



<b>SUBJECT</b>	<b>BOARD 4 PROJECT CLOSE-OUT REPORT - PONDEROSA COMMONS PHASE 2</b>
<b>MEETING DATE</b>	<b>SEPTEMBER 13, 2018</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>	August 24, 2018
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**Presented By** TBA, Interim Vice-President Students  
 Andrew Szeri, Provost and Vice-President Academic  
 Peter Smailes, Vice-President Finance & Operations  
 Blye Frank, Dean, Faculty of Education  
 Andrew Parr, Managing Director, Student Housing & Hospitality Services  
 Pam Ratner, Vice-Provost and Associate Vice-President, Enrolment and Academic Facilities  
 John Metras, Acting Associate Vice-President, Facilities  
 Jennifer Sanguinetti, Acting Managing Director, Infrastructure Development  
 Michael White, Associate Vice-President Campus & Community Planning  
 Aubrey Kelly, President and CEO, UBC Properties Trust

<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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**EXECUTIVE SUMMARY**

Ponderosa Commons, developed as a 2 phase project, is the first of five planned mixed-use commons identified in the Vancouver Campus Plan. It has been programmed and designed to provide on-campus student housing to meet growing demand and create vibrant social and academic centres, bringing life to the core of campus 24 hours a day, 12 months of the year and connecting students who live on campus, commuter students, faculty and staff. This review focuses on Phase 2. The Board 4 report for Phase 1 was delivered in September 2017.

Ponderosa Phase 2 (Oak House and Cedar House) was completed and opened for occupancy in stages between September 2015 and June 2016. The final project cost was \$75.35 million, \$2.48 million below the approved budget of \$77.829 million. Ponderosa Phase 2 includes 548 student residence beds, 7 short term stay hotel suites, residence front desk, academic space for the Faculty of Education, general use classrooms, a collegium for commuter students, a convenience store/deli, a large multi-purpose room, meeting and study rooms, and informal learning spaces.

The facility has achieved LEED Gold certification, created a high-quality student experience and brought vitality and social energy to the University Boulevard precinct in the campus core. Phase 2 has served an important role in completing the Ponderosa Commons project, bringing a new vibrancy, foot traffic and overall positive energy to the precinct. The public realm was recently recognized by the Canadian Society of Landscape Architects with a 2018 National Award.

**Attachments**

1. Photograph of Ponderosa Commons Phase 2

**INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED**

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

**DESCRIPTION & RATIONALE**

The Ponderosa Commons project received Board 1 approval February 2011 for both Phases 1 and Phase 2. Board 3 approval for Phase 2 was received in November 2013. Completion of the full Phase 2 project was originally scheduled for September 2015. The Phase 2 residence tower was completed in September 2015 providing occupancy for 303 winter session residence beds. The academic space and remaining residence beds (year round housing) were completed for occupancy between January and March 2016. The convenience store/deli, collegium and public realm were completed from April to June 2016. This project finished \$2.48 million below the approved budget of \$77.829 million.

Ponderosa Commons in total includes 1,158 student residence beds, academic space for Faculty of Arts and Faculty of Education, two collegia for commuter students, a café, convenience store/deli, fitness facility, bicycle storage and end of trip facility, and informal learning spaces. The originally proposed child care facility in Phase 2 was not built due to site-specific feasibility and cost constraints. A child care facility was instead added to the Orchard Commons project.

**Program**

Phase 1 West (Arbutus House + Maple House)	Phase 1 East (Spruce House)	Phase 2 (Oak House + Cedar House)
434 beds	169 beds	548 beds
Mercante Café	BFA/MFA studios	7 hotel suites
Fitness facility	Printmaking studio	Harvest Deli
Bike storage	Psychology offices	Residence front desk & Amenities
End of trip facility	Art gallery	Education offices for 2 departments
Collegium		Collegium
Informal learning space		Informal learning space
Geofluvial lab		General-use classrooms
Biogeography lab		

UBC Properties Trust managed the project. The architect was Kuwabara Payne McKenna Blumberg in partnership with Hughes Condon Marler. The construction manager for Phase 2 was Urban One Builders. The construction manager for Phase 1 was Ledcor.

**BENEFITS** Ponderosa Commons is the first of five proposed commons designed to increase on-campus student housing to meet growing demand and create vibrant social and academic centres, bringing life to the core of campus 24 hours a day, 12 months of the year and connecting students who live on campus, commuter students, faculty and staff.

Learning, Research, Financial, Sustainability & Reputational

**RISKS** Project is complete.

**COSTS** Ponderosa Commons Phase 2 final cost was \$75.35 million. This was \$2.48 million below the Board 3 approved budget of \$77.829 million.

<b>FINANCIAL</b> Funding Sources, Impact on Liquidity	<b>Summary by Funding Department</b>			
	<b>Phase 1</b>	<b>Phase 2</b>	<b>Total</b>	
	SHHS (Student Housing Financing Endowment Loan)	\$65,407	\$55,467	\$120,873
	SHHS (Working Capital Loan)	\$14,880	\$4,745	\$19,625
	Central	\$1,268	\$6,037	\$7,305
	Faculty of Arts	\$5,600	\$0	\$5,600
	Faculty of Education	\$0	\$11,082	\$11,082
	IIC	\$500	\$500	\$1,000
	<b>Total</b>	<b>\$87,655</b>	<b>\$77,829</b>	<b>\$165,484</b>

The above table shows the original Board 3 approved funding contributions for the project. The \$2.48 million Phase 2 cost savings will be reimbursed to each contributor on a pro-rated basis according to original contribution. The portion of the Phase 2 savings attributable to the Central operating budget will be transferred to the Retained Risk Fund as per UBC Policy #125 (Retained Risk Fund for Major Construction Projects).

**SCHEDULE** Completion of the full Phase 2 project was originally scheduled for September 2015. The Phase 2 residence tower was completed in September 2015 providing occupancy for 303 residence beds. The academic space and remaining residence beds were completed for occupancy between January and March 2016. The convenience store/deli, collegium and public realm were completed from April to June 2016.

Implementation Timeline

**CONSULTATION** A stakeholder meeting of occupants, operators and the project delivery team was held May 16, 2018 to review project constraints and lessons learned. A separate review meeting with the Dean of Education and in-coming Educational Studies Department Head was held on August 1, 2018. Although there are two Ponderosa Commons phases, the focus of these meetings was Ponderosa Commons Phase 2. The lessons learned will inform future Commons and Public Realm projects. The Board 4 report for Phase 1 was delivered in September 2017.

Relevant Units, Internal & External Constituencies

**Design**

The design of the project was very successful overall and it has enhanced the western gateway of the University. As the first of five hubs to be built under the Vancouver Campus Plan, it has succeeded both in providing needed vitality and night safety to the academic core and in making wise use of valuable academic land through higher density and the mixing of academic and student housing uses.

There has been positive feedback both from student residents and the short-term guests who have occupied the rooms over the summers. The sizes and mix of housing units has worked well. The commons concept has been successful and Student Housing and Hospitality Services (SHHS) have reported that the relationship with the Faculty of Education has worked well. A lounge that was constructed on the top (18<sup>th</sup>) floor that is bookable by members of the campus community has been very successful.

The Faculty of Education appreciates the modern, well-furnished offices which are a big step up from their old offices in the Ponderosa huts. The operable windows and blinds give occupants control over their environment and the frosted glass hallway walls provide privacy while still maintaining a light overall feel. The two Faculty of Education departments in the building (Educational Studies, Language & Literacy Education) are now located side by side with a common meeting room between which helps build connections between the departments. It was commented that the new space makes the faculty feel like they are valued as a group within the campus community.

The commuter students who use the collegium located in Oak House are very happy with this space and it has successfully contributed to an increased sense of belonging for commuting students. Oak is the busiest collegium site; staff attribute this to the location and convenient ground floor access. There are eight new classrooms in Ponderosa Phase 2 that are using new layouts and furniture systems in support of a more collaborative learning and teaching model. They have proven to be successful.

The public realm and landscaped spaces for the overall Ponderosa Commons and in particular, Phase 2, have been very successful in animating the West Mall and University Boulevard area. The public realm was recently recognized by the Canadian Society of Landscape Architects with a 2018 National Award. The retention of mature trees including the signature Ponderosa pine and a series of mature cherry trees is notable and should serve as a model for future projects.

Some aspects of the design have not been quite as successful and represent an opportunity for improvement in future projects of a similar nature. There have been on-going acoustical performance challenges in the classroom spaces and the 2<sup>nd</sup> floor multi-purpose space which are still under review for a solution. The Faculty of Education noted that there is only one kitchen area and one bank of washrooms (with only one gender neutral washroom) serving very long hallways of offices. It would have been better to create more “pods” throughout the facility with amenities easily accessible for all office occupants. This would have also helped break up the monotony of long hallways which some occupants find oppressive. It was also noted that breakroom space should have been provided for operations staff who currently use the entrance foyer for coffee and lunch breaks. The Faculty of Education also regrets that a tiered lecture theatre was not included in the project as this would have been well-used by all Education students and helped build bridges between the two Education buildings (Ponderosa and Scarfe). These points will all be noted for future projects.

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Some of the tower residence rooms experience very high temperatures in the summer. In future projects, the use of mechanical cooling or other strategies that will allow for a more comfortable occupant experience should be considered. Finally, the food outlet should have been bigger – there is so much pedestrian traffic in the area now that a larger outlet would have been supported and would function better.

The public realm design created issues with too little space for high volume pedestrian traffic along West Mall and some safety issues with the pedestrian crossing at the West Mall / University Boulevard intersection, particularly for individuals with visual impairments. Bollards and tactile strips have been retrofitted which have helped to manage the situation. These lessons learned will be factored into future projects.

### **Project Development Process**

The project development process was viewed to have been well managed. Ample opportunity was allowed for user input and the design team was responsive to user requests. It was recommended for future projects that input from the sponsoring Dean be specifically sought, in addition to department heads, to ensure that overall Faculty goals and requirements are thoroughly considered in the design.

A redesign was initiated part way through the project due to concerns over cost per bed. The revised design made the housing more efficient with the inclusion of an additional 40 beds over the original design. Unfortunately, several program elements were removed from the project through this process including a proposed child care facility and the Dean of Education Office. The redesign was successfully undertaken with significant understanding, effort and collaboration from all project team members. The redesign impacted the schedule of the project which was ultimately completed through a phased occupancy process that involved extensive coordination and cooperation from all team members.

This project was one of the first to make use of the Building Operations transition team, a team of operational staff who work with the construction team to ensure a smoother handover and more efficient operation. The value of this team was definitely recognized on this project.

### **Operations**

The mechanical service spaces were well designed and have resulted in a lot of operational benefit.

The commons model, however, still presents challenges operationally. There are several shared building systems that support both the residential and academic / amenities portions of the development that ideally should be separated. Access and security for academic spaces is also an issue that architects need to carefully consider when laying out Commons facilities and specifying building systems. There is inefficiency in operation from the shared systems model and while it has improved on more recent projects, the model still needs fine-tuning.

Future projects should also consider more back-of-house service access. The operational benefits are significant and outweigh the cost of construction.

The user fee model for the Ballroom and 18-Floor Lounge was questioned given what appears to be some under-utilization of those spaces, although it was understood that SHHS is an ancillary operation that needs to recover its capital investment in the facility. Concern over the paying members-only model for the commuter student Collegium and accompanying signage was identified. As a short term strategy, Excellence Funds have been allocated in 17/18 & 18/19 to eliminate the member fee and first year students who commute are assigned a Collegium space.

**Sustainability**

The project has achieved LEED Gold certification and is showing good energy performance so far. The mix of uses, the twelve month rental agreements, and the summer conferencing program have contributed to increased use of this part of the campus during the summer. Extending the use of campus infrastructure beyond the dominant eight month class schedule is a major step forward in social and environmental sustainability.

**Previous Board Reports**

<b>Previous Report Date</b>	November 26, 2013 Board of Governors Meeting												
<b>Decision</b>	<p>Approved Ponderosa Commons Board 3 Approval (Phase 2)</p> <p>1) Board 3 approval for Ponderosa Commons Phase 2 with a funding release of \$75,329,485 to undertake construction, subject to construction tenders being received at or below budget, based on 80% of tenders.</p> <p>2) Approval for the following internal financing:</p> <p style="padding-left: 20px;">a) A loan in the amount of \$55.47 million financed from the Student Housing Financing Endowment to support the student housing component of the project. Annual debt service sourced from housing rental revenue.</p> <p style="padding-left: 20px;">b) A loan in the amount of \$4.75 million financed from working capital to support the SHHS-managed, non-residential amenity components of the project. Annual debt service sourced from amenity space revenue.</p> <p style="padding-left: 20px;">c) A loan in the amount of \$6.04 million financed from working capital to support the Central contribution to the Faculty of Education component of the project. Annual debt service sourced from the Central operating budget.</p> <p>These loans will be repaid over a period of up to 30 years at an expected rate of 5.75% per year.</p> <p>Approval:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Phase 1 Capital Budget (approved Dec 2011)</td> <td style="text-align: right;">\$87,654,876</td> </tr> <tr> <td style="padding-left: 20px;">Phase 2 Revised Capital Budget</td> <td style="text-align: right;">\$77,829,485</td> </tr> <tr> <td style="padding-left: 20px;">Revised Total Phase 1+2 Capital Budget</td> <td style="text-align: right;">\$165,484,361</td> </tr> <tr> <td style="padding-left: 20px;">Operating Budget</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Award of Construction Contracts</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Funding Release</td> <td style="text-align: right;">\$75,329,485</td> </tr> </table>	Phase 1 Capital Budget (approved Dec 2011)	\$87,654,876	Phase 2 Revised Capital Budget	\$77,829,485	Revised Total Phase 1+2 Capital Budget	\$165,484,361	Operating Budget		Award of Construction Contracts		Funding Release	\$75,329,485
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Operating Budget													
Award of Construction Contracts													
Funding Release	\$75,329,485												
<b>Action / Follow Up</b>	Commence construction when tender conditions met.												

<b>Previous Report Date</b>	June 4, 2013 Board of Governors Meeting
<b>Decision</b>	1) Approval for a variance to Vancouver Campus Plan requirements (Section 3.5.1(a)) to allow removal of the daycare (Policy 15) from the program for this hub only; 2) authorization to issue the development permit; 3) authorization to complete working drawings and tender documents, and 4) approval to undertake demolition of existing buildings on the Phase 2 site.
<b>Action / Follow Up</b>	The revised capital budget for Ponderosa Phase 2 is \$77.23 million, a \$2.55 million reduction from the original Board 2 submission and is the net result of design and program changes. These changes will result in a 3 month schedule impact on the project for re-design work. The residential components of the project can still be delivered on the original August 2015 target, however the academic and community amenity components may lag by up to 3 months beyond that date.
<b>Previous Report Date</b>	April 3, 2013 Board of Governors Meeting
<b>Decision</b>	Board expressed concerns over relatively higher cost/bed for Ponderosa Commons compared to UBC benchmark facility at Marine Drive, as well as ensuring that the Student Housing Financing Endowment is used only to finance core residence facilities.
<b>Action / Follow Up</b>	Administration will investigate options to reduce cost/bed and will ensure proper allocation of cost and financing among the project user groups.
<b>Previous Report Date</b>	December 1, 2011 Board of Governors Meeting
<b>Decision</b>	Approved Ponderosa Commons Board 3 Approval (Phase 1)
<b>Action / Follow Up</b>	Approval granted subject to tenders for construction components being received at or below budget.
<b>Previous Report Date</b>	September 27, 2011 Board of Governors Meeting
<b>Decision</b>	Approved: Phase 1 Board 2, \$2,000,000 funding Release
<b>Action / Follow Up</b>	Summer occupancy risk raised. Administration will continue to work on summer use of campus initiative.
<b>Previous Report Date</b>	September 20, 2011 Board of Governors Meeting
<b>Decision</b>	Approved: Phase 1 Board 2, \$2,000,000 funding Release
<b>Action / Follow Up</b>	While some concerns were expressed regarding cost, members were supportive of overall program & design.

<b>Previous Report Date</b>	June 9, 2011 Property & Planning Committee
<b>Decision</b>	Approved: Phase 1 Update and \$1,250,000 Interim Funding Release
<b>Action / Follow Up</b>	A special Board of Governors meeting may be required in early 2012 for Board 3 approval.
<b>Previous Report Date</b>	June 2, 2011 Property & Planning Committee
<b>Decision</b>	Approval recommended: Phase 1 Update and \$1,250,000 Interim Funding Release
<b>Action / Follow Up</b>	
<b>Previous Report Date</b>	June 9, 2011 Property & Planning Committee
<b>Decision</b>	Approved: Phase 1 Update and \$1,250,000 Interim Funding Release
<b>Action / Follow Up</b>	Members were concerned about tight schedule and potential impact of that pressure on decision-making during construction. Future presentations to indicate more clearly the flow of funds from various funding sources (including faculties and IIC contributions to the public realm) to specific aspects of the project.
<b>Previous Report Date</b>	February 7, 2011 Board of Governors Meeting
<b>Decision</b>	Approved: Phase 1 and Phase – Board 1. \$750,000 Funding Release
<b>Action / Follow Up</b>	N/A
<b>Previous Report Date</b>	February 2, 2011 JOINT Finance Committee and Property & Planning Committee
<b>Decision</b>	Approval Recommended: Phase 1 and Phase – Board 1. \$750,000 Funding Release
<b>Action / Follow Up</b>	Concerned about tracking costs for the non-housing aspects of the project, potential funding gaps, the name/use of the word ‘hub’, the mixed uses suggested, and the overall design of the building. All expenses will be appropriately allocated to the responsible unit through formal loan agreements, to be negotiated within existing guiding principles.



Attachment 1 – Photograph of Ponderosa Commons Phase 2

