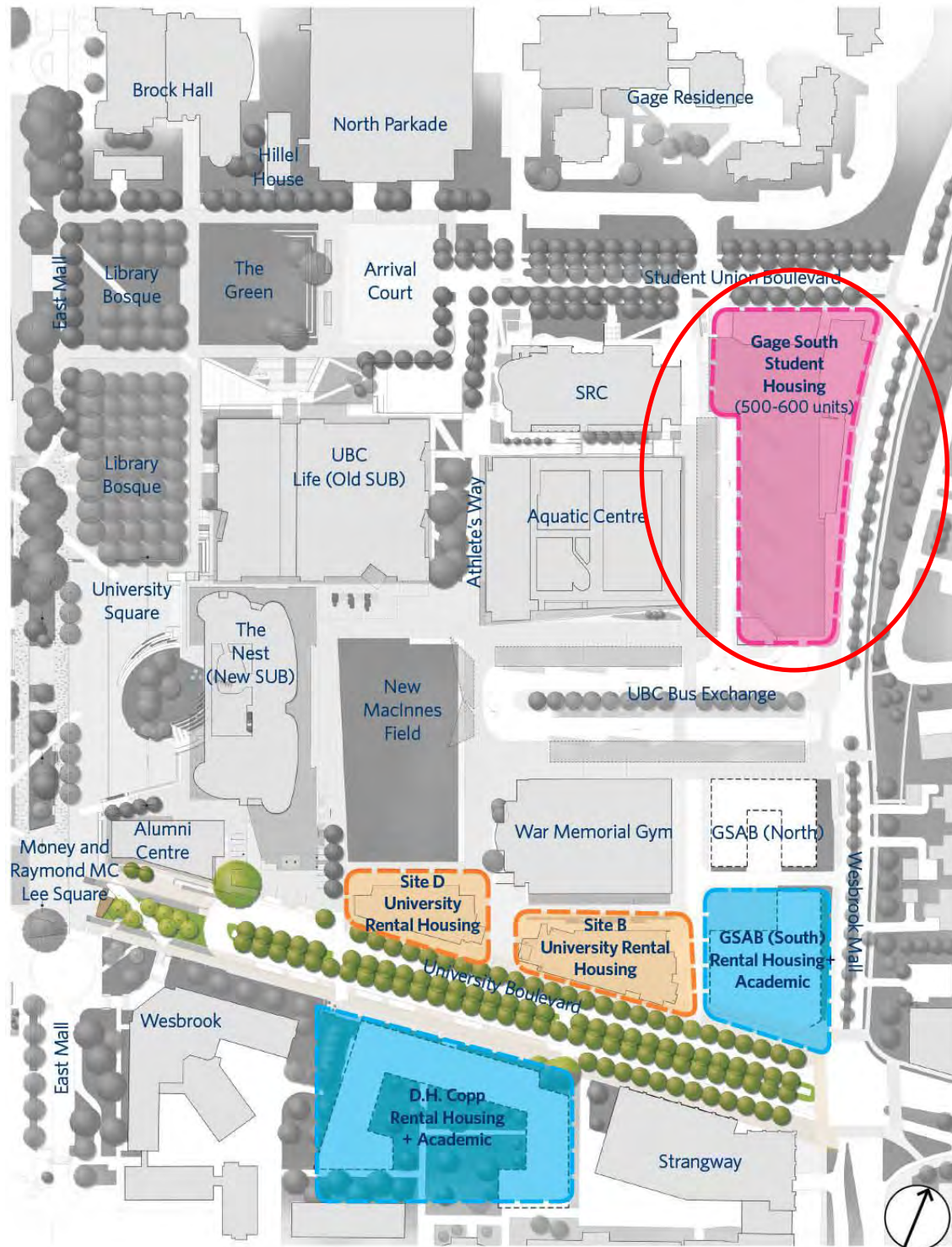
	<b>PROJECT NAME</b>		<b>CURRENT APPROVAL STATUS</b>			
	Project Name:	Gage South Student Residence		<b>Level</b>	<b>Approval Date</b>	
	Department/Unit:	Student Housing & Hospitality Services	Executive:	3	8-May-15	
	Sponsor:	Louise Cowin, VP Students	Board:			
<b>PROJECT DESCRIPTION</b>			<b>FUNCTIONAL PROGRAM</b>			
Development Type:	New Construction	<b>Space Type</b>	<b>Net SM</b>	<b>Net SF</b>	<b>Gross SF</b>	
Facility Type:	Student Housing	Housing units	21,445	230,833	277,000	
Gross Building Area:	280,000 gsf	Collegium	232	2,500	3,000	
Capital Cost:	\$69,700,000	<b>Total</b>	<b>21,677</b>	<b>233,333</b>	<b>280,000</b>	
Location/Site:	Vancouver Campus / Wesbrook Mall					
Primary Users / Tenants:	Student residents (630 beds) Student members of collegium					
<b>PROJECT RATIONALE &amp; BENEFITS</b>						
<b>Need/Benefit Area</b>		<b>Description</b>				
Learning & Research Environment		See Benefits section in main report				
Student Amenity		See Benefits section in main report				
Community Amenity		See Benefits section in main report				
Other Benefits:		See Benefits section in main report				
<b>SCHEDULE</b>		<b>SUSTAINABILITY GOALS</b>				
		<b>Target</b>	<b>Actual</b>	<b>Indicator</b>	<b>Target</b>	<b>Actual</b>
Board 1		Jun 2015		Certification:	LEED Gold certification	
Board 2		Dec 2015		Energy Efficiency Level:	TBD % better than MNECB	
Board 3		Sep 2016		Energy Use Intensity:	TBD (kWh/ft <sup>2</sup> )	
Construction Start		Jan 2017		GHG Reduction:	TBD % better than standard	
Substantial Completion		Aug 2019		Const Waste Recycling	TBC % recycling rate	
Occupancy		Sep 2019		Water Use Efficiency	TBD % better than standard	
Board 4		Sep 2021		Innovative Features:		
<b>DEVELOPMENT PROCESS</b>						
Project Manager	UBC Properties Trust (Dave Poettcker)		Construction Manager	TBD		
Architect	Dialog		Infrastructure Development Rep	John Metras		
	<b>Date</b>	<b>Comments</b>				
AUDP Review	TBD					
Dev. Review Committee	TBD					
Public Open House	TBD					
Development Permit	TBD					
Building Permit	TBD					
<b>CAMPUS &amp; COMMUNITY PLANNING COMMENTS</b>						

## Attachment 6 – Capital Project Accountability – Budget &amp; Financing

	<b>PROJECT NAME</b>							
	Project Name: <b>Gage South Student Residence</b>							
	Department/Unit: <b>Student Housing &amp; Hospitality Services</b>							
	Sponsor: <b>Louise Cowin, VP Students</b>							
<b>CAPITAL BUDGET (\$000s)</b>				<b>SHHS OPERATING PROFORMA</b>				
<b>Capital Development Cost</b>		<b>\$000s</b>	<b>\$/GSF</b>					
Construction	\$ 51,800	\$ 185	Revenue					
Construction Contingency	\$ 1,800		Rental Income	\$ 7,502 \$ 7,727 \$ 7,958				
Public Realm Allowance	\$ 750		Meal Plan Income					
Site Servicing Allowance	\$ 500		Conferences Income					
FF&E	\$ 2,400		Rental Vacancy	\$ (150) \$ (155) \$ (159)				
UBC IT and Secure Access	\$ 1,100		Total Revenue	\$ 7,352 \$ 7,572 \$ 7,799				
Audio Visual	\$ 150							
Design Consultant Budget	\$ 3,000		Expenses					
Project Management	\$ 1,650		Res Op Costs @ 35%	\$ (2,626) \$ (2,704) \$ (2,785)				
IIC, Permits, BO Charges, Insurance & Legal	\$ 1,900		Food Deliv Cost @ 82%					
Moving / Commissioning / Inspections	\$ 600		Public Space Op Costs	\$ (63) \$ (64) \$ (66)				
Subtotal	\$ 65,650	\$ 234	Total Direct Expenses	\$ (2,689) \$ (2,769) \$ (2,851)				
GST (1.67%)	\$ 1,100							
Retained Risk	\$ 450		Net Operating Income	\$ 4,663 \$ 4,803 \$ 4,948				
Construction Period Financing Cost	\$ 2,000							
<b>Total Project Budget</b>	<b>\$ 69,200</b>	<b>\$ 247</b>	Debt Service	\$ (4,881) \$ (4,881) \$ (4,881)				
Wood premium	\$ 500							
<b>Total Project Budget</b>	<b>\$ 69,700</b>	<b>\$ 249</b>	<b>Total Cash Flow</b>	<b>\$ (218) \$ (78) \$ 67</b>				
Capital Budget Notes: Assumes 630 beds 280,000 gsf			Operating Budget Notes: 8.15% IRR. Cashflow positive in Year 3.					
<b>FUNDING AGREEMENTS (\$000s)</b>				<b>FINANCING AGREEMENTS (\$000s)</b>				
<b>Funding Source</b>	<b>Liability with:</b>	<b>Committed</b>	<b>Secured*</b>	<b>Debt Serviced By:</b>	<b>Loan Amt</b>	<b>Amort.</b>	<b>Int.</b>	<b>Ann. Payment</b>
SHHE	SHHS	\$ 69,700	\$ 69,700	SHHS	\$69,700	30	5.75%	\$ 4,881
<b>Total</b>		<b>\$ 69,700</b>	<b>\$ 69,700</b>	<b>Total</b>	<b>\$ 69,700</b>			<b>\$ 4,881</b>
* Funding paid or firmly committed to be paid before end of construction								
Funding Notes:				Debt Capacity Impact: See Financing section in main report				
<b>PROJECT REQUIREMENTS CHECKLIST &amp; SIGN-OFF</b>								
<b>CHECK</b>	<b>REQUIREMENT</b>	<b>NAME</b>	<b>SIGNATURE</b>	<b>DATE</b>				
	Housing need and benefit	Student Housing & Hospitality Services Managing Director	Andrew Parr	12-May-15				
	Project scope and budget Project manager assignment	Infrastructure Development Managing Director	John Metras	12-May-15				
	Project site Development review process Sustainability measures	Campus & Community Planning Associate Vice President	Michael White	12-May-15				
	Funding & financing agreements Debt capacity	Treasury Treasurer	Peter Smailes	12-May-15				
	Fundraising plan	Development AVP Development	N/A					
	Life-cycle operating costs	Student Housing & Hospitality Services Managing Director	Andrew Parr	12-May-15				
<b>ATTACHMENTS</b>								



Attachment 1 - Site Map

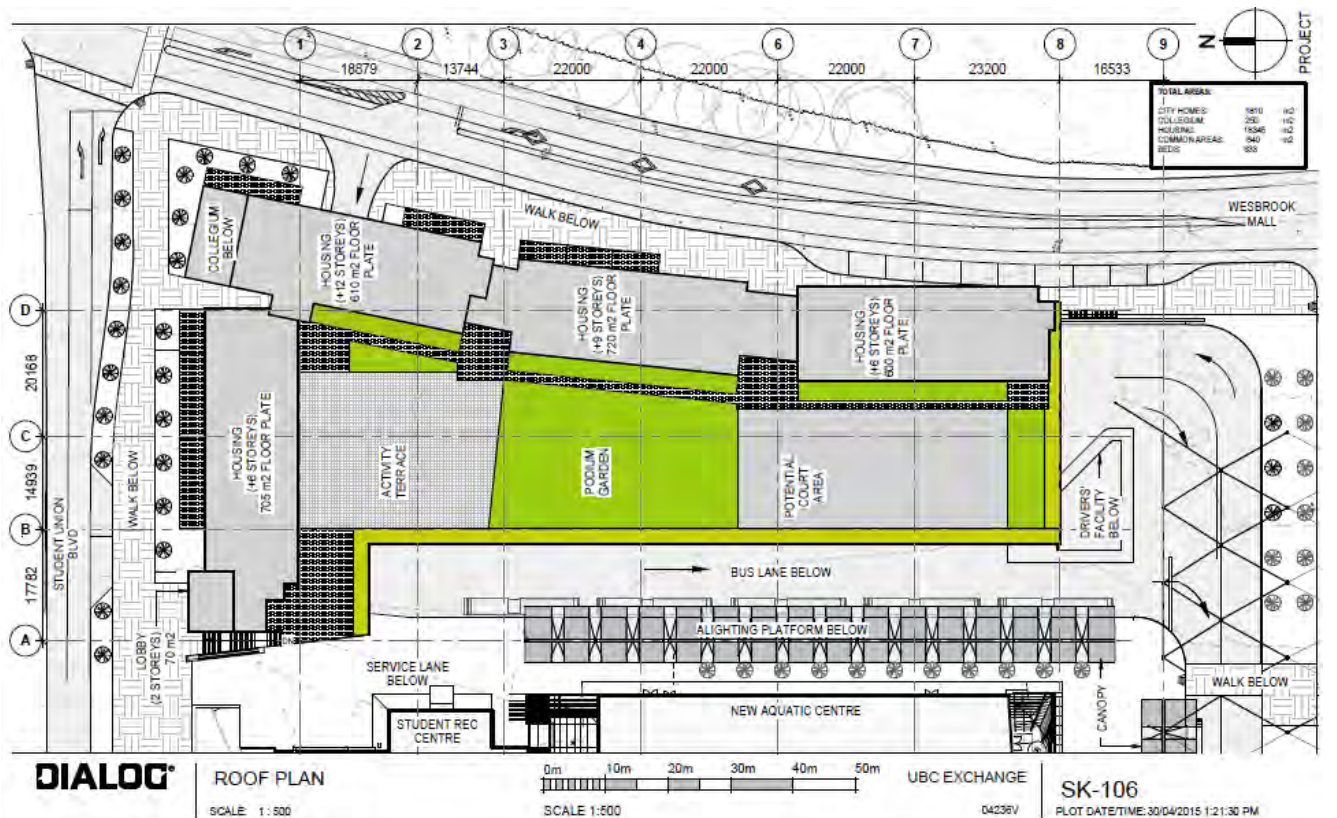
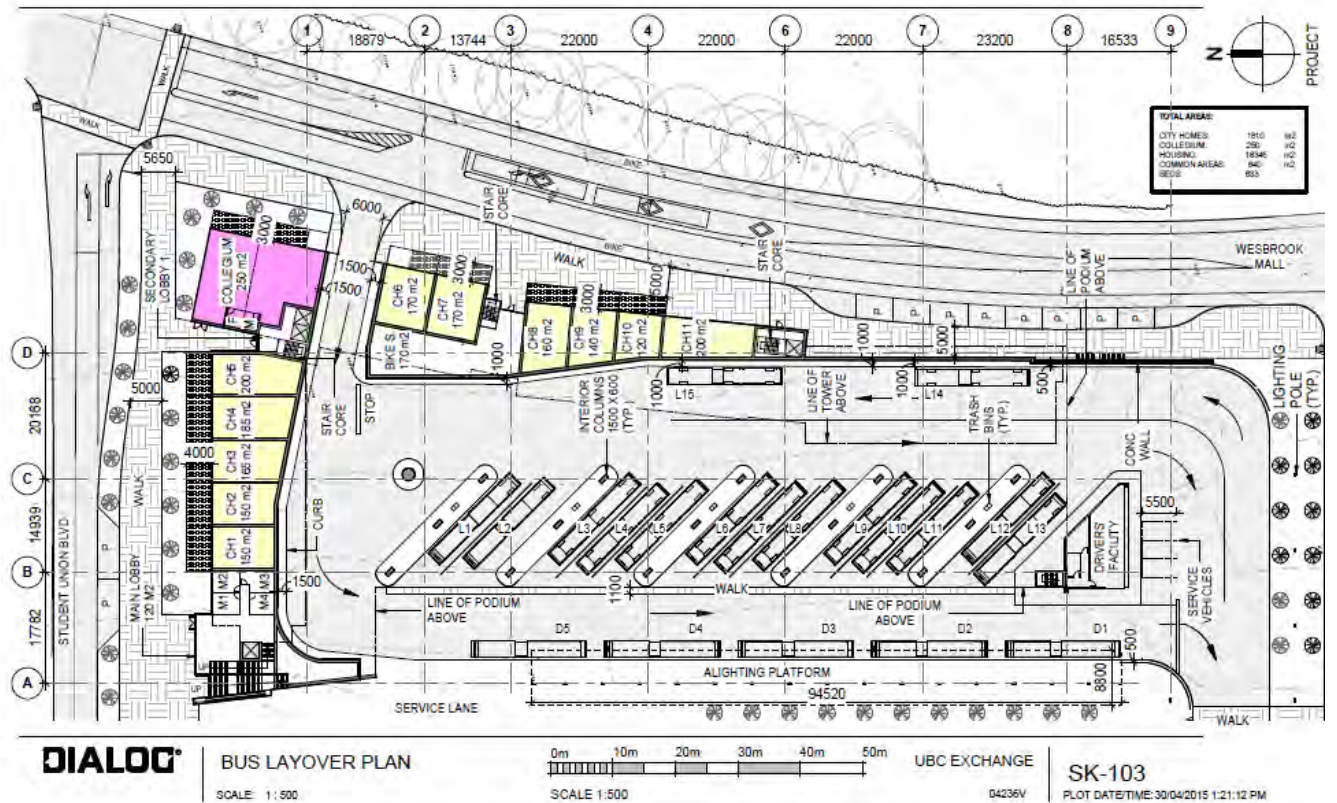




**Attachment 2 – Indicative Rendering of Gage South Student Residence (from the southwest)**



Attachment 3 – Preliminary Layout: Bus Exchange + Student Resident



**Attachment 4 – Preliminary Operating Proforma**

Cashflow Positive in 2021/22 (Year 3)

\$000's	2019/20	2020/21	2021/22
			Cashflow Positive
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Less Student Housing Operating Costs <sup>4</sup>	(2,626)	(2,704)	(2,785)
Less Public/Other Operating Costs <sup>5</sup>	(63)	(64)	(66)
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Net Operating Income	4,663	4,803	4,948
Less Debt Service <sup>6</sup>	(4,881)	(4,881)	(4,881)
Add Interest Earnings Discount <sup>6</sup>	0	0	0
Cash Flow	(218)	(78)	67

**Cash Flow NPV:** \$23,761**IRR:** 8.15%

1 - Comparing current rates and current unit sizes, with a Rental Inflation factor applied.

New unit types are priced relative to existing units.

2 - Contemplates vacancy rates of 1% in Winter Academic term and 4% in Summer Academic term.


3 - No lease revenue contemplated.

4 - Current operating costs are 35% based on Marine Drive and Ponderosa Residences operating figures.

5 - Public and other area operating costs are \$14 per Square foot per annum, derived from Building Operations.


6 - Assumes financing at a rate of 5.75% amortized over 30 years, borrowing from Student Housing Financing Endowment (SHFE) or general working capital as required

## Attachment 5 – Capital Project Accountability – Scope &amp; Planning

	<b>PROJECT NAME</b>		<b>CURRENT APPROVAL STATUS</b>			
	Project Name:	Gage South Student Residence		<b>Level</b>	<b>Approval Date</b>	
	Department/Unit:	Student Housing & Hospitality Services	Executive:	3	8-May-15	
	Sponsor:	Louise Cowin, VP Students	Board:			
<b>PROJECT DESCRIPTION</b>			<b>FUNCTIONAL PROGRAM</b>			
Development Type:	New Construction	<b>Space Type</b>	<b>Net SM</b>	<b>Net SF</b>	<b>Gross SF</b>	
Facility Type:	Student Housing	Housing units	21,445	230,833	277,000	
Gross Building Area:	280,000 gsf	Collegium	232	2,500	3,000	
Capital Cost:	\$69,700,000	<b>Total</b>	<b>21,677</b>	<b>233,333</b>	<b>280,000</b>	
Location/Site:	Vancouver Campus / Wesbrook Mall					
Primary Users / Tenants:	Student residents (630 beds) Student members of collegium					
<b>PROJECT RATIONALE &amp; BENEFITS</b>						
<b>Need/Benefit Area</b>		<b>Description</b>				
Learning & Research Environment		See Benefits section in main report				
Student Amenity		See Benefits section in main report				
Community Amenity		See Benefits section in main report				
Other Benefits:		See Benefits section in main report				
<b>SCHEDULE</b>		<b>SUSTAINABILITY GOALS</b>				
		<b>Target</b>	<b>Actual</b>	<b>Indicator</b>	<b>Target</b>	<b>Actual</b>
Board 1		Jun 2015		Certification:	LEED Gold certification	
Board 2		Dec 2015		Energy Efficiency Level:	TBD % better than MNECB	
Board 3		Sep 2016		Energy Use Intensity:	TBD (kWh/ft <sup>2</sup> )	
Construction Start		Jan 2017		GHG Reduction:	TBD % better than standard	
Substantial Completion		Aug 2019		Const Waste Recycling	TBC % recycling rate	
Occupancy		Sep 2019		Water Use Efficiency	TBD % better than standard	
Board 4		Sep 2021		Innovative Features:		
<b>DEVELOPMENT PROCESS</b>						
Project Manager	UBC Properties Trust (Dave Poettcker)		Construction Manager	TBD		
Architect	Dialog		Infrastructure Development Rep	John Metras		
	<b>Date</b>	<b>Comments</b>				
AUDP Review	TBD					
Dev. Review Committee	TBD					
Public Open House	TBD					
Development Permit	TBD					
Building Permit	TBD					
<b>CAMPUS &amp; COMMUNITY PLANNING COMMENTS</b>						



## Attachment 6 – Capital Project Accountability – Budget &amp; Financing

	<b>PROJECT NAME</b>							
	Project Name: <b>Gage South Student Residence</b>							
	Department/Unit: <b>Student Housing &amp; Hospitality Services</b>							
	Sponsor: <b>Louise Cowin, VP Students</b>							
<b>CAPITAL BUDGET (\$000s)</b>				<b>SHHS OPERATING PROFORMA</b>				
<b>Capital Development Cost</b>		<b>\$000s</b>	<b>\$/GSF</b>					
Construction	\$ 51,800	\$ 185	Revenue	2019/20				
Construction Contingency	\$ 1,800		Rental Income	2020/21				
Public Realm Allowance	\$ 750		Meal Plan Income	2021/22				
Site Servicing Allowance	\$ 500		Conferences Income					
FF&E	\$ 2,400		Rental Vacancy					
UBC IT and Secure Access	\$ 1,100		Total Revenue					
Audio Visual	\$ 150							
Design Consultant Budget	\$ 3,000		Expenses					
Project Management	\$ 1,650		Res Op Costs @ 35%					
IIC, Permits, BO Charges, Insurance & Legal	\$ 1,900		Food Deliv Cost @ 82%					
Moving / Commissioning / Inspections	\$ 600		Public Space Op Costs					
Subtotal	\$ 65,650	\$ 234	Total Direct Expenses					
GST (1.67%)	\$ 1,100							
Retained Risk	\$ 450		Net Operating Income					
Construction Period Financing Cost	\$ 2,000							
<b>Total Project Budget</b>	<b>\$ 69,200</b>	<b>\$ 247</b>	Debt Service					
Wood premium	\$ 500							
<b>Total Project Budget</b>	<b>\$ 69,700</b>	<b>\$ 249</b>	<b>Total Cash Flow</b>					
Capital Budget Notes: Assumes 630 beds 280,000 gsf			Operating Budget Notes: 8.15% IRR. Cashflow positive in Year 3.					
<b>FUNDING AGREEMENTS (\$000s)</b>			<b>FINANCING AGREEMENTS (\$000s)</b>					
<b>Funding Source</b>	<b>Liability with:</b>	<b>Committed</b>	<b>Secured*</b>	<b>Debt Serviced By:</b>	<b>Loan Amt</b>	<b>Amort.</b>	<b>Int.</b>	<b>Ann. Payment</b>
SHHE	SHHS	\$ 69,700	\$ 69,700	SHHS	\$69,700	30	5.75%	\$ 4,881
<b>Total</b>		<b>\$ 69,700</b>	<b>\$ 69,700</b>	<b>Total</b>	<b>\$ 69,700</b>			<b>\$ 4,881</b>
* Funding paid or firmly committed to be paid before end of construction								
Funding Notes:				Debt Capacity Impact: See Financing section in main report				
<b>PROJECT REQUIREMENTS CHECKLIST &amp; SIGN-OFF</b>								
<b>CHECK</b>	<b>REQUIREMENT</b>	<b>NAME</b>	<b>SIGNATURE</b>	<b>DATE</b>				
	Housing need and benefit	Student Housing & Hospitality Services Managing Director	Andrew Parr	12-May-15				
	Project scope and budget Project manager assignment	Infrastructure Development Managing Director	John Metras	12-May-15				
	Project site Development review process Sustainability measures	Campus & Community Planning Associate Vice President	Michael White	12-May-15				
	Funding & financing agreements Debt capacity	Treasury Treasurer	Peter Smailes	12-May-15				
	Fundraising plan	Development AVP Development	N/A					
	Life-cycle operating costs	Student Housing & Hospitality Services Managing Director	Andrew Parr	12-May-15				
<b>ATTACHMENTS</b>								