

<b>SUBJECT</b>	<b>BOOKSTORE EXPANSION &amp; RENOVATION BOARD 4 PROJECT CLOSE-OUT REPORT</b>
<b>MEETING DATE</b>	<b>DECEMBER 6, 2016</b>

Forwarded to the Board of Governors on the Recommendation of the President

**APPROVED FOR  
SUBMISSION**



Santa J. Ono, President and Vice-Chancellor

**For information**

<b>Report Date</b>	October 31, 2016
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**Presented By** Louise Cowin, Vice-President Students  
 Andrew Simpson, Vice-President Finance & Operations  
 Debbie Harvie, Managing Director, University Community Services  
 John Metras, Managing Director, Infrastructure Development  
 Peter Smailes, Treasurer  
 Michael White, Associate Vice-President Campus + Community Planning  
 Al Poettcker, CEO, UBC Properties Trust

**EXECUTIVE SUMMARY**

This small but highly successful addition redefined the role of the Bookstore within the “campus heart” while bringing greater cohesion to its context. It reinstated the relevance of the Bookstore through a lighter, brighter and more welcoming presence, inspired by the signature international style of the campus, and a normalized retail frontage with main entrance raised to the same level as the adjacent University Square.

The project was completed in 2014 for \$6.608 million. This was above the original budget of \$6.0 million due to unexpected costs resulting from deferred maintenance and integration issues with existing Bookstore building systems. The Retained Risk Fund covered \$515,000 of the cost increase with the balance paid by the Bookstore. The project has had a significant positive impact on Bookstore sales revenue.

<i>If this item was previously presented to the Board, please provide a brief description of any major changes since that time.</i>	As part of the Board Approved project management process, Board 4 is the project close-out report which is submitted following construction, occupancy and warranty period.
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**INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED**

- Learning       Research       Innovation       Engagement       International

(Internal / External)

or  Operational

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**DESCRIPTION & RATIONALE** The Bookstore’s entrance at the University Boulevard and East Mall intersection was below grade level providing no active retail engagement with the streets or local animation. The new expansion eliminated the below grade aspects of the entry stairs and ramps and replaced them with new grade level entries. The store’s main entrance now provides an at-grade entry to new retail space, a new convenience store, a larger café and space that encourages gathering and informal exchange.

The new 8,800 sq. ft. addition to the north and east side of the Bookstore supports increased sales in the store and brings the store’s entrance to grade level, complementing the public realm development at the corner of University Boulevard and East Mall. The project includes new mezzanine seating space to support the café and informal learning and a renovation within the store. The mezzanine, which overlooks the exterior plaza, further contributes to the vibrancy of the Bookstore and the connection of the store’s entrance to the public realm. The incorporation of student space responded to the on-going challenge of accommodating commuter students on campus.

Due to unexpected deferred maintenance and integration issues with existing Bookstore building systems, the expansion project was delayed by 8 months and, with a final capital cost of \$6.608 million, exceeded the Board approved budget of \$6.0 million. The Retained Risk Fund covered \$515,000 of the cost increase with the balance paid by the Bookstore.

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**BENEFITS** The UBC Bookstore is the retail anchor on University Boulevard. With the public realm enhancement along University Boulevard, the completion of the Nest (the new Student Union Building), and the Robert H Lee Alumni Centre, this area of campus is a prime location for campus activities. The Bookstore’s addition provides new and expanded services to complement the area’s developments.

Learning, Research, Financial, Sustainability & Reputational

The expansion provides café seating, informal learning and lounging areas. The Bookstore increased the opening hours in the convenience store and the café. Mezzanine seating supports both of these operations and provides space for special campus events. The elevated position above the streets below creates a dynamism that has helped to attract a broad range of visitors to the store, therefore enhancing revenue. Renovations in the lobby area complement the expansion and integrate the new space with the existing store. On the exterior, the mezzanine creates an overhang which contributes rain protection for the full extent of the north sidewalk.

Sales in the clothing and gift departments have increased by 18% and 26% respectively in the first year and an additional 18% and 11% in the second year. Sales from the convenience store increased 230% from \$198,000 in Fiscal 2014 to \$652,000 in Fiscal 2015 and an additional increase of 41% in Fiscal 2016 or \$454,000. Following the completion of the renovation project, these three areas have generated additional revenue of \$1.6 million. The café will continue to be operated by UBC Food Services (Student Housing & Hospitality Services) and is expected to continue to provide positive revenue.

## Bookstore Expansion & Renovation - Board 4 Project Close-Out Report

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<b>COSTS</b> Capital & Lifecycle Operating	The project was completed for \$6.608 million, above the Board approved budget of \$6.0 million. The additional cost was due to unexpected deferred maintenance and integration issues with existing Bookstore building systems. The Retained Risk Fund covered \$515,000 of the cost increase with the balance paid by the Bookstore.
<b>FINANCIAL</b> Funding Sources, Impact on Liquidity	The project was financed with internal reserves and a \$5.3 million internal loan from UBC Treasury amortized over 7 years at the projected interest rate of 5%. Annual debt service of approximately \$900,000 is sourced from Bookstore revenues including increased sales and related gross margin profit from the expanded sales areas. The University had sufficient liquidity to undertake this loan.
<b>SCHEDULE</b> Implementation Timeline	Deferred maintenance and integration issues with existing Bookstore building systems delayed project completion from September 2013 to May 2014 for the addition. The renovation of the balance of the bookstore was completed on time in August 2014.
<b>CONSULTATION</b> Relevant Units, Internal & External Constituencies	<p>A stakeholder meeting of occupants, operators and planners was held 11 October 2016 to review project constraints and lessons learned:</p> <p><b>Design Success (University Architect)</b></p> <ul style="list-style-type: none"><li>• Redefined the role of Bookstore within the “campus heart” while bringing greater cohesion to its context.</li><li>• Reinstated relevance of the Bookstore through a lighter, brighter and more welcoming presence inspired by signature international style of the campus.</li><li>• Normalized retail frontage by bringing the floor level of the Bookstore expansion up to adjacent grade with University Square.</li><li>• Provided a centralized informal learning space at the mezzanine level overlooking University Blvd. and East Mall and providing unprecedented views to the east and north.</li><li>• Created strong indoor-outdoor connections with new entries, generous overhangs and extensive glazing at the ground plane showcasing interior activities.</li><li>• Transformed adjacent open space into a vibrant social hub for university community including both covered and open outdoor seating, café patio.</li><li>• Provided a series of well-defined landscape terraces seamlessly connecting to University Blvd. and UBC Achievement Square.</li><li>• Utilized innovative use of fritted glass to visually express UBC identity, while reducing environmental impacts, i.e. overheating and glare and prevention of bird collision.</li></ul>

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### Staff Comments

UBC Bookstore staff enjoy the unique features and attribute improved sales to the building design. The architect was easy to work with and provided guidance that improved on original ideas, i.e. addition of the enlivening mezzanine.

The schedule was aggressive but intentional to achieve market share.

The staff are pleased with universal accessibility.

### Budget

The group felt that the budget needed to increase because it was not initially right. Design changes were based on smart and adaptive decision-making to transform the student experience.

Unknowns associated with the base building were the source of cost issues. They included, but were not limited to:

- Incorrect as-built drawings depth of footing
- Lack of base building below-grade water proofing
- Encountering unknown below grade services
- Poor condition of soils around building
- Broken drain tile
- Condition of base building integration points
- Tie-ins to base building resulted in chasing problems beyond original scope

### Opportunities & Risks

- To take advantage of a funding and revenue opportunity, this project started quickly without a lengthy preconstruction period.
- The addition of the mezzanine during schematics increased the initial project budget from \$5 to \$6M.
- The building's complicated interlinked status with the Michael Smith Laboratories, National Centre of Excellence and Campus Security created difficulties for separation of building systems. Although the systems work well now, the budget did not allow for full separation of systems.
- Use of Construction Management project delivery allowed the team to work towards solutions and minimized conflict.

### Lessons Learned

- Small projects are expensive.
- For a new addition, minimize integration with existing building and systems if possible.
- To minimize conflict, create mechanical and electrical rooms separate from existing building.
- Existing conditions investigation should be invasive.
- Convenience stores and commercial kitchens are challenging to coordinate and integrate since there are many players to coordinate - i.e. project architect, interior designer, kitchen designer, kitchen equipment contractor, mechanical engineer.
- Understand the expected use for millwork as it affects the robustness of the design.
- The integration of different BMS systems can be challenging as their communications systems may be incompatible.
- LEED certification is not appropriate for small projects and should be replaced by sustainability goals relevant to the project (including an energy use intensity target).
- Elevators are an on-going problem at UBC and it is recommended that longer service contracts for the installer would be beneficial.
- Although this project had limited funding, moving forward, opportunities to address known deferred maintenance items should be identified and funded.
- Building operators should be engaged early in the development of scope of work and early design of system integration.

### Awards

Lieutenant-Governor of British Columbia Award of Merit, 2015

Illuminating Engineering Society (IES), Awards of Merit, 2015

Mies Crown Hall Americas Prize, Nomination, 2016

### Media Coverage

ArcDaily <http://www.archdaily.com/775763/ubc-bookstore-office-of-mcfarlane-biggar-architects-plus-designers>

Azure <http://www.azuremagazine.com/article/a-bookstore-transformed-into-a-campus-hub/>

Architect [http://www.architectmagazine.com/project-gallery/ubc-bookstore-expansion-renovation\\_o](http://www.architectmagazine.com/project-gallery/ubc-bookstore-expansion-renovation_o)

Retail Design Blog <http://retaildesignblog.net/tag/ubc-bookstore/>

## Bookstore Expansion & Renovation - Board 4 Project Close-Out Report

Project was mentioned in:

- Journal of American Institute of Architects Nov 9/15 post
- Featured project in Architizer Nov 24/15, Design: Retail publication August /15 and the National Association of College Stores' Journal 10th Annual Design Showcase Sept/Oct 2015.

<b>Previous Report Date</b>	February 6, 2013
<b>Decision</b>	Approval Board 3
<b>Action / Follow Up</b>	Award construction contracts.
<b>Previous Report Date</b>	December 4, 2012
<b>Decision</b>	Approval Board 2
<b>Action / Follow Up</b>	Program was expanded from 5,500 sq.ft. to 8,800 sq.ft. to include the mezzanine. This additional space furthers the provision of informal student study and social space on campus, which is a high priority in the Campus Plan adopted by the Board in 2010. It will add to the life of this facility and the adjacent areas. The Urban Design Panel supported the design proposal for the expanded program.
<b>Previous Report Date</b>	April 3, 2012
<b>Decision</b>	Approval Board 1



Photographs of the Bookstore Expansion

