



SUBJECT	STUDENT UNION BUILDING (NEST) – BOARD 4 PROJECT CLOSE OUT REPORT
MEETING DATE	JUNE 5, 2019

Forwarded on the Recommendation of the President

APPROVED FOR SUBMISSION

Santa J. Ono, President and Vice-Chancellor

FOR INFORMATION

Report Date	May 14, 2019
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- Presented By**
- Ainsley Carry, Vice-President Students
 - Peter Smailes, Vice-President Finance & Operations
 - John Metras, Associate Vice-President Facilities
 - Jennifer Sanguinetti, Managing Director, Infrastructure Development
 - Yale Loh, Treasurer
 - Aubrey Kelly, President and CEO, UBC Properties Trust

<i>If this item was previously presented to Board, please provide a brief description of any major changes since that time.</i>	Part of the Board-approved project management process, Board 4 project close-out reports are submitted following construction, occupancy and warranty period.
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EXECUTIVE SUMMARY

The new Student Union Building, now known as The Nest, is the heart of student life at UBC Vancouver and an integral component of the University Boulevard plan. The 20,280 gross square metre building, which is LEED Platinum certified, houses Alma Mater Society (AMS) administration offices, meeting and social club rooms, retail food services, art gallery, auditorium, entrepreneurs centre, assembly and commercial ventures. Space has also been provided for lease to UBC Child Care. The project also included approximately 600 square metres of renovations to the loading area and commissary kitchen in the UBC Life Building.

The Nest was completed and opened for occupancy in June 2015. The final project cost was \$107.746 million, which is \$0.986 million (0.9%) above the approved budget of \$106.760 million. The overage was due to the complicated nature of the building and changes in scope through the process. The overage was completely funded by student levies received for the project, which were higher than anticipated as a result of growth in the student population.

The Alma Mater Society reports that the project is a tremendous success and a credit to the AMS and to UBC.

Attachments

1. Photographs of The Nest

STRATEGIC CORE AREAS SUPPORTED

- People and Places
- Research Excellence
- Transformative Learning
- Local / Global Engagement

**DESCRIPTION &
RATIONALE**

The success of the facility is summed up in these words of welcome on The Nest website:

“Community. Cooperation. Celebration. Welcome to The Nest! You asked for it, you imagined it, you fought for it—together we built it. The Nest is more than a building, it’s a sustainable space for students to gather, eat, study, and socialize. It’s your home away from home.”

The 20,280 gross square metre building is the hub for student activity at the UBC Vancouver campus and houses the AMS administration offices, meeting and social club rooms, retail food services, art gallery, black box theatre, entrepreneurs centre, assembly and event spaces, commercial ventures, a climbing wall, and day care. This was a very ambitious, complicated program and building project, designed with full student engagement and an intensive Integrated Design process. As a LEED platinum certified building, the Nest is designed to be extremely energy efficient. As part of the project, renovations were also carried out on the loading area and AMS Commissary Kitchen in the UBC Life building, adding approximately 600 square metres to the project area.

Realization of the project was a 10-year endeavour, starting with Board Resolutions in July 2008 followed by the negotiation and execution of a comprehensive package of agreements between the AMS and UBC covering project development, financing and facility lease. Board 3 approval was received in December 2011, and both budget and scope were amended with Post-Board 3 approval in September 2015. The Nest was completed and opened for occupancy in June 2015.

The project was funded primarily through AMS student levies, with a fixed contribution from UBC. The project faced budget increases largely due to the very complicated nature of the building and changes in scope through the process. These increases were funded by greater than anticipated student levies received as a result of growth in the student population. The AMS student levies also funded the renovation of 2,723 net square metres of AMS retained space in the lower level of Old SUB, now known as the UBC Life Building. This renovation was undertaken as a separate project, not reported here.

UBC Properties Trust (UBCPT) managed the project. The architect was Dialog in partnership with B+H Architects, and the construction manager was Bird Construction. The Nest and the Robert H. Lee Alumni Centre are the two anchor buildings on the new Money and Raymond M.C. Lee Square at the northeast corner of University Boulevard and East Mall.

Program

THE NEST	NET AREA (SQ M)
Administrative office and support	1,520
Meeting/club & multi-purpose rms, lounges	6,465
Retail food services & eating areas	2,449
Other merchandising & commercial ventures	824
Art Gallery	156
Day Care	102
Renovations to Loading Dock & Kitchen in UBC Life	598
TOTAL	12,114

BENEFITS The Nest is the vibrant centre of student life. The AMS reports that the students take great pride in the building, and that it sends a message to the students that UBC cares. The building is listed on the Tourism Vancouver website as “one of the world’s most sustainable buildings”, and building tours to groups from other institutions are constant.

Learning, Research,
Financial,
Sustainability &
Reputational

RISKS Project is complete.

COSTS The Nest construction cost was \$107,746,445. This was \$986,445 (0.9%) more than the final Board approved budget and associated amending agreement for the project. The increased costs were covered by higher than anticipated student levies due to growth in the student population.

Capital & Lifecycle
Operating

FINANCIAL Funding Sources, Impact on Liquidity	PROJECT FUNDING & COSTS	Final Board Approved Budget	Board 4
	Contributions		
UBC Contribution		\$25,000,000	\$25,000,000
Donations			25,000
AMS Levy		13,760,000	18,553,362
Interest Earned on Credit Balances			49,508
AMS Loan Funding		68,000,000	65,956,579
		\$106,760,000	\$109,584,449
Costs			
Construction Costs		\$106,760,000	\$107,746,445
Construction Interest			\$1,838,004
		\$106,760,000	\$109,584,449

SCHEDULE The project was completed for occupancy in June 2015, six months behind schedule.

CONSULTATION A stakeholder meeting of occupants, operators and the project delivery team was held on April 9, 2019 to review project successes, constraints and lessons learned. The following is a summary of the discussion:

Relevant Units,
Internal & External
Constituencies

Design

The AMS is extremely pleased with the project, which is a “tremendous success” and “a credit to the AMS and UBC”. The students take great pride in the building, and say it sends a message that UBC cares about the student body. The AMS move to a new building was an opportunity to improve workflow and operations, and this was fully achieved through design. Campus & Community Planning (C&CP) praised the welcoming design and creative, rich spaces for socializing and studying. The design fully provides for the complex program envisioned by the students, and incorporates unique design features that create a “wow” factor for visitors.

While overall a successful project, there are some design issues that have emerged which can serve as lessons learned for future projects.

The large central atrium was cited as a wonderful feature, but space is always at a premium and space utilization within the building volume could have been better with a smaller “hole” in the middle. The atrium also creates issues around access to lighting and other building systems, and the complex form led to some unfinished design detailing and subsequently a high percentage of change orders. Involvement of Infrastructure Development and Building Operations in early discussions around building form in order to advise on UBC utilization best practices and to strategize future access to building servicing and systems may help avoid some of these issues.

Building servicing was designed to be from the loading bay at the north end of the UBC Life Building, with access through the basement to the new building. In reality, a high percentage of deliveries are via the University Boulevard porte cochere entrance which is more convenient but not equipped for high volume service and delivery use. Building Operations also has difficulties providing maintenance for complex systems through the north entrance and underground route to the new building. For future academic buildings, realistic site servicing requirements must be addressed and provided for in the urban design stage.

Project Development Process

Overall, the development process was collaborative and inclusive. The students played the key leadership role in the development of the project. The level of student engagement and commitment continued and carried the project - along with the continuity of AMS staff involvement - despite the long process beginning with negotiations in 2008 and the constant (cyclical) changeover of student participants. The selection of an architectural team which focused on engagement as a priority, with an on-site design office where students could contribute to the process, was key to delivering a building that meets the students needs.

AMS credits UBC with being very transparent and having a great level of engagement with the AMS. AMS also credits the UBCPT team’s passion and commitment as key to the success of the project. The Construction Management procurement method was beneficial to the project, allowing it to flex and respond to changes in program. Building Operations was involved in bi-weekly consultant meetings during design, and the building handover coordination process from contractor to a Building Operations-led transition team worked very well.

The local architecture firm joint ventured with a large Toronto firm to complete design and construction drawings. It was noted that clarity is required on scope of work division and detailing responsibilities between joint venture firms, especially if one firm is not local.

Operations

Overall, the building operates well for both the AMS and Building Operations but there are some issues that provide valuable lessons for future projects.

Most building systems were well designed and are performing well, and Building Operations was involved in mechanical and electrical peer reviews during design. However there are a few systems that are consistently causing problems. The solar panel/adsorption chiller system is unique and has required adjustment to function properly. The service elevator

was not specified as a freight elevator and breaks down frequently because of heavy loads that are required to be transported to upper floors. A grease interceptor system was installed but is not operating properly. The Great Hall folding door system is very high quality but can only be maintained by one company out of Toronto. The patio paver system is industry standard but is not performing well on this building and some other recent campus buildings. The furniture specified was not robust enough for the higher than expected level of use that it is receiving and is already showing wear.

Continued involvement of Building Operations to review specified system components may avoid later operational issues. As much as possible, the design team should specify components that can be locally purchased and maintained. More in-depth review of Nest building components and systems performance could provide valuable input to the UBC Technical Guidelines.

Sustainability

An intrinsic part of the Nest’s identity is as a sustainable building. The students passionately advocated for a sustainable building and this desire did not flag with the changeover of individual students over the years. The building has achieved LEED Platinum (version 1.0) and the design followed some of the guidelines of the Living Building Challenge. The building has a hybrid structure using wood, a 40% window to wall ratio which is low for the amount of natural light in the building, and an energy use of 250 kWh/m²/yr, which is good for a building with a large atrium. Sustainable practices and usage of the building are encouraged by design features such as the large central stair that encourages walking and wayfinding, and the rooftop garden for social space and local urban agriculture.

The project was ambitious in including an innovative solar panel/adsorption chiller system and basement rainwater collector. Both these systems have been problematic to implement to maximum benefit and illustrate the difficulties in trying to use cutting edge technologies.

Previous Report Date	September 13, 2013						
Decision	<p>Post-Board 3 Scope and Budget Adjustments:</p> <ul style="list-style-type: none"> a) An increase of \$3.5 million in the new Student Union Building (SUB) project budget to allow inclusion of additional scope items reflecting changing AMS priorities and to replenish project contingency funds. b) An increase of \$2 million in internal financing up to \$93 million for the New SUB project (total project cost plus construction period financing charges less AMS student levy revenue anticipated to be collected prior to the end of construction). The AMS loans will be up to \$68 million with an annual debt service of \$4.53 million sourced from the AMS student levy. The UBC loan will be \$25 million (as approved at Board 3) with an annual debt service of \$1.67 million sourced from the UBC operating budget. c) A reduction of 5 years in the repayment period for the loans to a maximum period of 35 years, down from 40 years at Board 3, at a 5.75% annual interest rate. <p>Approval:</p> <table border="0"> <tr> <td>Revised Capital Budget:</td> <td style="text-align: right;">\$106,760,000</td> </tr> <tr> <td>Operating Budget:</td> <td style="text-align: right;">\$2,137,000</td> </tr> <tr> <td>Funding Release:</td> <td style="text-align: right;">\$3,500,000</td> </tr> </table>	Revised Capital Budget:	\$106,760,000	Operating Budget:	\$2,137,000	Funding Release:	\$3,500,000
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Previous Report Date	February 6, 2013
Decision	Approval for revised agreements for the development and lease of the new Student Union Building, and authorization for the University Administration to: <ul style="list-style-type: none"> a) Obtain Ministerial approval pursuant to section 50(2) of the University Act to grant a lease of the new Student Union Building to the Alma Mater Society of the University of British Columbia Vancouver ("AMS"). b) Execute the lease and related agreements between UBC and the AMS on the terms consistent with those outlined in the report.
Action / Follow Up	Execute agreements. Seek ministerial approval of the lease.
Previous Report Date	December 1, 2011
Decision	Board 3 Approval and an immediate funding release of \$1.5 million in advance of tender completion is also requested in order to complete working drawings and tender documents.
Action / Follow Up	Recommended that approval be granted for the New Student Union Building project subject to: <ul style="list-style-type: none"> a) Tenders for construction components (\$74.225M budget) being received at or below budget. Removal of this condition will be based on results from approximately 80% of tenders. b) Decision on building exterior colour being resolved.
Previous Report Date	September 27, 2011
Decision	\$1.725M Interim Funding Release to allow sufficient funds to complete design and construction drawings in advance of Board 3 in December 2011.
Action / Follow Up	Complete final selection of exterior colour.
Previous Report Date	February 7, 2011
Decision	Board 2 Approval with \$1,200,000 funding release
Action / Follow Up	Concerns were raised about the exterior design as shown in schematic design renderings. Design team has worked with the AMS and UBC to enhance the exterior design in conformance with UBC design guideline requirements. AUDP has reviewed and supported the design subject to final selection of exterior colour, expected by October 2011.
Previous Report Date	April 6, 2010
Decision	Board 1 Conditional Approval with \$2,350,000 funding release
Action / Follow Up	Approval conditional on successful completion of project agreements between the AMS and UBC by April 30, 2010. Project agreements were completed by April 30, 2010 as required.
Previous Report Date	December 3, 2009
Decision	For Information: An update on Agreement negotiations for new Student Union Building on University Square.
Action / Follow Up	

Previous Report Date	September 24, 2009
Decision	For Information: An update on Project Governance for new Student Union Building on University Square.
Action / Follow Up	
Previous Report Date	November 27, 2008
Decision	Resolution: That the Board of Governors approves continued negotiations with the AMS regarding a new Student Union Building on University Square.
Action / Follow Up	
Previous Report Date	July 10, 2008
Decision	<p>Resolution: That the Board of Governors approve the collection, from all UBCV students, of an annual graduated Student Union Building Renewal fee to contribute to the construction of a new Student Union building for the Alma Mater Society UBC Vancouver, effective September 1, conditional upon AMS/UBC agreement on the terms of the Memorandum of Understanding concerning the new Student Union Building.</p> <p>Resolution: That the Board of Governors approve the business terms for the development in partnership with the AMS, a new SUB on University Square and a mandate to negotiate four legal documents, to the satisfaction of University Counsel, upon these terms with the AMS comprising: Lease; Financing Agreement; Construction Agreement; and Lease Surrender for the existing SUB. With final document to be presented for approval at the Board's meeting in November, 2008.</p>
Action / Follow Up	

Attachment 1 – Photographs of The Nest



Photo 1 – Exterior View from East Mall

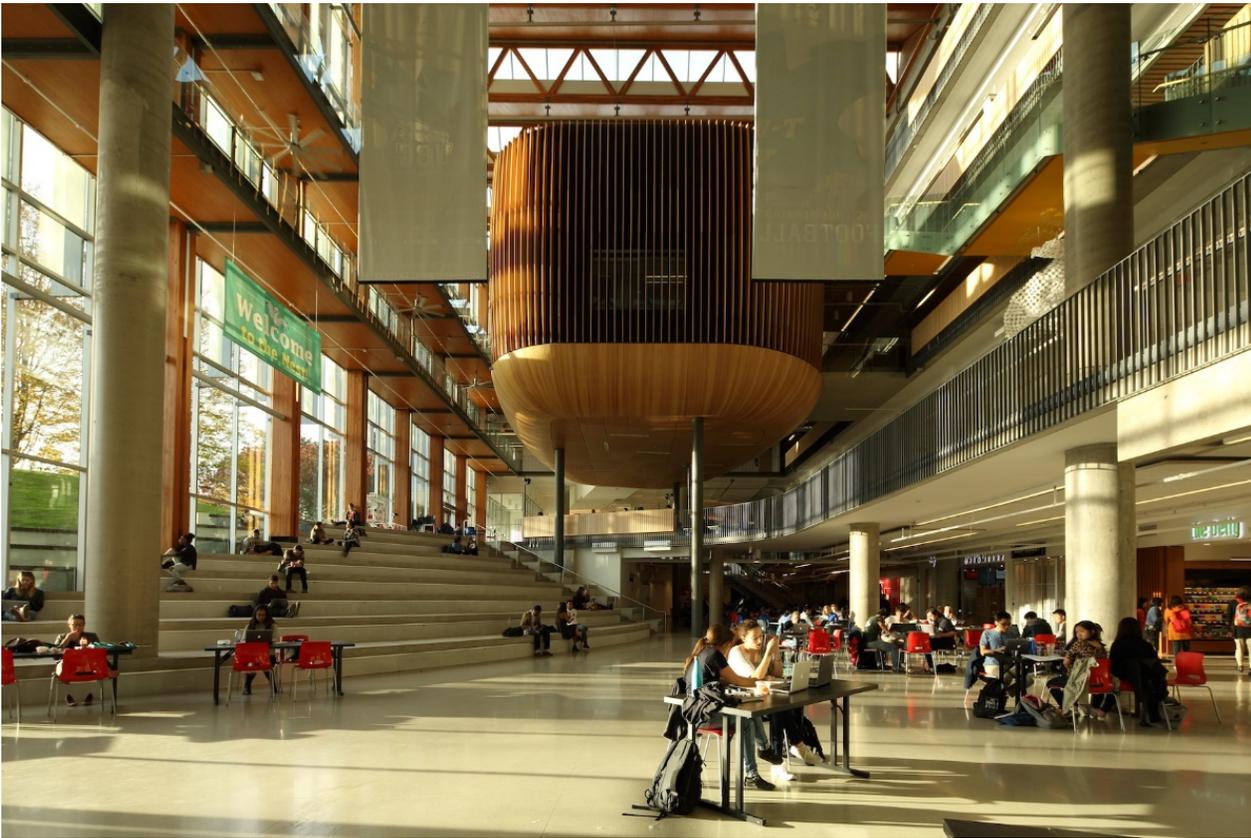
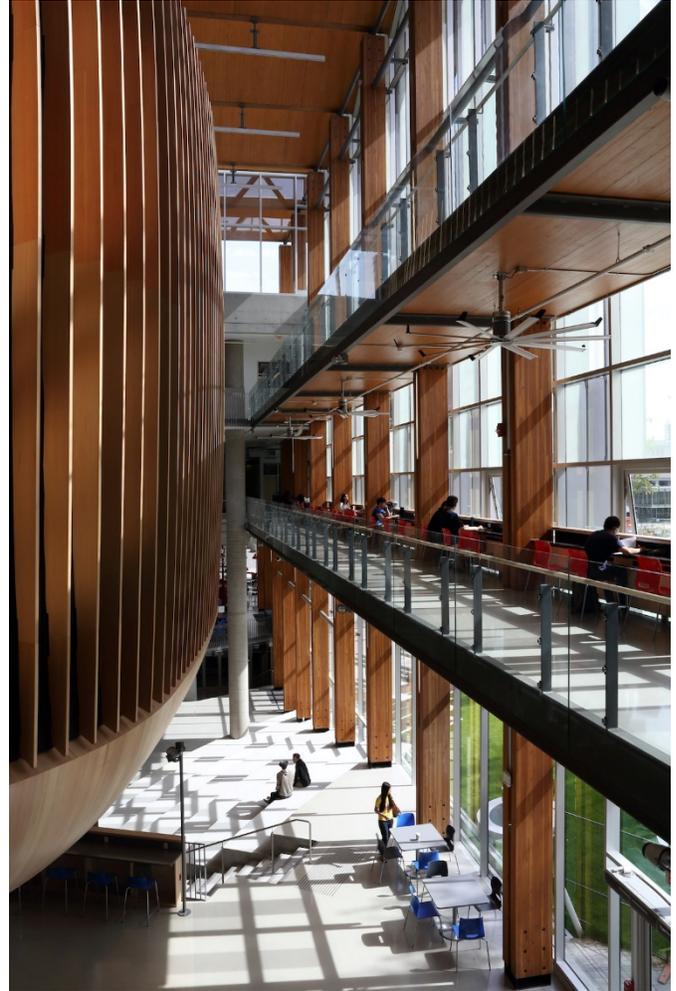


Photo 2 – Interior atrium view looking north



Photo 3 – Interior view of climbing wall



Photos 4 and 5 – Interior atrium views at upper levels