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| SUBJECT | UBC OKANAGAN HOUSING COMMONS |
| MEETING DATE | APRIL 19, 2018 |

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

**APPROVED FOR
SUBMISSION**



Santa J. Ono, President and Vice-Chancellor

| | | |
|-------------------------------|---|--|
| DECISION REQUESTED | IT IS HEREBY REQUESTED that the UBC Board of Governors grant BOARD 2 approval for the UBC Okanagan Housing Commons project, with authorization to issue the development permit and a funding release of \$1,000,000 to complete working drawings and tender documents. | |
| | Revised Capital Budget Revised Operating Budget Revised Schedule Program Authorization to Issue Development Permit Proceed to Working Drawings & Tender Funding Release Information Expenses to date Funding released to date | \$48,190,900 See report \$1,000,000 \$121,371 \$1,000,000 |

| | |
|--------------------|----------------|
| Report Date | March 21, 2018 |
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Presented By Deborah Buszard, Deputy Vice-Chancellor & Principal, UBC Okanagan
 Peter Smailes, Interim Vice-President Finance & Operations
 Rob Einarson, Associate Vice-President Finance & Operations, UBC Okanagan
 Andrew Parr, Managing Director, Student Housing & Hospitality Services
 John Metras, Acting Associate Vice-President Facilities
 Michael White, Associate Vice-President Campus & Community Planning
 Aubrey Kelly, President & CEO, UBC Properties Trust

EXECUTIVE SUMMARY

There is an institutional need to develop additional on-campus student housing at the Okanagan campus to meet current demand and to help realize enrolment targets and anticipated growth. The waitlist for student housing has grown by 200 students per year for the past four years reaching 920 in July 2017.

The rental vacancy rate in Kelowna has dropped steadily from 4% in 2012 to 0.2% in 2017 which is the lowest in Canada and the third consecutive year the rate has been below 1%.

Given that 72% of the campus population comes from outside the Okanagan region and the vast majority of first-year students from outside the Okanagan (both domestic and international) live in residence in first year, the availability of on-campus housing is an important requirement for recruitment. Kelowna also has experienced the largest average increase in rental rates in the country between 2016 and 2017 at 8.6%. To address this need, the concurrent development of two new student residences – Housing Commons and Skeena Residence – with a total of approximately 440 beds for first-year students is proposed. Implementation of both projects would bring UBC Okanagan student housing capacity from 1,680 beds to 2,120 beds, or 28% of student FTE. Board 1 approval for these projects was received in June 2017 in a combined submission. Separate Board 2 approval requests are now being made for each project given timing differences in the design schedule between the projects.

The Housing Commons will be located north of the University Centre on Site 13 identified in the UBCO Campus Plan and will include 220 residence beds in modified traditional format with 2 single bedrooms sharing a bathroom. A commons block component will include a new 500-seat dining hall with central kitchen, plus relocated and consolidated units under Business Operations, including Student Housing Administration, Residence Life and related residence amenities, Conferences and Accommodation, Building Services, Food Services and Parking Services. The dining hall facility is an essential requirement for any additional growth in student housing on the Okanagan campus and will also help serve the needs of the overall campus community.

The total capital investment required for the Housing Commons is currently estimated at \$48.19 million, an increase of \$6.31 million from the \$41.88 million preliminary budget estimate at Board 1. The increase is due to a significant allowance for construction cost escalation, the inclusion of a covered, grade-separated loading bay to minimize vehicle-pedestrian conflict on University Walk, related public realm work on University Walk, and certain enhanced design elements. The gross area of the building increased from 12,080 gsm (130,023 gsf) at Board 1 to 12,762 gsm (137,374 gsf) mostly related to the change to the service loading area of the building. The project is on target for LEED Gold certification.

The capital cost is proposed to be internally financed over 30 years with debt service paid from student housing rental revenue and meal plan revenue. UBCO will contribute \$657,000 from its Central Capital Reserves to fund the inclusion of Parking Services office and service desk space in the Housing Commons, and provision of washrooms and storage space to support general field activity on the adjacent Commons open space as approved and budgeted for at Board 1. The public realm work required to address loading bay impact on University Walk will be funded up to \$900,000 from UBCO Central Capital Reserves. Accounting for these contributions, the total amount to be financed is \$46.63 million. Annual debt service cost is \$3.36 million assuming 6.0% interest and 30 year amortization.

The Housing Commons proforma (provided in Attachment 4) becomes cash flow positive in Year 26 using the standard internal interest rate of 6.0%. This is substantially longer than typical new student residence projects due to the inclusion of the business operations units and the dining hall which support not only the additional 440 new residences but also the existing 1,680 residents, the broader campus community and growing demand for summer conference and camp opportunities. The negative cash flow until Year 26 can be covered within the overall system-wide Student Housing & Hospitality Services (SHHS) operating budget as is standard practice for all new Student Housing developments. Despite the lengthy period of negative cash flow for this project, the SHHS annual dividend to the University would

remain at current levels plus 2% annual growth. If external financing options currently being considered for student housing projects are approved by government, this would result in a lower interest rate and substantially reduce the period until the project becomes cash flow positive (11 years at 3.5% interest). The Housing Commons project is being managed by UBC Properties Trust. The design consultants are Sahuri + Partners Architecture and Teeple Architects. The project received Board 1 approval on June 14, 2017. The development review process for the Housing Commons project has been completed and the project is ready for issuance of the Development Permit following Board 2 approval. A separate approval for the proposed name of the new facility (Nechako) will be brought forward to Board at a future date. The project is now targeted for completion in January 2021.

INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED

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

DESCRIPTION & Facility Need
RATIONALE

Student Housing is an important factor in recruitment for the Okanagan campus. With 72% of the campus population coming from outside the Okanagan Valley, the ability to offer residence accommodation is a key factor in successfully recruiting students. In addition to recruitment, Student Housing is also a driver in student retention and matriculation. Institutional research on the value of Student Housing at the Okanagan campus demonstrated that students living on campus in their first year had higher retention rates and higher graduation rates than those who lived off campus. This positive relationship was even greater for international students.

The room inventory on the Okanagan campus currently consists of 1,058 first-year student beds and 622 upper-year student beds (self-contained suites and apartments). With an annual incoming class of more than 2,400 students, many first-year students have had to live in upper year accommodation. The wait list for Student Housing for new students in July 2017 was 920, an increase of 200 students per year over recent years, while the demand for returning students has remained constant. Housing offer acceptance rates have also increased from 50% in 2014 to 72% in 2015 to 79% in 2016 and 80% in 2017. The growing neighbourhood community to the south of campus is helping to support upper year students seeking accommodation, but this inventory has little impact on the demand of first year students. The rental accommodation vacancy rate in Kelowna has dropped from a ten year high of 4% in 2012 to <1% in 2014 – 2017 inclusive.

Development of the proposed Housing Commons and Skeena Residence projects, with planned completion in August 2020, will increase on-campus student housing capacity from 1,680 beds to 2,120 beds. This increase in student resident population, which will include approximately 1,500 students on meal plan, will necessitate provision of appropriate amenities and services for the on-campus population – similar to that provided in the Totem Park or Place Vanier Commonsblocks at the Vancouver campus. The Housing Commons will include dining room and kitchen facilities, quiet study and informal gathering space, a

fitness room as well as casual recreation space such as table tennis and pool tables, music practice rooms, a 24 hour front desk to oversee this space and provide extended services for student residents and a centre gathering / lobby area for summer conference visitors.

A dining room sized to serve 25-30% of the on-campus housing population on meal plan is an intrinsic component of the community building that occurs within first-year student housing. This community building is what helps connect resident students to the campus. This additional dining capacity is also part of an overall food service strategy for the campus to service students (both commuter and resident), faculty, and staff as well as support a more robust service offering for summer conference activities.

Community Impact and Broader Context

Increasing the number of students living on campus further enhances the goals of the institution by reducing the demand on parking, increasing the food service offerings to support the entire campus population, as well as enhancing campus vibrancy, particularly in evenings and on weekends, and increasing student leadership opportunities.

An assessment of Kelowna residential rental housing undertaken by Coriolis Consulting provides the following high level findings regarding the local market:

- Current rental market conditions are tight (very low <1% vacancy, rising rents).
- Total rental housing demand, from UBCO students and general population growth, will rise significantly over the next 10 years.
- While there is a surprisingly large number of market rental units in the proposal stage, overall rental market conditions are expected to remain tight.
- There is not likely to be a market situation that would create risk for UBCO of low vacancy or falling rent in existing or new student housing.

Site

The Housing Commons will be located on Site 13 in the UBC Okanagan Campus Plan (2015), formerly Site K2 in the UBC Okanagan Master Plan (2009).

This site is located north of the existing University Centre Building and Plaza, at the south end of The Commons field. The Campus Plan identifies Site 13 for a new commons building, envisioned as a natural extension of the existing University Centre, with the primary goal of providing a home for a number of complimentary campus activities, including new co-located student services. The Campus Plan also includes the possible consideration of mixed-use projects and increasing the number of building storeys as opportunities to provide additional housing capacity. Utility services are available (with confirmation for gravity systems) in close proximity on University Way, University Walk and International Mews.

Grade-separated loading access will be provided from the east underneath University Walk to minimize impact on pedestrian access and circulation.

The site was reviewed for the revised program and approved by the Site Selection Committee on January 16, 2017. The recommended site will contribute to co-location opportunities and is generally consistent and compatible with adjacent University Centre and residence buildings. The project will contribute substantively to the definition and animation of the open Commons field to the north, as well as to the University Centre Plaza, University Walk and International Mews.

Functional Program

The Housing Commons will include a 2-storey commons block with 4-storey student residence on top. The facility will have a gross area of approximately 12,762 gsm (137,374 gsf) and will include the following program elements:

- Student housing with 220 modified traditional units (2 bedrooms sharing a bathroom)
- Residents Common Block/Housing support
- 500 seat Dining Hall, Convenience Store (1,200nsf)
- 24-hour access for students living in residence to social amenities and study space.
- 24-hour services at Student Housing and Conferences front desk for both resident students and seasonal hotel check-in
- Parking Services offices

The program was increased through schematic design to allow for a covered loading bay area . The changes are shown below.

| | | Board 1 | | Board 2 | |
|----------------------------|--|---------------|----------------|---------------|----------------|
| Housing Commons Program | | Sq metres | Sq feet | Sq metres | Sq feet |
| 1 | Main Entry, Dining Hall, Convenience Store | 1,793 | 19,304 | 1,793 | 19,304 |
| 2 | Secondary Entry and Student Commons | 978 | 10,524 | 988 | 10,635 |
| 3 | Parking Services | 31 | 328 | 31 | 328 |
| 4 | Student Housing and Hospitality Services | 380 | 4,086 | 380 | 4,086 |
| 5 | Shared Staff Support and Amenities | 127 | 1,369 | 127 | 1,369 |
| 6 | Housing Commons Residence | 4,122 | 44,372 | 4,122 | 44,372 |
| 7 | Service Entry, General Bldg Support, End of Trip | 363 | 3,912 | 793 | 8,536 |
| Program Area (Net) | | 7,794 | 83,895 | 8,234 | 88,630 |
| Gross - Up | | 4,286 | 46,128 | 4,528 | 48,744 |
| Total Areas (Gross) | | 12,080 | 130,023 | 12,762 | 137,374 |

NSM – net square metres GSM – gross square metres
 NSF – net square feet GSF – gross square feet

- BENEFITS** The Housing Commons will provide the following benefits:
- Learning,
Research,
Financial,
Sustainability &
Reputational
- New residence beds to address growing demand for on-campus student housing and to support student recruitment and retention.
 - Enhanced campus life environment and services which will help students succeed academically and socially.
 - A new dining facility to serve the needs of existing and new student residences as well as the overall campus community.
 - Consolidation of business service units which will free building space for other beneficial uses. For example, the residence cityhome currently occupied by Parking Services can be returned to the rental pool.
 - Reduced commuter traffic to and from campus.

Sustainability Benefits

- This project aims to reinforce UBC’s position as a leader in sustainability by meeting LEED Gold certification as per UBC and Provincial government policy.
- The District Energy System (DES) will provide a substantial portion of the heating and cooling from an aquifer exchange. This closed loop system allows energy sharing between buildings for heating and cooling.
- The Housing Commons building will be designed to meet specific energy use intensity targets (EUI) and be 100% compatible with the DES.
- The Housing Commons will address on-site rainwater management measures in accordance with the UBCO Integrated Rainwater Management Plan (IRMP).
- The dining room will offer a more advanced and flexible food service area that can more easily accommodate local and regional food opportunities.
- A significant student resident gathering area (‘hub’) provides more opportunity for student resident gathering and relationship-building in a safe space (social sustainability).

- RISKS** Potential project risks and risk mitigation strategies include:
- Financial,
Operational &
Reputational
- Capital Cost – Construction cost risks will be managed through provision of contingency and cost allowances as well as coverage under the Retained Risk policy, though current market conditions still contain risk until contracts are fixed. A substantial allowance has been included in the revised capital budget to address the current escalating construction market conditions in Kelowna.
 - Rental Occupancy – Occupancy risks associated with this project are limited as demand for student housing is in excess of current supply. The wait list for UBCO student housing in July 2016 was 750. An independent assessment of the local residential rental market (by Coriolus Consulting) indicates that the overall rental market, with current <1% vacancy rate, is expected to remain

tight and there is not likely to be a market situation that would create risk for UBCO of low vacancy or falling rent in existing or new student housing.

- Dining Capacity – The Housing Commons project with new dining hall must be completed to provide meal plan capacity for the increased student resident population resulting from the Housing Commons and Skeena Residence projects. Both projects are planned to be undertaken and completed at the same time.
 - Financing Capacity – Treasury has confirmed that there is sufficient liquidity to provide internal financing for both projects from the Student Housing Financing Endowment (SHFE).
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COSTS
Capital &
Lifecycle
Operating

Revised Capital Budget

The total capital investment required for the Housing Commons is currently estimated at \$48.19m. This represents an increase of \$6.31 million from the \$41.88 million preliminary budget estimate at Board 1. The increase is due to a significant allowance for construction cost escalation, the inclusion of a covered, grade-separated loading bay to minimize vehicle-pedestrian conflict on University Walk, related public realm work on University Walk, and certain enhanced design elements such as Cross-Laminated Timber (CLT) dining hall ceiling.

| Project Capital Cost Breakdown | Cost \$ Board 1 | Cost \$ Board 2 |
|---|---------------------|---------------------|
| Construction Costs | | |
| Construction* | \$29,649,000 | \$29,649,000 |
| Expanded public realm and loading bay | | 1,500,000 |
| Design improvements (CLT ceiling, expanded glazing) | | 1,400,000 |
| Contingency | 1,250,000 | 1,368,100 |
| Cash Allowances | | |
| Public Realm | 750,000 | 750,000 |
| Site Servicing | 500,000 | 500,000 |
| Kitchen/Convenience Equipment | 1,200,000 | 1,200,000 |
| FF+E | 1,000,000 | 1,000,000 |
| Audio Visual | 250,000 | 250,000 |
| Soft Costs | | |
| Consultant Budget | 2,600,000 | 2,600,000 |
| Project Management | 1,902,500 | 2,100,000 |
| Preconstruction/Permits/Insurance | 850,000 | 850,000 |
| Building Subtotal | 39,951,500 | 43,167,100 |
| GST | 667,000 | 723,900 |
| Building Total | 40,618,500 | 43,891,000 |
| Extraordinary escalation 2017 / 2018 above 2.5% | | 3,000,000 |
| Construction Period Financing | 861,000 | 861,000 |
| Retained Risk | 400,000 | 438,900 |
| Project Total | \$41,879,500 | \$48,190,900 |
| Cost of residence component | \$19,463,395 | \$20,681,400 |
| Cost of commons component | \$22,416,105 | \$27,509,500 |
| Number of Residence Beds | 220 | 220 |
| Gross building area (sf) | 130,023 | 137,374 |
| Cost/bed | \$88,470 | \$94,006 |
| Cost/sf | \$322 | \$351 |

* Construction cost does not include proposed tunnel between Housing Commons and University Centre that would be centrally funded for \$400k if added.

Revised Operating Budget

Operating and maintenance costs for the building will be covered by SHHS through student housing rental revenue and meal plan revenue. The SHHS operating budget for the Housing Commons, including debt servicing, is provided in Attachment 4.

FINANCIAL Funding & Financing

Funding Sources, Impact on Liquidity

The capital cost is proposed to be internally financed over 30 years with debt service paid from student housing rental revenue and meal plan revenue. UBCO will contribute \$657,000 from its Central Capital Reserves to fund the inclusion of Parking Services office and service desk space in the Housing Commons, and provision of washrooms and storage space to support general field activity on the adjacent Commons open space as approved and budgeted for at Board 1. The public realm work required to address loading bay impact on University Walk will be funded up to \$900,000 from UBCO Central Capital Reserves. The financing amounts and annual debt servicing costs are shown in the table below. Sufficient liquidity has been allocated for internal financing.

| Project Component | Capital Cost | UBCO Capital Reserve Funding | Financing | Annual Debt Service (6%, 30 yrs) |
|--|---------------------|------------------------------|---------------------|----------------------------------|
| Student Housing | \$20,681,400 | \$0 | \$20,681,400 | \$1,487,940 |
| Housing Commons Amenities (dining hall, public realm, etc) | \$27,509,500 | \$1,557,000 | \$25,952,500 | \$1,871,280 |
| Total | \$48,190,900 | \$1,557,000 | \$46,633,900 | \$3,359,220 |

The proforma for the Housing Commons project (provided in Attachment 4) becomes cash flow positive in Year 26 using the standard internal interest rate of 6.0%. This is substantially longer than typical new student residence projects due to the inclusion of the business operations units and the dining hall which support not only the additional 440 new residences but also the existing 1,680 residents, the broader campus community and growing demand for summer conference and camp opportunities. The negative cash flow until Year 26 can be covered within the overall system-wide Student Housing & Hospitality Services (SHHS) operating budget as is standard practice for all new Student Housing developments. Despite the lengthy period of negative cash flow for this project, the SHHS annual dividend to the University would remain at current levels plus 2% annual growth. If external financing options currently being considered for student housing projects are approved by government, this would result in a lower interest rate and substantially reduce the period until the project becomes cash flow positive (11 years at 3.5% interest).

| SCHEDULE Implementation Timeline | Revised Schedule | | |
|--|-------------------------------------|----------------|----------------|
| | Project Milestone | Board 1 | Board 2 |
| | UBCO DVC Direct Reports Team Exec 1 | Mar 11, 2013 | Jun 13, 2014 |
| | Executive 1 | Mar 25, 2013 | Jun 17, 2014 |
| | UBCO DVC Direct Reports Team Exec 2 | Oct 28, 2014 | Oct 28, 2014 |
| | Executive 2 | Nov 7, 2014 | Nov 7, 2014 |
| | UBCO DVC Direct Reports Team Exec 3 | Feb 20, 2017 | Feb 20, 2017 |
| | Executive 3 | Mar 7, 2017 | Mar 7, 2017 |
| | Architect Shortlisting | Mar – Apr 2017 | Mar – Apr 2017 |
| | Board 1 | Jun 2017 | Jun 2017 |
| | Board 2 | Dec 2017 | Apr 2018 |
| | Board 3 | Apr 2018 | Sep 2018 |
| | Construction Start | Apr 2018 | Sep 2018 |
| | Occupancy | Aug 2020 | Jan 2021 |
| | Board 4 | Sep 2022 | Jan 2023 |

CONSULTATION Campus Planning & Development Review

Relevant Units,
Internal & External
Constituencies

As part of the Board of Governors’ Board 2 Approval process, the Housing Commons required Development Approval from Campus Planning & Development (CP&D) at the Okanagan campus, including review by the DVC DRT (Direct Report Team). CP&D has assessed the project conformance with the UBC Okanagan Campus Plan (2015) and the accompanying Design Guidelines (2008, currently being updated), other campus plans and policies, and municipal zoning for the campus, and for providing the campus community with the opportunity to review and comment on the schematic design. As part of the Development Approval process, CP&D coordinates an Development Review Meeting (DRM) of the project that includes a panel of staff, faculty and industry representatives to review urban design and technical issues.

The UBCO Campus Community is generally supportive of this project and CP&D Preliminary Development Approval has been granted on March 12, 2018. Key building and site design issues to be developed further are focused on: the building’s proposed exterior design, detailing and colour expression in context with the adjacent buildings; animation and strengthening of the interior/exterior interface on all four ‘front’ sides of the building; refinements to the grade-separation between the loading access and the stair/ramping design along the eastern elevation on University Walk. It is anticipated that UBCO Central Reserves will be applied to develop a functional and safe separation between University Walk and the loading access.

Prior Approvals

Executive 1 approval was granted for the original Housing Commons (“Okanagan Commons”) concept on June 17, 2014. Executive 2 approval was granted on November 7, 2014 and Executive 3 approval was received on March 7, 2017. Board 1 approval was received on June 14, 2017.

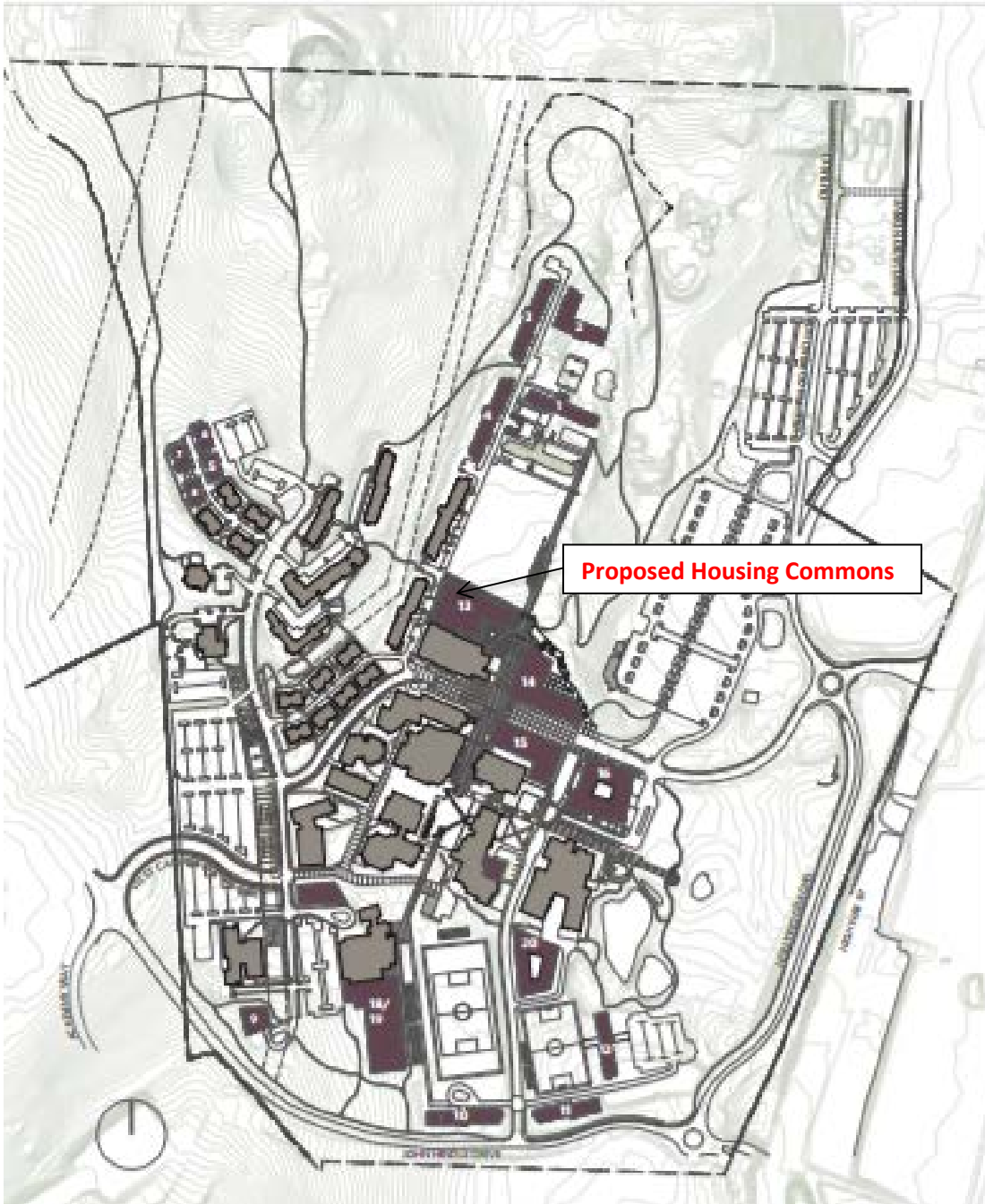
Project Team

UBC Properties Trust is managing the project. The design consultants are Sahuri + Partners Architecture and Teeple Architects.

Attachments

- 1) Proposed Housing Commons and Skeena Residence Sites – Campus Context
- 2) Proposed Housing Commons and Skeena Residence Sites – Precinct View
- 3) Site Massing Perspectives
- 4) Operating Budget Summary

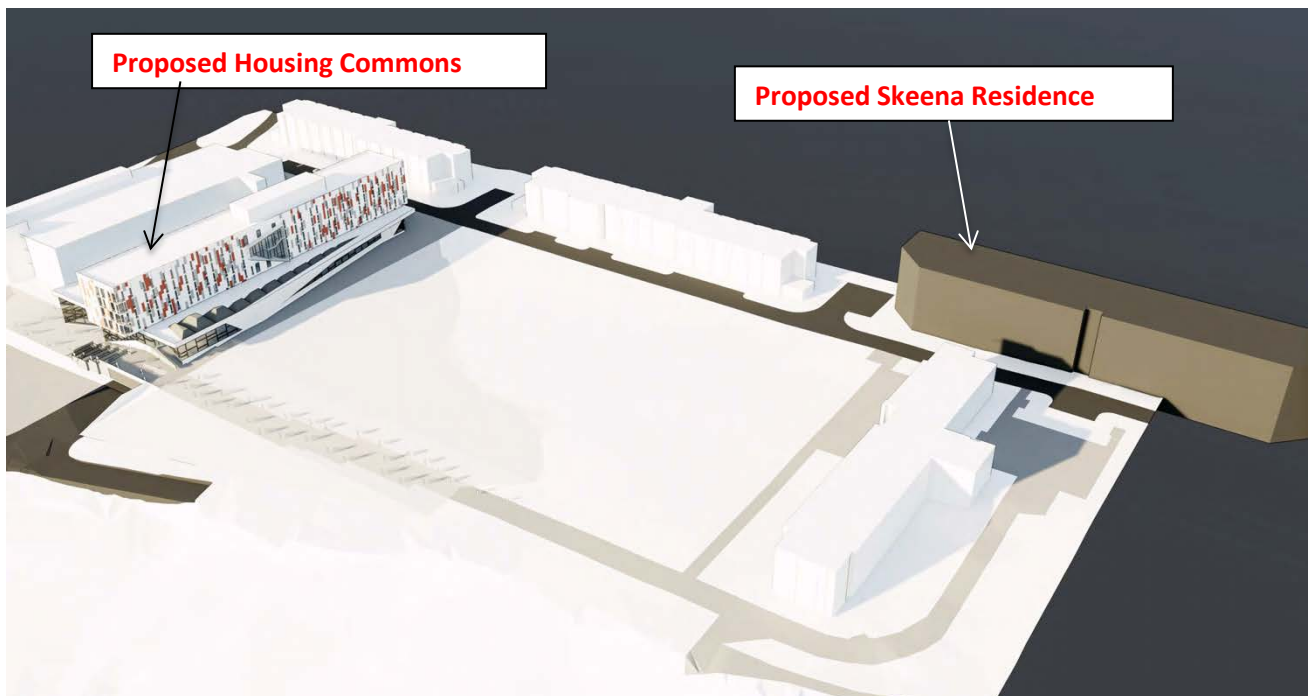
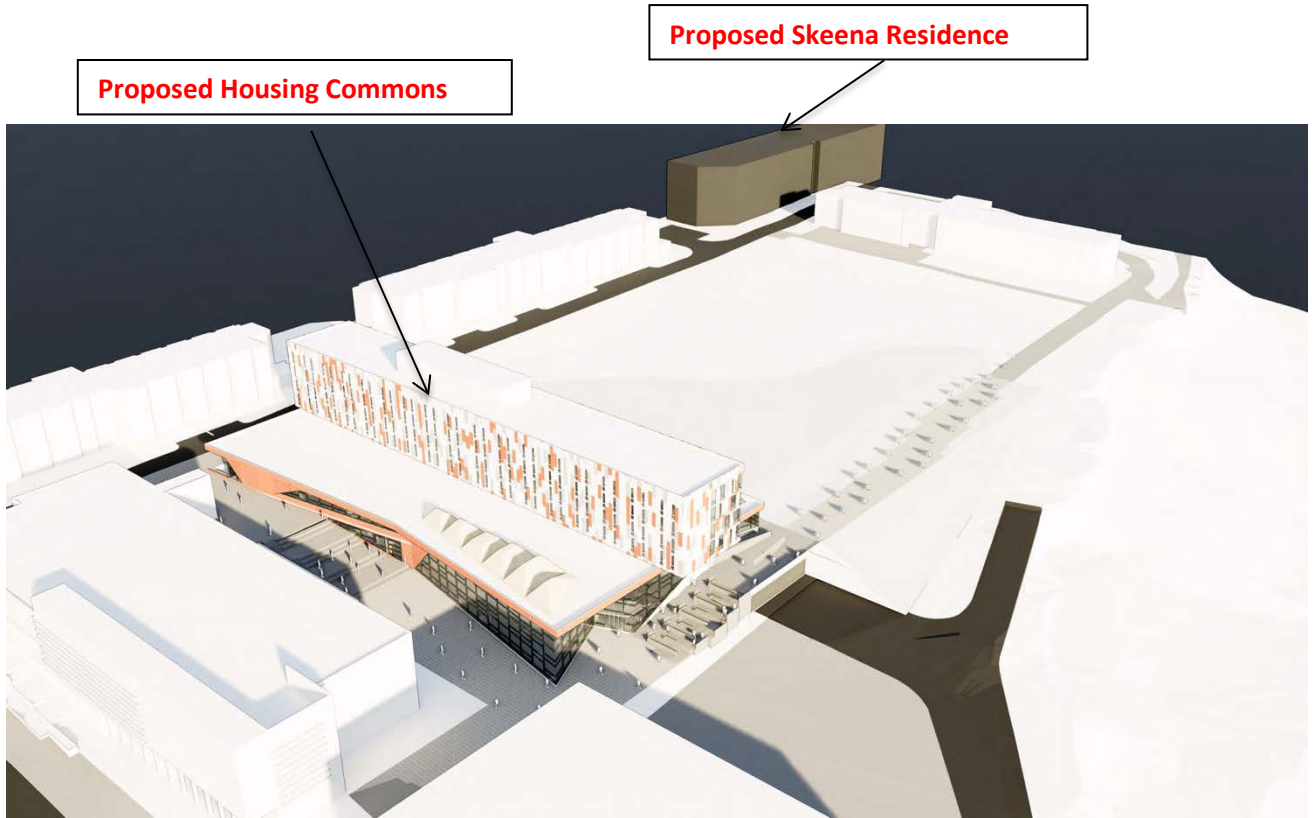
Attachment 1 – Proposed Housing Commons Site – Campus Context

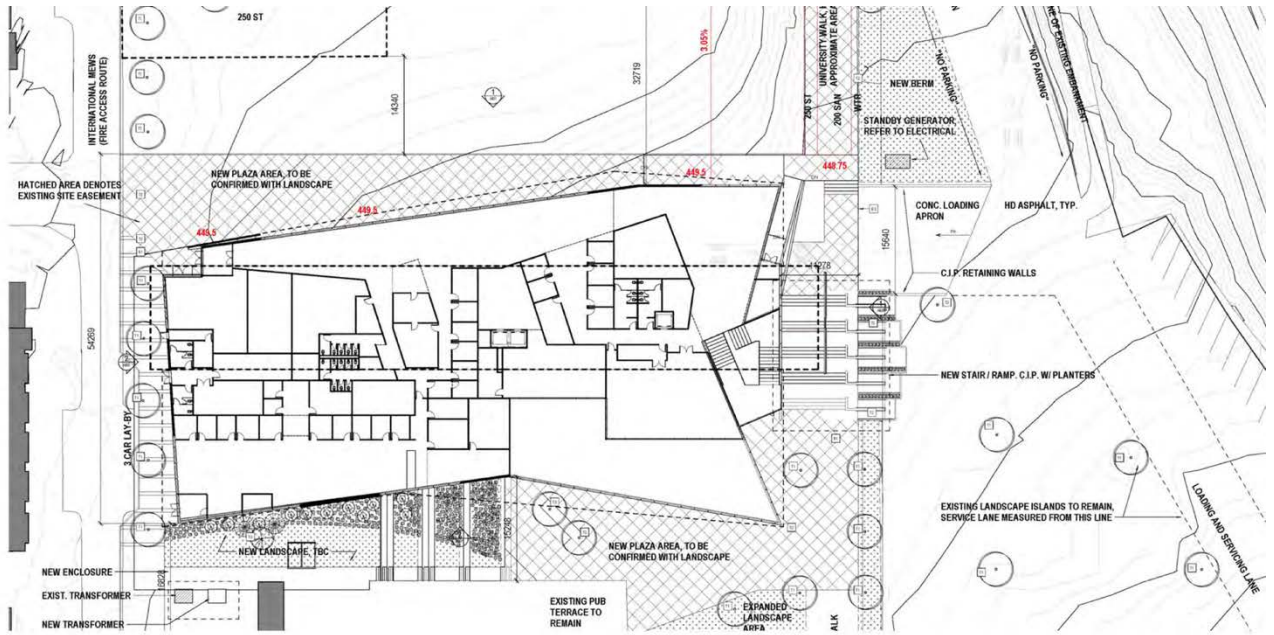


Attachment 2 – Proposed Housing Commons – Precinct View



Attachment 3 – Site Massing Perspective and Site Plan





Attachment 4 – Operating Budget Summary

UBC Student Housing & Hospitality Services - UBCO Housing Commons (Contracted Food Model & 8 month rental)

| | 2020 | 2021 | 2044 | 2045 |
|---|---------------------|-----------------------|---------------------|---------------------|
| Revenue | | | | |
| Rental Income ¹ | \$ 316,800 | \$ 1,615,680 | \$ 2,547,765 | \$ 2,598,720 |
| Rental Income - existing ² | \$ - | \$ 584,909 | \$ 922,342 | \$ 940,789 |
| Meal Plan Income ³ | \$ 687,610 | \$ 2,003,892 | \$ 3,159,936 | \$ 3,223,135 |
| Meal Plan Income - existing ⁴ | \$ - | \$ 869,842 | \$ 1,371,653 | \$ 1,399,086 |
| Meal Plan CIF ⁵ | \$ 85,625 | \$ 187,750 | \$ 187,750 | \$ 187,750 |
| Conferences Income ⁶ | \$ - | \$ - | \$ - | \$ - |
| Rental Vacancy @ 1% | \$ (3,168) | \$ (16,157) | \$ (25,478) | \$ (25,987) |
| Total Revenue | \$ 1,086,867 | \$ 5,245,916 | \$ 8,163,968 | \$ 8,323,492 |
| Expenses | | | | |
| Operating Costs - new units @ 22% | \$ 69,696 | \$ 355,450 | \$ 560,508 | \$ 571,718 |
| Food Delivery Costs @ 90% | \$ 618,849 | \$ 2,586,360 | \$ 4,078,430 | \$ 4,159,998 |
| Housing Utilities - new units @ 5.5% | \$ 17,424 | \$ 88,862 | \$ 140,127 | \$ 142,930 |
| Cable & Resnet - new units @ 3% | \$ 9,504 | \$ 48,470 | \$ 76,433 | \$ 77,962 |
| Total Direct Expenses | \$ 715,473 | \$ 3,079,143 | \$ 4,855,498 | \$ 4,952,608 |
| Direct Cash Flow | \$ 371,394 | \$ 2,166,773 | \$ 3,308,470 | \$ 3,370,884 |
| Debt Service - Housing ⁷ | \$ 619,975 | 1,487,940 | 1,487,940 | 1,487,940 |
| Debt Service - Amenity portion ⁷ | \$ 467,820 | 1,871,280 | 1,871,280 | 1,871,280 |
| | \$ 1,087,795 | \$ 3,359,220 | \$ 3,359,220 | \$ 3,359,220 |
| Total Cash Flow | \$ (716,401) | \$ (1,192,447) | \$ (50,750) | \$ 11,664 |

1 - The 8-month academic rental period rate for 220 new Modified-Traditional beds within the Housing Commons is anticipated to be \$900 for January 2021. Rental increase is 2% per annum thereafter.

2 - The rental rate for the 896 existing Modified-Traditional beds will be increased to \$877 in 2021, in connection with this project.

3 - The average annual Residential Meal Plan price for the 440 new beds from the UBCO Skeena and Commons Residences is assumed at \$4,465 for an 8-month term starting January 2021. 10% commission on total food sales. Meal Plan increase is 2% per annum thereafter.

4 - The Meal Plan rates will be adjusted for 1,062 existing bed spaces that require a Meal Plan, in connection with this project.

5 - A Capital Improvement Fund (CIF) of \$125 per year on each Meal Plan sold is proposed to help pay for upgrades to UBCO Dining facilities.

6 - Assumes no marginal summer conference occupancy as a result of current Summertime availability.

7 - Assumes financing at a net effective rate of 6.0% amortization over 30 years.