



SUBJECT	Brock Commons Phase 2 Mixed-Use Housing Development
SUBMITTED TO	Board of Governors
MEETING DATE	June 16, 2020
SESSION CLASSIFICATION	Recommended session criteria from Board Meetings Policy: OPEN
REQUEST	Action requested - Approval IT IS HEREBY RESOLVED that, in accordance with the Capital Projects Policy, the Board of Governors approves \$955,000 interim funding release to complete design and in-progress swing space and site preparation work for the Brock Commons Phase 2 Mixed Use Housing Development project, in advance of putting the project on temporary hold.
LEAD EXECUTIVE	Peter Smailes, Vice-President Finance & Operations
SUPPORTED BY	John Metras, Associate Vice-President Facilities Jennifer Sanguinetti, Managing Director, Infrastructure Development Michael White, Associate Vice-President Campus + Community Planning Aubrey Kelly, President & CEO, UBC Properties Trust

PRIOR SUBMISSIONS

The subject matter of this submission has been considered previously by the Property Committee on the following occasions:

1. [September 24, 2019](#) (OPEN SESSION) – Board 2 approval with funding release of \$2,700,000.
Action/Follow up: Issue a development permit (COMPLETED). Complete working drawings and tender documents (IN PROGRESS). Relocate electrical and life safety infrastructure from Brock Annex to Brock Hall and Buchanan Tower (IN PROGRESS). Award construction contracts (IN PROGRESS).
2. [September 27, 2018](#) (OPEN SESSION) – Board 1 approval with funding release of \$1,000,000.
Action/Follow up: Commence schematic design (COMPLETED).

The following Executive Summary assumes familiarity with the prior submissions and provides a status update from the date of the most recent submission.

EXECUTIVE SUMMARY

In accordance with the [Capital Projects Policy](#), this funding approval request for Brock Commons Phase 2 Mixed Use Housing Development is provided as part of the project management process for construction projects over \$5,000,000. The Board of Governors has delegated to the Property Committee the authority to make decisions on its behalf for construction projects between \$5 million and \$20 million. The aggregate estimated value of Brock Commons Phase 2 Mixed Use Housing Development is \$156,404,000.

The Brock Commons Phase 2 Mixed Use Housing Development (Brock 2) project was on track to seek Board 3 approval at the June Board of Governors meeting. Unfortunately, the current COVID-19 global pandemic has resulted in significant financial uncertainty for the university and therefore the Administration is recommending that the project be put on hold until such time as the university has greater financial certainty. The project has been proceeding as per the Board 2 approval with more than 80% of construction tenders for the North Building having closed in April and an intended target of tender for the South Building in the early summer.

As it has gone to tender, the North Building's design is complete and no further work needs to be done to ready this component of the project for a pause. UBC Properties Trust will work with the bidders to negotiate how to hold the tenders without award as appropriate, depending on the length of time of the delay.

The South Building's design is not yet finished and UBC Properties Trust estimates that it will cost approximately \$650,000 above the current funding release to complete the design to a point of tender. It is recommended that this design work be completed to avoid the risk of design team members being reallocated to other projects prior to design completion or the risk of a loss of knowledge due to a prolonged break. These risks would likely add additional cost to the project if design was delayed to a later date. Note that some non-critical path design efforts (clash detection work, landscape development, acoustic assessment) will be delayed until after the pause to minimize the amount of the requested funding release.

The remaining requested funding release (\$305,000) is for unexpected move costs related to the decanting of Brock Annex and for furniture purchased in advance of construction start for use in the temporary (swing) space location of the accommodated exam centre (previously located in Brock Annex). This furniture will be used in the final Brock 2 project.

While it would be ideal to pause the project without having to spending anything further, the Administration feels that these proposed costs represent an investment that will reduce future risk of cost increases on the project and reduce the risk of key design personnel being reallocated and unavailable when the project restarts.

If the project is delayed for more than 10-12 months there will be an impact related to site service requirements for both the Brock 2 development and the adjacent Arts Student Centre development that were carried together (for efficiency) within the Brock 2 project scope. Should Brock 2 not proceed within that timeframe, there will be a need to fund those site services through alternate means to allow the Arts Student Centre to complete construction.

While the need for the Brock 2 project remains strong, the need to delay the significant cash outlay associated with this project is stronger given the current uncertainties. The decision to pause the project has been communicated to the project stakeholders including the Faculty of Arts, Faculty of Law, Vice-President Students Office, Provost's Office and Student Housing & Community Services (SHCS). All these groups understand the imperative to pause the project at this time. The Infrastructure Development team will work with the impacted units to ensure that swing space accommodations and other temporary measures are continued or augmented as needed to allow the Executive to respond to the current global situation and the associated uncertainty.
