



SUBJECT	Child Care at Orchard Commons, UBC Vancouver - Board 1
SUBMITTED TO	Property Committee
MEETING DATE	September 13, 2023
SESSION CLASSIFICATION	Recommended session criteria from Board Meetings Policy: OPEN
REQUEST	APPROVAL REQUESTED IT IS HEREBY RESOLVED that the Property Committee, under authority delegated by the Board of Governors, grants BOARD 1 approval for the Child Care at Orchard Commons project as follows: <ul style="list-style-type: none"><i>i.</i> approval of project in principle;<i>ii.</i> approval of preliminary program and schedule;<i>iii.</i> approval of location;<i>iv.</i> approval of preliminary capital budget of \$5,750,000 and operating costs as set out in the Appendices of this submission;<i>v.</i> approval of the preliminary sources of funding and financing as set out in this submission;<i>vi.</i> authorization to proceed to schematic design; and,<i>vii.</i> approval of funding release of \$750,000 for the next stage of project development.
LEAD EXECUTIVE	Frank Laezza, Vice-President Finance & Operations
SUPPORTED BY	Ainsley Carry, Vice-President Students Robin Ciceri, Vice-President External Relations Andrew Parr, Associate Vice-President Student Housing & Community Services Karen Vaughan, Director, Child Care Services, Student Housing & Community Services Darren Dahl, Dean, Sauder School of Business Bhushan Gopaluni, Vice Provost and Associate Vice-President Faculty Planning, UBC Vancouver John Metras, Associate Vice-President Facilities Michael White, Associate Vice-President Campus & Community Planning Jennifer Sanguinetti, Managing Director, Infrastructure Development Aubrey Kelly, President & CEO, UBC Properties Trust

PRIOR SUBMISSIONS

The subject matter of this submission has not previously been considered by the Property Committee.

EXECUTIVE SUMMARY

In accordance with the [Capital Projects Policy](#), this Board 1 approval request for Child Care at Orchard Commons 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 the Child Care at Orchard Commons project is \$5,750,000.

Background and Rationale

UBC has long been a leader in the provision of quality childcare and is the largest provider of on-campus childcare in North America. Despite a steady increase in the number of childcare spaces over the last 40 years, the campus population growth and demand for childcare continues to exceed supply. In 2018, the UBC Child Care Expansion Plan (the Plan) was updated to provide a framework to deliver on UBC's childcare commitments and address long-range needs for childcare as the campus population continues to grow. To keep up with this growth and to support the ongoing need to recruit and retain faculty and staff, the Plan proposes to build up to an additional 398 new spaces by 2041, increasing the total number of childcare spaces to approximately 1,200.

To achieve this supply of childcare spaces, Campus and Community Planning (C&CP) and Student Housing and Community Services (SHCS) evaluate the suitability of including childcare in all major capital project programs. The UBC Sauder School of Business Power House Expansion (Sauder Expansion) project was identified as a suitable candidate to accommodate two childcare groups, with 25 spaces each, within the project. The Sauder Expansion project received Board 1 approval in March 2022.

The Board 1 approval for the Sauder Expansion included childcare within the new facility. Since then, through schematic design, it was determined that the childcare program space will best be delivered in a facility outside of the new Sauder Expansion building, located elsewhere on campus. Sauder has committed to contributing funding to the base building of a stand-alone childcare facility as part of the Sauder Expansion project commitment.

Project Description

The proposed project is a 416 gross square metre (4,478 gross square foot) purpose-built child care facility providing 28 new child care spaces. The development of additional child care spaces on campus will:

- Support recruitment and retention of faculty, students and staff, as child care is an integral need for families in the region
- Provide more spaces in an exceptionally tight child care market
- Align with Campus Vision 2050, contemplating substantial growth of the campus core and related services
- Support Provincial Government mandates to grow child care spaces across the province

The Child Care at Orchard Commons project strongly supports the core area of people and places included in UBC's strategic plan *Shaping the Next Century 2018-2028*, [UBC Strategic Plan 2018-2028](#) and is aligned with the following Strategy 1: Great People: Attract, engage and retain a diverse global community of outstanding students, faculty and staff.

Preliminary Program

A preliminary childcare program was developed with SHCS for a childcare facility at the Orchard Commons courtyard site. This program does not fulfill the full childcare commitment in the Sauder Expansion project Board 1 report of two childcare groups, each with 25 spaces, due to site constraints. The following program will provide a total of 28 childcare spaces.

Program Component	Net area square metres	Net area square feet
Activity Rooms	170	1,830
Support Spaces	81	872
General Support Spaces	36	387
Total Net Area	287	3,089
Gross up (circulation, services, walls, etc.)	129	1,389
TOTAL BUILDING GROSS AREA	416	4,478

Site

C&CP has identified the Orchard Commons courtyard (Attachment 1) as an appropriate site for a purpose-built childcare facility. The site identified is an approximate location and will be refined through the design phase. As can be seen in the attachments, this site was planned for future development when the Orchard Commons project was developed in 2014. Concerns have been expressed, however, that there could be a loss of well-enjoyed outdoor amenity space with the development of this facility. These concerns have been heard and a series of principles have been developed and will be used to inform the design of the facility. These principles, which will be articulated to the design team through the formal Design Brief, include preserving the open space quadrangle as well as preserving a sense of connection and visual porosity through the site.

The site was recommended by the New Building Site Selection Committee on August 9, 2023, and presented for endorsement to the Property & Planning Advisory Committee + Senate Academic Building Needs Committee on August 15, 2023.

Preliminary Capital Budget and Operating and Maintenance Costs

UBC Properties Trust has estimated the capital budget for the project at \$5,750,000, including allowances for an outdoor play area and finishes and space fit-out.

Annual operating and maintenance (O&M) costs and lifecycle capital costs will be calculated at the standard rate (\$8.60/gsf/year and \$4/44/gsf/year for new buildings, respectively) and paid by SHCS. Note that the current O&M rate is under review and may increase prior to final Board 3 approval.

Detailed breakdowns of the preliminary Capital Budget and Operating and Maintenance Costs are shown in *Appendix 2 Preliminary Capital Budget and Operating and Maintenance Costs*.

Funding Sources

The funding and financing breakdown below includes information about the additional costs that will be borne by the Sauder Expansion project as part of their commitment to building new childcare spaces on campus. In addition, SHCS will be applying to the Childcare BC New Spaces Fund. This fund has been set up by the province to fund the development of new childcare spaces. Originally, there was a per space cap, but that was relaxed recently due to rapidly escalating costs. There is currently no maximum contribution per space however, a conservative estimate of available funding is \$125,000 per space. At 28 spaces, this would result in a provincial funding contribution of \$3,500,000. This amount has been added as a provisional contribution in the funding table below. SCHS and Sauder funding will be internal loans.

Funding Source	Childcare BC Fund*	SHCS	Sauder	Total
Site Servicing	\$200,000			\$200,000
Base Building	\$2,852,000		\$500,000	\$3,352,000
Outdoor Play Area		\$560,000		\$560,000
Finishes & Fit-out	\$110,000			\$110,000
Soft costs, contingencies, taxes, etc.	\$338,000	\$1,190,000		\$1,528,000
TOTAL	\$3,500,000	\$1,750,000	\$500,000	\$5,750,000

*Contingent on provincial government approval.

Any shortfall from this funding request will be backstopped equally (50% / 50%) by Sauder and SHCS and, similarly, any greater provincial contribution will equally reduce the contribution by Sauder and SHCS. The funding sources and amounts will be refined as more information becomes available.

Sustainability

UBC does not require new buildings that are less than 1,000 square metres in size to pursue LEED certification, however the overall design will align with LEED best practices. The project team will work towards defined energy and carbon performance targets and meaningful sustainability goals relevant for this project type.

Risks

- Market escalation continues to be a challenge exceeding what was previously forecasted. The current construction market is extremely volatile, with widespread concern that many trade prices are trending upward due to supply chain disruptions and post-pandemic local labour shortages. An escalation contingency continues to be included in the cost estimate to reflect this.
- Acquiring qualified childcare providers is difficult in the current exceptionally tight labour market.

Preliminary Schedule

The following preliminary schedule has been developed in consultation with UBC Properties Trust:

Milestone	Target date
New Building Site Selection	August 2023
PPAC ¹	August 2023
Executive 1,2,3	August 2023
Board 1	September 2023
Board 2	March 2024
Board 3	March 2025
Construction Start	April 2025
Construction Completion	April 2026
Occupancy	May 2026
Board 4	June 2028

¹ Property & Planning Advisory Committee + Senate Academic Building Needs Committee

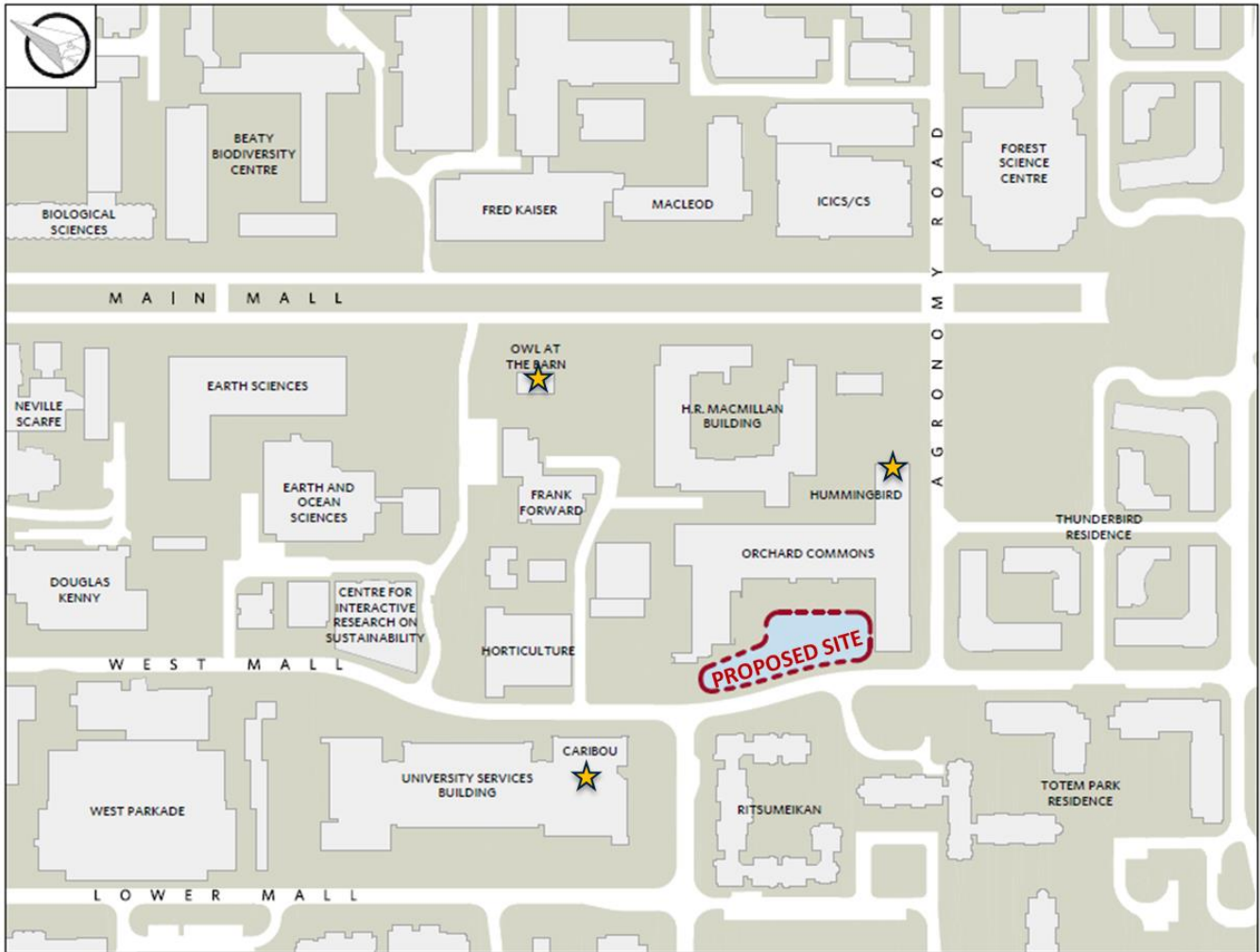
APPENDICES

1. Context Location Map
2. Preliminary Capital Budget and Operating and Maintenance Costs
3. Orchard Commons Development Permit Details

PRESENTATIONS

1. Child Care at Orchard Commons – Board 1

Appendix 1 – Child Care at Orchard Commons – Context Location Map



★ Existing Child Care

Appendix 2 – Preliminary Capital Budget and Operating and Maintenance Costs

Preliminary Capital Budget

UBC Properties Trust has provided the following project cost estimate for the Child Care at Orchard Commons project. This is a class D estimate with an accuracy of +/-30%.

Project Capital Cost Breakdown	Purpose-Built
Construction Costs	
Construction ¹	2,912,000
On-Site Servicing ²	200,000
Outdoor Play Area	560,000
Non-Play Area Landscaping	150,000
Construction Contingency	290,000
Total Construction	4,112,000
Cash Allowances	
FF+E	30,000
UBC IT ³	30,000
Audio Visual	-
Secure Access / Signage / Moving	50,000
Total Cash Allowances	110,000
Soft Costs	
Consultants	493,000
IIC's	-
Preconstruction / Permits	82,000
Total Soft Costs	575,000
Building Subtotal	4,797,000
Project Management	288,000
Building Total	5,085,000
Escalation Contingency	329,000
GST	90,000
Construction Period Financing ⁴	192,000
Retained Risk	54,000
TOTAL PROJECT	\$5,750,000
<i>Area (gross square feet)</i>	<i>4,480</i>
<i>Cost per square foot (\$/sf)</i>	<i>\$1,283</i>

1 Includes a modest building design.

2 More investigation required to refine estimate. Excludes service upgrades.

3 To be estimated at later stage as more information is available.

4 To be verified by UBC at later stage and subject to change based on market interest rates.

Operating and Maintenance Costs

All ongoing operating costs and any other necessary capital investments will be paid by SHCS. The current operating and maintenance (O&M) rate is under review and may increase prior to final Board 3 approval. Lifecycle capital costs will be funded by SHCS.

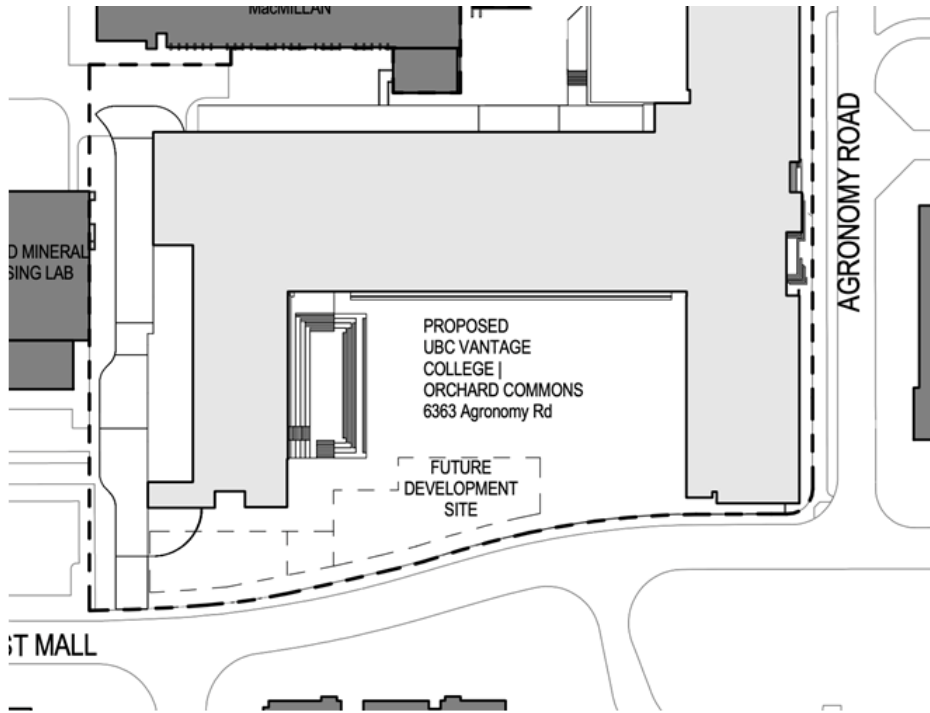
Project Operating Cost Breakdown	\$/gsf	SHCS
Total Gross Area (gsf)		4,480
OPERATION COSTS¹		
Annual Operations + Maintenance	\$6.37	28,538
Utilities	\$2.23	9,990
Total O+M Cost	\$8.60	\$38,528
LIFECYCLE CAPITAL COSTS²		
Cyclical Maintenance	\$3.51	15,725
Modernization / Upgrade	\$0.93	4,166
Total Capital Renewal Cost	\$4.44	\$19,891

¹ Final costs will be based on actual built areas and are subject to change pending final design and construction.

² Lifecycle Capital Costs are covered by SHCS.

Appendix 3 - Orchard Commons Development Permit Details

The Development Permit for Orchard Commons states that: “A future building site on the Northwest side of the site is identified on the site plan.”



Development Permit Site Plan
(showing future development site along West Mall)



Child Care at Orchard Commons Board 1

September 13, 2023

John Metras, Associate Vice-President Facilities



Introduction and summary



Proposed Child Care at Orchard project:

- Will provide 28 much needed quality, licensed on-campus childcare spaces, fulfilling Sauder project commitment
- Was originally designed for Sauder Expansion project but through design, realized not good fit
- Will be approx. 416 sq m (4,478 square feet)

Additional details



The proposed project:

- Is adjacent to Orchard Commons quadrangle, on area previously designated for future development per Orchard Commons DP submission
- Will have set of design principles respecting the well-used quadrangle open space & site porosity

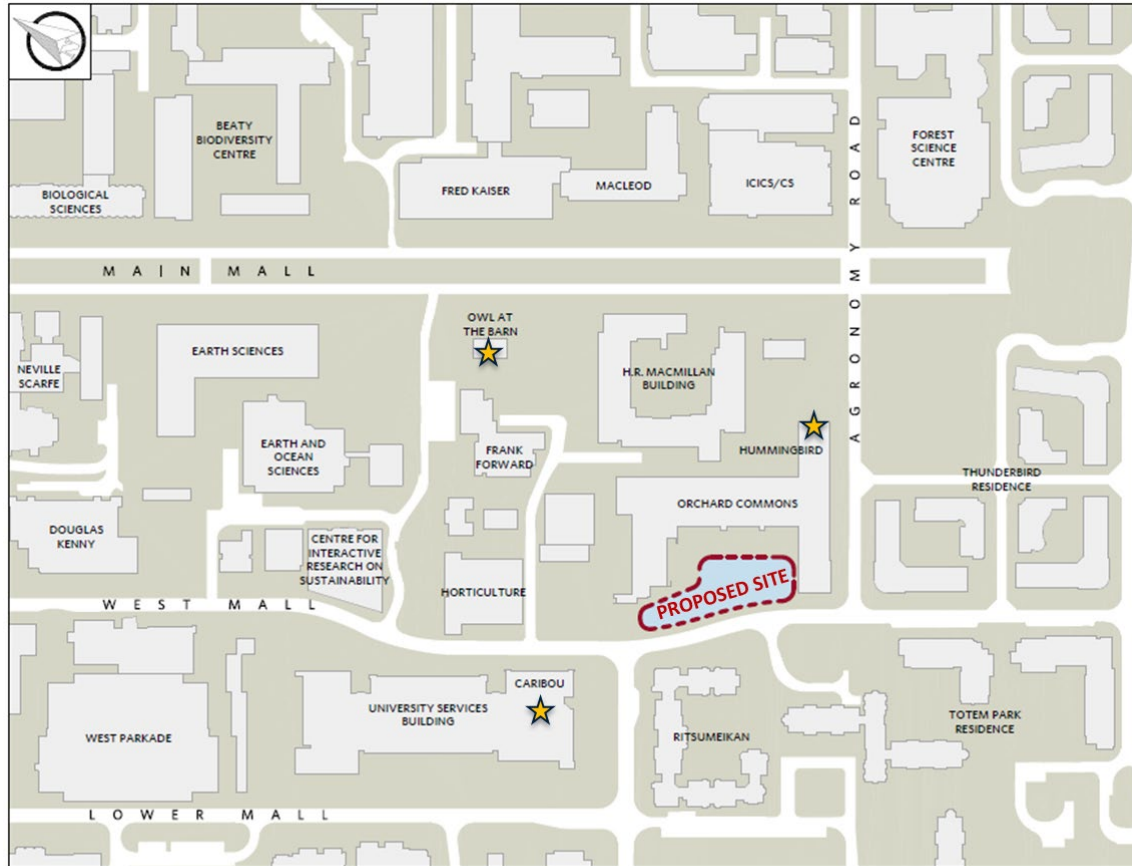
Additional details



Preliminary project cost estimate is \$5.75 million:

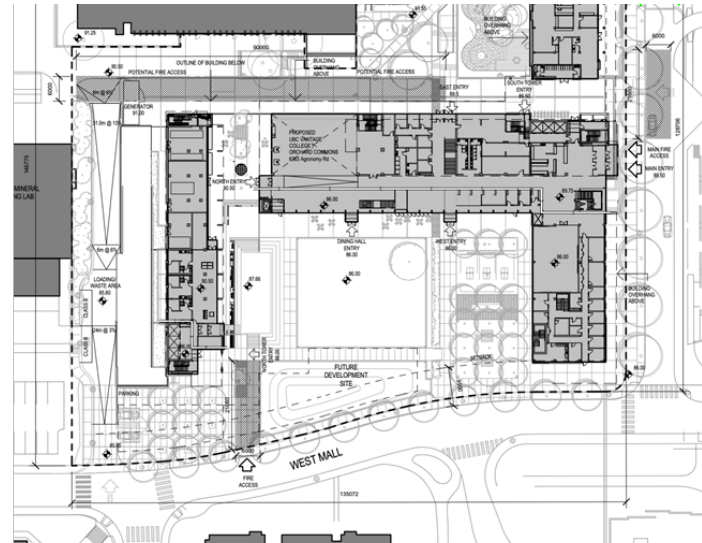
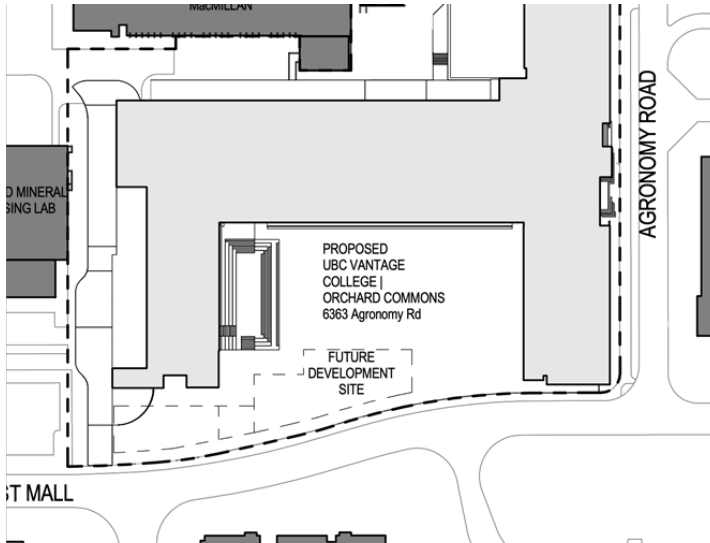
- Project funding is through the Sauder School of Business (Sauder Expansion project), Childcare BC New Spaces Fund and Student Housing and Community Services (SHCS).
- Targeted project construction commencement is April 2025.

Additional details – Site Plan



★ Existing Child Care

Additional details – Orchard Commons DP



Development Permit Site Plan
(showing future development site along West Mall)

Detailed Permit Site Plan

“A future building site on the Northwest side of the site is identified on the site plan.”

Discussion and decision points



Board 1 approval of Child Care at Orchard project:

1. Approval of project in principle;
2. Approval of preliminary program and schedule;
3. Approval of location;
4. Approval of preliminary capital budget of \$5,750,000 and operating costs as set out in the Appendices of this submission;
5. approval of the preliminary funding and financing as set out in this submission;
6. Authorization to proceed to schematic design; and
7. Approval of funding release of \$750,000 for the next stage of project development.