

<b>SUBJECT</b>	<b>THEO KOERNER HOUSE GRADUATE STUDENT CENTRE   LEASE RENEWAL</b>
<b>MEETING DATE</b>	<b>SEPTEMBER 21, 2017</b>

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

**APPROVED FOR  
SUBMISSION**




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Santa J. Ono, President and Vice-Chancellor

<b>DECISION REQUESTED</b>	<p><b>IT IS HEREBY REQUESTED that <i>the UBC Board of Governors:</i></b></p> <ul style="list-style-type: none"> <li><b>a) <i>APPROVE the renewal of the lease of Thea Koerner House Graduate Student Centre to the Graduate Student Society of UBC Vancouver (GSS);</i></b></li> <li><b>b) <i>DECLARE that the lease will not affect future delivery of educational programs; and</i></b></li> <li><b>c) <i>AUTHORIZE the University Administration to:</i></b> <ul style="list-style-type: none"> <li><b>i. <i>obtain Ministerial approval of the lease renewal pursuant to section 50(2) of the University Act (British Columbia); and</i></b></li> <li><b>ii. <i>execute the agreed lease renewal between UBC and the GSS on the terms consistent with those outlined in this report.</i></b></li> </ul> </li> </ul>
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<b>Report Date</b>	August 16, 2017
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**Presented By** Andrew Simpson, Vice-President Finance & Operations  
 Louise Cowin, Vice-President Students  
 Peter Smailes, Treasurer  
 Michael White, Associate Vice-President Campus & Community Planning

**EXECUTIVE SUMMARY**

The GSS have occupied the Thea Koerner House Graduate Student Centre (Centre) under a lease that expired on December 31, 2015, and have continued to occupy the Centre under the terms of that lease on a month-to-month basis since. UBC and the GSS have negotiated a renewal lease for a further 10-year term, on substantially similar terms as the current lease. The term of the lease is for 10 years, requiring Board of Governors approval under Signing Resolution #1, and UBC requires Ministerial approval to enter into the lease under section 50(2) of the *University Act* (British Columbia).

**INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED**

- Learning     
  Research     
  Innovation     
  Engagement     
  International  
 (Internal / External)
- or  Operational

<b>DESCRIPTION &amp; RATIONALE</b>	<p>The renewal lease is on substantially similar terms to the old lease:</p> <ul style="list-style-type: none"> <li>• Term – 10 years;</li> <li>• Basic Rent - \$10/year;</li> <li>• Additional Rent -             <ul style="list-style-type: none"> <li>○ UBC’s costs with respect to commercial activities,</li> <li>○ Sewage levy, and</li> <li>○ General Municipal Services Levy,</li> </ul> </li> <li>• Use is restricted to administrative, educational, and recreational activities of graduate students or the GSS, and approved commercial activities (in areas approved for temporary commercial bookings and Koerner’s Pub); and</li> <li>• The GSS is responsible for costs of services and work in the building beyond those covered by core funding.</li> </ul> <p>The GSS is currently occupying the space on a month-to-month basis under the terms of the current lease. Negotiation delays, and GSS staff and council turnover, contributed to the failure to renew the lease in a timelier manner.</p>
<b>BENEFITS</b> Learning, Research, Financial, Sustainability & Reputational	<p>The Centre is a core facility for graduate student activities and social space. The renewal lease honours the long history and connection of graduate students to the Centre.</p>
<b>RISKS</b> Financial, Operational & Reputational	<p>There are risks associated with permitting commercial activities in the Centre, particularly Koerner’s Pub. The GSS has partnered with a third-party operator to provide stable and professional management of the Pub, mitigating the risks associated with operating a liquor-licensed establishment in the Centre.</p>
<b>COSTS</b> Capital & Lifecycle Operating	<p>The funding model for the Centre is the same for the old lease:</p> <ul style="list-style-type: none"> <li>• UBC will continue to fund operating and maintenance costs for the Centre, except for areas used for commercial activities; and</li> <li>• the General Municipal Services Levy is payable on commercial activities within the Centre.</li> </ul>
<b>FINANCIAL</b>	<p>Recurring core funding is allocated for UBC’s costs under the renewal lease.</p>
<b>SCHEDULE</b> Implementation Timeline	<p>Approval of the lease would permit the University to immediately seek Ministerial approval.</p>
<b>CONSULTATION</b> Relevant Units, Internal & External Constituencies	<ul style="list-style-type: none"> <li>• UBC Treasury</li> <li>• UBC Counsel’s Office</li> <li>• UBC Building Operations</li> <li>• GSS</li> </ul>