



Tuesday, December 13, 2016
3-07 South Academic Building (SAB)
3:00 – 4:00 PM

OPENING SESSION

- 1. Approval of the Agenda Dick Wilson
- 2. Conflict of Interest - Opportunity for Declaration Related to the Agenda Dick Wilson
- 3. Comments from the Chair Dick Wilson

ACTION ITEMS

- 4. Calgary Centre – Lease Renewal Andrew Sharman
Motion: To Recommend Board of Governors Approval
- 5. Rates for Meal Plan in Lister Residence 2017 – 2018 - **material to be distributed at a later date** Andrew Sharman
Doug Dawson
Motion: To Recommend Board of Governors Approval

IN CAMERA SESSION OF VOTING MEMBERS ONLY

Presenter(s):

Dick Wilson	Chair, Board Finance and Property Committee
Doug Dawson	Associate Vice-President (Ancillary Services)
Andrew Sharman	Vice-President (Facilities & Operations)

Documentation was before members unless otherwise noted.

Meeting REGRETS to:	Erin Plume, Assistant Board Secretary, 780-492-9699, erin.plume@ualberta.ca
Prepared by:	Erin Plume, Assistant Board Secretary
University Governance	www.governance.ualberta.ca

OUTLINE OF ISSUE

 Agenda Title: **Calgary Centre - Lease Renewal**

Motion: THAT the Board Finance and Property Committee recommend that the Board of Governors approve the lease of approximately 10,250 square feet (952 square meters) of main floor space at 333 – 5th Avenue SW in Calgary on terms and conditions acceptable to the Vice-President (Facilities and Operations).

Item

Action Requested	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Recommendation
Proposed by	Facilities and Operations – Real Estate
Presenter	Andrew Sharman, Vice-President (Facilities and Operations)

Details

Responsibility	Vice-President (Facilities and Operations)
The Purpose of the Proposal is (please be specific)	To present for recommended board approval: the financial commitment for the leased space (a 10 year cost of approximately \$4 million).
The Impact of the Proposal is	<p>Taking advantage of the high level of commercial vacancies in downtown Calgary gives the university the opportunity to downsize and consolidate the current rentable space at a lower cost and lock in that rate for an extended period. Given the prime location when the market turns around this space will retain its attractiveness in the marketplace.</p> <p>Programming needs are better met.</p>
Replaces/Revises (eg, policies, resolutions)	N/A
Timeline/Implementation Date	August 2017
Estimated Cost and funding source	Approximately \$4 Million over 10 years – institutional funds
Next Steps (ie.: Communications Plan, Implementation plans)	<p>Consultation with senior administration and Deans – completed</p> <p>Consultation with current occupants of the existing space – completed</p> <p>Consultation with new tenants – Rehab Medicine – completed</p>
Supplementary Notes and context	See Briefing Note.

Engagement and Routing (Include meeting dates)

Participation: (parties who have seen the proposal and in what capacity)	<p><u>Those who have been informed:</u></p> <ul style="list-style-type: none"> • PEC-S – August 11, 2016 • PEC-O – August 25, 2016
	<p><u>Those who have been consulted:</u></p> <ul style="list-style-type: none"> • PEC-O – December 8, 2016 (approval)
	<p><u>Those who are actively participating:</u></p> <ul style="list-style-type: none"> • Planning & Project Delivery • VP F&O, VP UR, VP Advancement • Stakeholders housed at the Calgary Centre & Rehab Medicine

Item No. 4

Approval Route (Governance) (including meeting dates)	Board Finance and Property Committee (recommendation) – December 13, 2016 Board of Governors – December 16, 2016
Final Approver	Board of Governors

Alignment/Compliance

Alignment with Guiding Documents	<p><u>Institutional Strategic Plan - For the Public Good</u> SUSTAIN...Our commitment extends to administration and governance...and infrastructure</p> <p>23. OBJECTIVE: Ensure that the University of Alberta’s campuses, facilities, utility, and information technology infrastructure can continue to meet the needs and strategic goals of the university.</p> <p>i. Strategy: Secure and sustain funding to plan, operate, expand, renew, and optimize the use of campus infrastructure to meet evolving teaching and research priorities.</p> <p><u>Long Range Development Plan</u></p>
Compliance with Legislation, Policy and/or Procedure Relevant to the Proposal (please quote legislation and include identifying section numbers)	<p>Post-secondary Learning Act (PSLA)</p> <p>Section 66.1 – A board may acquire any interest in land for the purposes of the board in conducting the affairs of the public post-secondary institution.</p> <p>BFPC Terms of Reference – Sections 3 and 4 state:</p> <p>3. MANDATE OF THE COMMITTEE</p> <p>Except as provided in paragraph 4 and the Board’s General Committee Terms of Reference, the Committee shall monitor, evaluate, advise and make decisions on behalf of the Board with respect to all strategic and significant financial and property matters and policies of the University. The Committee shall also consider any other matter delegated to the Committee by the Board.</p> <p>Without limiting the generality of the foregoing, the Committee shall:</p> <p>g) review and recommend to the Board the acquisition or disposal of real property, including land transferred to University of Alberta Properties Trust Inc.</p> <p>4. LIMITATIONS ON DELEGATION BY THE BOARD</p> <p>The general delegation of authority by the Board to the Committee shall be limited as set out in this paragraph. Notwithstanding the general delegation of authority to the Committee set out in paragraph 3, the Board shall:</p> <p>g) approve the acquisitions or disposal of real property including lands transferred to the University of Alberta Trust Inc.</p>

Real Property Compliance Policy:

....The approving authority limits for land and/or real property acquisitions and dispositions are based on the current approval limits set forth in the Capital Expenditure Authorization policy, as amended from time to time.....

Capital Expenditure Authorization Request (CEAR) Policy states:

Capital Expenditure Authorization Requests (CEARs) and/or Supplemental CEARs are required for all projects equal to or more than an estimated cost of \$100,000.

Approved Capital Expenditure Authorization is as follows:

Approval level	Original CEAR or individual Supplemental CEAR Approval Limit	Aggregate Total CEAR and Supplemental CEAR's Approval Limit (not to exceed)
	Up to and including:	Up to and including:
Facilities & Operations Directors	\$500,000	\$750,000
Facilities & Operations Associate Vice-Presidents	\$1,000,000	\$2,000,000
Vice-President (Facilities & Operations)	\$2,000,000	\$4,000,000
BFPC	\$7,000,000	\$14,000,000
BG	Over \$7,000,000	Over \$14,000,000

Real Property Acquisition Procedure

Attachments:

1. Briefing Note (1 page)

Prepared by:

Mary Paul
Senior Administrative Officer
Vice-President (Facilities and Operations)

Calgary Centre – 333 Fifth Avenue

Background:

In June 2007, the university leased a 7,891 sq. ft. suite on the first floor of Calgary Centre at 333 Fifth Avenue for 5 years. The lease was renewed for another 5 years with an additional 4,654 sq. ft. of area on the third floor. These leases expire August 31, 2017. Administration would like to renew the original suite of space (7,891 sq. ft.) but not the lease on the third floor.

Purpose of the Calgary Centre:

Based upon interviews done by University Relations, the perception is that the university needs to make a greater connection with Calgary.

Goals:

- Raise profile and offer a vibrant presence of the University of Alberta in Calgary and Southern Alberta
- Provide a hub for partnership and a point of connection for the Calgary business community
- Build brand and reputation
- Engage community and outreach to the citizens of Southern Alberta
- Offer employees a place of work in Calgary

Proposal:

An area of 2,357 sq. ft. on the main floor has become available for lease which better meets the institutional programming requirements. This option will offer a consolidation of programming and services for the university due to the adjacency of the spaces, enhanced visibility at street level, and an opportunity to brand the first floor of this prime downtown location.

Financials:

- Current annual rent and operating costs: approx. \$558,000 for 12,544 sq. ft.
- New average annual rent and operating costs 1st 5 years: \$371,400 for 10,248 sq. ft.
- New average annual rent and operating costs 2nd 5 years: \$434,000 for 10,248 sq. ft.

Tenants:

- School of Business, Executive Education Program
- Faculty of ALES
- Advancement
- University Relations
- Alumni Relations
- Rehab Medicine – ISTAR clinic will be a new tenant as of summer 2017
 - ISTAR is a speech pathology clinic that treats young children, teens, and adults