

SUBJECT	THEO KOERNER HOUSE GRADUATE STUDENT CENTRE LEASE RENEWAL
MEETING DATE	SEPTEMBER 21, 2017

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

**APPROVED FOR
SUBMISSION**



Santa J. Ono, President and Vice-Chancellor

DECISION REQUESTED	<p>IT IS HEREBY REQUESTED that <i>the UBC Board of Governors:</i></p> <ul style="list-style-type: none"> 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) <i>DECLARE that the lease will not affect future delivery of educational programs; and</i> c) <i>AUTHORIZE the University Administration to:</i> <ul style="list-style-type: none"> i. <i>obtain Ministerial approval of the lease renewal pursuant to section 50(2) of the University Act (British Columbia); and</i> ii. <i>execute the agreed lease renewal between UBC and the GSS on the terms consistent with those outlined in this report.</i>
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Report Date	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

DESCRIPTION & RATIONALE	<p>The renewal lease is on substantially similar terms to the old lease:</p> <ul style="list-style-type: none"> • Term – 10 years; • Basic Rent - \$10/year; • Additional Rent - <ul style="list-style-type: none"> ○ UBC’s costs with respect to commercial activities, ○ Sewage levy, and ○ General Municipal Services Levy, • 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 • The GSS is responsible for costs of services and work in the building beyond those covered by core funding. <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>
BENEFITS 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>
RISKS 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>
COSTS Capital & Lifecycle Operating	<p>The funding model for the Centre is the same for the old lease:</p> <ul style="list-style-type: none"> • UBC will continue to fund operating and maintenance costs for the Centre, except for areas used for commercial activities; and • the General Municipal Services Levy is payable on commercial activities within the Centre.
FINANCIAL	<p>Recurring core funding is allocated for UBC’s costs under the renewal lease.</p>
SCHEDULE Implementation Timeline	<p>Approval of the lease would permit the University to immediately seek Ministerial approval.</p>
CONSULTATION Relevant Units, Internal & External Constituencies	<ul style="list-style-type: none"> • UBC Treasury • UBC Counsel’s Office • UBC Building Operations • GSS