

June 9, 2017

Queen Mary Park Community League
11528 – 107 Avenue NW | Edmonton, AB | T5H 4K7

Attention: Janis Geary

Re: SAMU Building Project – Public consultation regarding boulevard tree relocation

Hello Janis,

The Student's Association of MacEwan University (SAMU) plays a major role in the student experience at MacEwan. Between hosting campus events, advocating for the needs and rights of students and administering key services like health benefits and U-passes, SAMU is a constant and important presence on campus. And soon, the students' association will have its own designated facility to support its operations and enhance campus life.

On April 7, 2017, a ceremonial groundbreaking was held to signal the start of construction on a brand new SAMU building.

The new SAMU Building will be located on the east side of 109 Street, adjacent to the Christenson Family for Sport and Wellness. The new facility will also be LEED Silver certified, supporting SAMU and MacEwan's commitment to sustainability.

To facilitate the construction of the new building, 3 City of Edmonton (COE) boulevard trees along 109 Street will need to be replanted along the same stretch of the boulevard. Attached is a drawing showing the location of the existing city trees and the replant locations. It should also be noted, that the project has an extensive landscape plan developed for the new building. The SAMU building will also incorporate a 3-story green wall within its foot-print.

In accordance with City of Edmonton Operations – Parks and Roads Services, we like to share our landscape and tree relocation plan with you for your review and comment. Please provide your comments in writing within 10 business days of receiving this communication.

Any questions relating to the relocation of trees can be directed to Mona Patel at 780-884-7514 or Stuart MacLean at 780-497-5512.

Sincerely,

Stuart MacLean
Associate Vice President
Facilities, MacEwan University

Enclosure
cc: Paul Belzile, Sustainable Development (COE)
mp/sm

MacEwan University

SAMU Building Business Case

Prepared by: MacEwan University

Supporting Documentation provided by: MacEwan University; SAMU; ACUMEN Consulting; Stantec Architecture and Integrated Management Realty (IMR).

Approved by the Board of Governors of Grant MacEwan University, June 20, 2016

Motion #02-06-20-2015/16

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1. Executive Summary

The Students' Association of MacEwan University (SAMU) with the support of MacEwan University would like to construct a new building on MacEwan owned land. Both the land and building would be owned by the university. SAMU will pay MacEwan University for the building occupancy costs and a lease fee based on a cost recovery model.

MacEwan is proposing constructing a 4,999m² new building adjacent to the Christenson Family Centre for Sport and Wellness and west of 109th Street. The SAMU Building will be both LEED Silver and WELL Silver certified which directly reflects the SAMU mandate of environmental stewardship, promoting energy efficiencies and ensuring the health and wellness of students. Construction would start Spring 2017 with an anticipated completion date of August 2019.

SAMU currently services students through under-sized spaces spread across the downtown campus. In comparison to other Alberta post-secondary institutions, MacEwan's Ancillary & Student Community (m²/FLE) is much lower. The new SAMU building will bring the Ancillary & Student Community space to a more equitable number; this in turn will ensure all Alberta students have a similar student experience regardless of the institution they attend.

The project is in alignment with MacEwan's Single Sustainable Master Plan and the capital plan included in the 2016/17 to 2018/19 Comprehensive Institutional Plan for MacEwan University.

This business case is prepared to receive the approvals necessary to obtain \$23.3 million debt financing from Alberta Capital Finance Authority. MacEwan University and SAMU are looking to obtain Government of Alberta support to proceed with this student focused project which will enhance the student experience, add another landmark building to the urban landscape; and engage the surrounding community with another gateway into the City Centre Campus.

It is estimated that the total project cost will be \$31.3M. Source of funding for the building will come from the following sources:

- SAMU Building Fund - \$7.5M
- MacEwan University Student Technology Fund contribution - \$0.5M
- MacEwan University debt financing from Alberta Capital Finance Authority - \$23.3M

If the Alberta Capital Finance Authority debt financing is not approved it is unlikely that the project will proceed. SAMU will not be able to borrow funds for a building on university property, and MacEwan University does not have the financial capacity to internally fund the project.

2. Background

2.1. Problem / Opportunity

In 2010, MacEwan embarked on a plan to consolidate all of its operations onto one campus site. Consolidation was identified as the way forward to develop as a major post-secondary institution, mature as a new university, and be sustainable with efficient use of resources. In that time, the university has consolidated administration and support services onto the University Service Centre, increased the access and visibility of faculty neighborhoods on City Centre Campus, moved the entire South

Campus operation onto City Centre Campus and broke ground on the Centre for the Arts and Culture project. In 2015, consolidation is still a strategic objective as the Students' Association of MacEwan University (SAMU) launches a plan to unify its programs, services, clubs and administration into a student-centered building located in the heart of the City Centre Campus.

SAMU and their services are currently distributed across the campuses in limited, undersized and under-equipped facilities. SAMU functions in an area that measures 778m² on the City Center Campus. The functional program proposes a 4,999m² area requirement to adequately deliver student services. The City Centre Campus does not have available space to accommodate a growing SAMU and therefore proposes a new 4,999m² building expansion project.

2.2. Current Situation

SAMU and its services are distributed across 3 campuses and accommodated in 1,500m² of area. The SAMU program includes a staff of 50, a volunteer group exceeding 100, service functions like Safe Walk, Food Bank, Student Health, Peer Support, and over 90 registered clubs, including the Environment and Sustainability Club, United Nations Club, the Nurses Club, and the Entrepreneurship Club. SAMU functions in an undersized area and constrained by the university's hours of operation. The basic requirement for 19,250 full-time and part-time students for study, event and social space is compromised by congested and crowded facilities and operational hours that don't support many study groups.

A centralized, larger location at the heart of the city center campus is proposed to effectively accommodate, administer, manage and operate the SAMU services over extended hours of operation.

At present time, MacEwan University is the lone Alberta, on-campus university without a student association or student union building. (See Section 6 Environmental Analysis)

3. Project Description

3.1. Objectives

A consolidated and expanded SAMU building will respond to the following objectives:

1. Centralize program services into an accessible, visible location that improves student subscription and engagement.
2. LEED Silver Certified and WELL Silver Certified Building which in turn promotes SAMU's environmental and energy stewardship, and health and wellness of students.

3. Physically expand program service and club area to meet the functional requirements to effectively deliver services.
4. Expand the program service and club area to increase the number of service programs.
5. Provide dedicated study and social space to meet requirements of 19,250 full-time and part-time on-campus students.
6. Consolidate SAMU administration with program and club functions to ensure effective administration and management of student operations.
7. Develop event space to host and accommodate speakers, lectures, performing arts and music.
8. Integrate space to deliver food and commercial services to students, visitors and the university community.
9. Develop revenue streams that contribute to SAMU's financial sustainability.

3.2. Scope

The scope of the SAMU Building Project is to consolidate and centralize SAMU program services, club, study, event, commercial and administration into a 4,999m² expansion building which will be constructed and connected to the existing Christenson Family Centre for Sport and Wellness. The work scope will necessitate physical adjustments and connections within the Centre for Sport and Wellness, Pedway and north surface parking lot. The planning and design is in progress with completion in late-2016. Construction is expected to begin early in 2017 with completion and anticipated hand-over in 2019. The SAMU building will be owned by MacEwan and leased to SAMU. MacEwan will apply to Alberta Capital Finance Authority for construction financing and mortgage. SAMU will finance lease payments through a project specific student fee, a portion of their regular student membership fee, and rental and commercial net revenues. The legal arrangement between SAMU and MacEwan will be based on cost recovery model. MacEwan will not generate surplus revenues from the lease income. MacEwan will also apply to the ministry of Advanced Education for supported area “lights on” annual operation funding and future infrastructure maintenance funding.

3.3. Out of Scope

The following items and activities are considered as out of scope:

1. Structural capacity to add additional floors.
2. Any design and renovation to decanted existing SAMU space.

3.4. Project Details

Stantec Architecture has prepared the schematic design for the building.

The new structure will be a LEED Silver, 3 story building adjacent to the Christenson Family Centre for Sport and Wellness and tying into the existing pedway. The estimated total project cost is \$31.3M of which \$23.1M is related to hard construction costs. The west side of the building is primarily faceted, triple glazed windows. This will allow for natural light to filter through the narrow building. This is essential as the east wall is against an existing structure will not have any glazing. SAMU and the project team are also working with the MacEwan’s Office of Sustainability to have the building WELL Silver Certified. WELL is a recognized certification through the Canadian Green Building Council that ensures buildings designed and built understanding the impact on health and well-being through air, water, nourishment, light, fitness, comfort and mind. The new building is designed to be a landmark on a prominent downtown corner while maintaining a strong tie to the existing campus.

The SAMU Building is strategically placed at the heart of the campus. The location is a high foot traffic area between the parkade and east/west sides of campus. Students will find the centralized location easy to access for social and study activities for a campus that now spans 7 downtown blocks. The direct pedway access is

essential to the safety and security of students based on the downtown location, SAMU Building to provide 24hr study space and Edmonton's winter city status.

3.5. Project Timelines

Table 3.5a Schedule as of April 25, 2016

Task Description	Start Date	End Date	Interdependencies	Status
Phase 1 – Project Initiation and Planning				
Student Referendum	Oct 28, 2015	Oct 29, 2015	Approved. Ok to proceed.	Complete
Project Kick-off meeting	Nov 16, 2015	Nov 16, 2015	Information only	Complete
Schematic design review - CAMPUS PLANNING COMMITTEE	Nov 23, 2015	Nov 30, 2015	Review/feedback prior to board approval.	Complete
Pre-design review meeting with Edmonton Design Council	Dec 01, 2015	Dec 01, 2015	Review/feedback prior to proceeding with design development.	Complete
Approval of governance structure and Joint Steering Committee TOR	Dec 01, 2015	Feb 25, 2016	Approved with conditions: Elaborate risk section; add standing invitation to Board member for all JSC meetings	Complete
Development and approval of SAMU/MacEwan legal framework documents	Oct 01, 2015	Sep 30, 2016	Construction and Development contract Lease Agreement	In progress
Draft #1 – Business case submittal to GOA	Nov 01, 2015	Jan 22, 2016	Revise as per GOA feedback	Complete
Schematic design review and VE exercise	Mar 14, 2016	Apr 30, 2016	Determine extent of design changes and revise costing	Complete
Draft #2 - Business case complete revision	May 01, 2016	May 13, 2016	Revise as per GOA feedback. Tied to revised schematic design thru VE Repackage information	In progress
Draft #2 - Business case submittal to GOA		May 13, 2016	Revise as per GOA feedback.	In progress
Obtain Board approval to start community consultations and distribution of conceptual drawings to media	May 17, 2016	May 26, 2016	Revised design per VE exercise	Not started
Community consultation	July 01, 2016	Aug 31, 2016	Obtain Board approval at May board meeting to start community consultations and distribution of conceptual drawings to media	Not started

Business case review by Board sub committees	May 01, 2016	Sep 15, 2016	Determine if CPC has authority to review and pass Business case	In progress
Board Schematic design approval	May 02, 2016	May 26, 2016	As per July 2015 Board motion Potential to be completed sooner if an extra-ordinary board meeting can be arranged in the summer months	In progress
Board Resolution Business Case for ACFA loan	May 02, 2016	Sep 29, 2016	Potential to be completed sooner if an extra-ordinary board meeting can be arranged in the summer months	In progress
Submit Business Case to Ministry of Advanced Education	Oct 03, 2016	Oct 31, 2016	Obtain Ministry support and approval to proceed with Order in Council.	Not started
Order in Council/Loan Documents	Nov 01, 2016	Feb 28, 2017	Loan approval and funding in place.	Not started
Phase 2 – Design development and construction documents				
Prepare RFP documentation for Construction Manager(CM)	May 02, 2016	Jun 17, 2016	Follow MacEwan procurement policy D4000. Construction delivery method not yet determined.	In progress
Issue RFP for the procurement of a CM	June 20,2016	Sep 29, 2016	Issue RFP Review submission and interview shortlist Prepare and finalize contract Approval by JSC and Board (CPC)	Not started
Design Development	Sep 01, 2016	Dec 31, 2016	SAMU/MacEwan approval and sign-off. Dates dependent on whether Board approval to begin DD is given at May 26 th , 2016 meeting (4 month activity)	Not started
EDC Formal meeting	Oct 15, 2016	Nov 15, 2016	EDC Approval.	Not started
Development Permit Application (Review & Approvals)	June 15, 2016	Sep 30, 2016	DP Issued.	Not started
Construction Documents	Jan 01, 2017	Jun 30, 2017	SAMU/MacEwan approval and sign-off. (6 months)	Not started
Phase 3 – Construction, Fit-up and Occupancy				
Site preparation, including environmental remediation, relocation of landscaping	Mar 01, 2017	Mar 31, 2017	ACFA borrowing guidelines stipulate that no construction can start without loan approval.	Not started
Construction (26 months)	Apr 01, 2017	Jun 30, 2019	As per Alberta Public Post-secondary Institution Borrowing Guidelines (Feb 2013), construction may begin once the loan is approved.	Not started

Move-in / Post occupancy activities	Jul 01, 2019	Aug 31, 2019	Decant of SAMU from current occupied spaces during the summer would allow MacEwan to refurbish for other purposes prior to the start of Fall Term.	Not started
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3.6. Anticipated Outcomes

The following Table 3.6a lists the anticipated outcomes of the project.

1. MacEwan – SAMU project governance model	completed
2. SAMU referendum to solicit student support for project	completed
3. Award of prime-consultant Architect	completed
4. Approval of Schematic Design; Approval from Board to start community consultations	May 2016
5. Community consultations	June – September 2016
6. Approval of Business case with board resolution; Approval to proceed with design development; Approval to procure Construction Manager	September 2016
7. Submit Request for Order in Council	October 2016
8. Tender and conditionally award construction manager	October 2016
9. Complete construction drawings	*June 2017
10. Start construction	* March 2017
11. Complete construction	*June 2019
12. Move in	*August 2019
* dependent on OIC and ACFA funding	

4. Stakeholders

The following stakeholder consultations have or will take place to inform the building requirements and design:

Table 4a – Stakeholder consultations

Consultation Through Design	
MacEwan Facilities	Sept 24, 2015
Student Town Hall	Oct 01, 2015

SAMU/MacEwan Building Committee	Oct 01, 2015
SAMU/MacEwan Building Committee	Oct 08, 2015
City of Edmonton – Planning & Development; Transportation	Oct 14, 2015
SAMU/MacEwan Building Committee	Oct 15, 2015
2014/15 Student Council	Oct 12, 2015
MacEwan Executive Council	Oct 29, 2015
Faculty and other MacEwan Departments	May - Nov 2015
Dean’s Council	Nov 02, 2015
MacEwan Staff Building Kick-off	Nov 16, 2015
MacEwan Campus Planning Committee	Nov 30, 2015
Edmonton Design Committee Pre-meeting	Dec 01, 2015
MacEwan Board of Governors	Dec 17, 2015
Advanced Education; Alberta Infrastructure	Feb 26, 2016
Community Consultations	Jun 01 – Sept 15, 2016
Edmonton Design Committee Formal Meeting	Nov 15, 2016

The following are major stakeholders to the project.

Table 4b – Project Stakeholders

Stakeholders	Category	Overview of Business Requirements
Students	Internal	Main beneficiary of dedicated, purposed built space that provides student engagement. Passed referendum to support of project with a financial contribution through an increase in student fees held on Oct 28/29, 2015.
Students’ Association of MacEwan University (SAMU)	Internal	Involvement with project with roles on project team, steering committee, design reviewer, approver and building operations.
MacEwan Aboriginal Education Centre	Internal	Ensure space reflect s the needs and requirements of Aboriginal students
MacEwan Services to Students with Disabilities	Internal	Ensure space reflect s the needs and requirements of students with disabilities
MacEwan Office of the Registrar, including Student Advising, Counselling	Internal	Ensure space reflect s the needs and requirements of diverse segments of the student population including multi-faith, international students, etc.
Board of Governors of Grant MacEwan University	Internal	Ensure the project meets University strategic direction.

Stakeholders	Category	Overview of Business Requirements
MacEwan University Administration	Internal	Ensure the project meets University policy, process and procedures.
MacEwan University Facilities Department	Internal	Facilities will hold the role of Project Manager. Provide oversight over infrastructure to ensure MacEwan Facilities Project requirements are met.
MacEwan University Procurement and Contract Services Department	Internal	Ensure University procurement policy is met.
MacEwan University Finance Department	Internal	Provide financial oversight and reporting, and liaison with Alberta Capital Finance Authority.
MacEwan University Retail and Campus Services	Internal	Provide advice on project retail and commercial services as well as determining the impact on MacEwan University Retail and Campus Services operations as a result of retail and commercial operations in the SAMU building.
MacEwan University Sport & Wellness	Internal	Adjacent neighbor and recipient of construction disruptions and construction access.
Stantec Architecture	External	Prime consultant and Architect for the SAMU Building.
Construction Manager or General Contractor	External	Provide advice and centralize responsibility of construction.
Integrated Management & Realty Ltd. (IMR)	External	Project advisor to SAMU.
External Counsel	External	Provide legal advice for all legal agreement including the agreements between MacEwan University and SAMU.
Advanced Education	External	Provide advice on the business case required to obtain order-in-council to borrow funds for the project. Determine project eligibility for lights-on funding and Infrastructure Maintenance Program funding.
Alberta Infrastructure	External	Provide advice on the business case required to obtain order-in-council to borrow funds for the project. Ensure project meets Alberta Infrastructure requirements. Determine project eligibility for lights-on funding and Infrastructure Maintenance Program funding.
Alberta Treasury Board and Finance	External	Review and approve of the business case required to obtain order-in-council to borrow funds for the project
Government of Alberta Cabinet	External	Review and approve project viability, scope and requirements. Provide approval for project to proceed with an Order in Council.
Alberta Capital Finance Authority	External	Provide financing required for the project.

Stakeholders	Category	Overview of Business Requirements
City of Edmonton	External	Review and approve building design and concept. Review and approve various permits to proceed with development and construction.
Government of Canada	External	Potential to provide additional infrastructure funding.
Community at large	External	Conduct community consultations.

5. Strategic Alignment

This project is in alignment with MacEwan's Single Sustainable Master Plan. Information on this project is included in the 2016/17 to 2018/19 Comprehensive Institutional Plan for MacEwan University. The following identifies how the project strategically aligns with the goals of internal stakeholders and the level of impact the project has on achieving the goals.

Table 5a – Strategic Alignment

University Strategic Pillars and Foundation Plans	Level of Impact	Objective
Students First	High	Improve student experience and student satisfaction with opportunities for academic, personal interest and social engagement. Increase SAMU's goal for student advocacy and leadership.
Personal Learning Experience	High	Increase 24 hour quiet and group study space for the students.
An Engaged University and The MacEwan University Spirit	High	Enhance the connected culture and youthful energy of the students by creating an exciting space to collaborate, study and socialize outside of instructional space.
At the Heart of the City	High	Opportunity for SAMU to create an iconic new building that highlights the downtown district and MacEwan City Center Campus.
Sustainability	High	The project will meet the Canada Green Building Council's LEED Silver and WELL Silver certifications.
Accountability and Risk	High	Ensure the project is financial viable and sustainable for the University and SAMU.
External Relations	High	Engage with community, business, government and others to enhance the social and cultural life of the MacEwan University City Centre Campus and the City of Edmonton.

6. Environmental Analysis

SAMU and MacEwan completed research on similar universities and attributes of their recent student association projects, including size, cost, and ownership. The analysis concludes that the SAMU building requirements for size and cost are consistent with other recent student association buildings. The analysis also concludes that proposed ownership by the Board of Governors of Grant MacEwan University is consistent with other student association buildings. In comparison to other “students on campus” universities in Alberta, MacEwan is the lone university without a student association or student union building

Table 6a – Comparison of size and cost of Alberta student association buildings

School	Size (m ²)	Head-count (part-time/full-time)2013-14	Cost**
MacEwan University	778	19,250	Currently occupying space totaling 778m ² distributed on the City Centre Campus at no cost to SAMU.
University of Alberta	23,226	42,705	“Original costs are approx \$25-30 million, however in 2015 this cost would equate to approx \$75 million”
University of Lethbridge	6,039	8,296	“The total project cost was \$10.9 million in 1990, or about \$21 million in 2015 dollars - this was a shared expense between the SU, the university, and the gov't - the loan the SU got from the gov't was paid off in 2007”
University of Calgary	23,226	33,929	“\$55.6 Million Total: \$3M in 1969, \$23M in 1985, \$17M in 2002, Rest invested after 2002. These numbers converted to today’s money would equate to approx \$107 million”
Mount Royal University	6,503	14,550	“The original half, built in 1987, cost about \$3.5 million. The second half, built in 2008, cost about \$14 million. We have spent money occasionally on different parts of the building, including about \$2 million on the bar a couple of years ago”.

**Cost - cited from emails received from the respective Student associations

A density study completed by MacEwan’s Director of Space planning, compared the 2014/15 data from Mount Royal University and MacEwan University. (See Table 6b below) This clearly shows that MacEwan University’s Ancillary & Student Community Space is significantly deficient even with the addition of the new Centre for the Arts and Communication campus. The data on these charts is based on Alberta Infrastructure Space

Classification System report for 2014/15 and enrolment data from the same period which was provided by IAP.

Table 6b - 2014/15 data from Mount Royal University and MacEwan University (MSC Removed)

Institution	Overall (m ² /FLE)	Classroom (m ² /FLE)	Library & Study (m ² /FLE)	Athletic Facility (m ² /FLE)	Ancillary & Student Community (m ² /FLE)
Mount Royal University	24.2	1.59	0.66	1.28	1.32
MacEwan University	12.6	1.30	0.64	0.39	0.71
MacEwan University Target	n/a	1.23	1.0	0.9	1.0

Table 6c – Projected 2017/18 MacEwan University utilization data (MSC and old CFAC removed; new CFAC added)

Institution	Overall (m ² /FLE)	Classroom (m ² /FLE)	Library & Study (m ² /FLE)	Athletic Facility (m ² /FLE)	Ancillary & Student Community (m ² /FLE)
MacEwan University	13.4	1.28	0.61	0.38	0.91
MacEwan University Target	n/a	1.23	1.0	0.9	1.0

Table 6d– Projected 2018/19 MacEwan University utilization data (with new SAMU Building added)

Institution	Overall (m ² /FLE)	Classroom (m ² /FLE)	Library & Study (m ² /FLE)	Athletic Facility (m ² /FLE)	Ancillary & Student Community (m ² /FLE)
MacEwan University	13.9	1.28	0.61	0.38	1.05

The addition of the new SAMU Building would raise the University's Ancillary & Student Community Space to approximately 1.05 nsm/FLE from 0.91 nsm/FLE. This figure is more in line with other comparable post-secondary institutions and MacEwan's own targets. It is important to note that MacEwan University included retail (food services, bookstore, etc) therefore the actual Student Community area is lower than what shown here and hence further supporting the need for the SAMU Building. The vacated area by SAMU would be return 778m² of space back to the university. The university is currently working on updating its Master Plan and use for this space has not been finalized.

7. Alternatives

An analysis of alternatives to meet SAMU's objectives was completed before the proposed project was determined as most viable. Alternatives were assessed on how they addressed the problem of distributed, limited space to deliver SAMU programs and how they met SAMU objectives.

Table 7a - Alternatives

<p><u>Alternative 1</u> Selectively spread renovation projects across campus to develop distributed SAMU programs and services.</p>	<ul style="list-style-type: none"> ○ This Alternative would have some merit if there were available pockets of space to develop. However, there is no space for SAMU to expand. ○ This Alternative would not meet SAMU objectives of consolidation of program, services and administration. ○ This Alternative would have difficulty meeting SAMU's objective to develop revenue streams as it would directly conflict with the role of MacEwan Campus and Retail Service. ○ Not viable.
<p><u>Alternative 2</u> Deliver SAMU programs and services in leased premises adjacent to City Centre Campus.</p>	<ul style="list-style-type: none"> ○ This alternative would have some merit if there was a suitable building near or adjacent to the City Centre Campus. That is not the case. ○ This Alternative does not meet the objective of an accessible, visible location that improves student subscription and engagement. ○ Not viable.
<p><u>Alternative 3</u> Status Quo; operate with restricted size and without growth.</p>	<ul style="list-style-type: none"> ○ This Alternative contradicts all of SAMU's objectives of centralization, consolidation, expansion, visibility and access. ○ This Alternative does not address the problem of limited space.

	<ul style="list-style-type: none"> ○ This Alternative does provide SAMU with flexibility to focus on other initiatives for students as there would be an approximate \$1M surplus to fund student activities, lower fees, etc. ○ MacEwan students would not be granted the same student experience, services and support that other post-secondary students have.(see section 6) ○ Constrained and will negatively impact the student experience.
<p><u>Alternative 4</u> Consolidate and centralize SAMU program services, club, study, event, commercial and administration into a 5,000 m² expansion building, constructed and connected to the existing Christenson Family Centre for Sport and Wellness.</p>	<ul style="list-style-type: none"> ○ Meets all of SAMU's objectives of centralization, consolidation, expansion, visibility and access. ○ This Alternative solves the problem of limited space. ○ This Alternative forgoes other opportunities to enhance the student experience and student life, such as lower fees. ○ Viable.
<p><u>Alternative 5</u> SAMU to purchase or lease land from external parties, and construct a student building on that property.</p>	<ul style="list-style-type: none"> ○ Under section 93(4) of the Post-secondary Learning Act SAMU will require the approval of the Board of Governors of MacEwan University to acquire real property by purchase, lease or otherwise. ○ The Board of Governors of MacEwan University may have the opportunity to provide comments on the proposed building and have less control over the project. ○ SAMU would be required to obtain their own financing and do not require order-in-council approval for any borrowings.

8. Business & Operational Impacts

This section identifies the business and operational impacts that relate to implementing Alternative 4 with internal stakeholders.

Table 8a – Business and Operational Impacts

Stakeholder	Business Impact	Operational Impact
Students	<ul style="list-style-type: none"> ○ Increase in student fees of \$35 per student per semester starting after the building is open. 	<ul style="list-style-type: none"> ○ Students are positively impacted with increase in programs and services offered over a wider time table. ○ Total estimated revenue collected per year \$1,295,000 from the increase in student levy ○ Total estimated revenue collected per year from other student fees that will go towards the SAMU Building
SAMU	<ul style="list-style-type: none"> ○ Increase in responsibility with long term lease to MacEwan. ○ Change in SAMU direction with expanded, centralized and consolidated programs and services. ○ Change in services with development of revenue streams and commercial activities. ○ Continue dedicating 10% of the regular membership fees to support the future cost of the building. ○ Dedicate operating budget from the regular membership fee to support annual building costs in excess of the \$35 per student per semester fee and the 10% of dedicated regular membership fee noted above. 	<ul style="list-style-type: none"> ○ SAMU will need to increase staff. ○ SAMU will need to provide training and supervision of staff. ○ SAMU will need to monitor, administer and manage new agreements with MacEwan. ○ SAMU to acquire commercial expertise. ○ Lost opportunities as SAMU revenue and funding is tied up in the new building and impact of 25 year license/lease ○ Total estimated annual operational costs for 2019/20. including living wall, extra security, and staffing is \$846,554 including GST ○ Total estimated annual lease payments to MacEwan is \$1,700,057 including GST ○ Total estimated net revenue from the increased retail operations is \$92,240 in 2019/20 followed by \$110,124 thereafter
Board of Governors of Grant MacEwan University	<ul style="list-style-type: none"> ○ Board takes on new debt with ACFA mortgage. 	<ul style="list-style-type: none"> ○ Increase revenue from SAMU to pay for debt repayment and operating costs. ○ Increase cash outflows: <ul style="list-style-type: none"> ○ Operating costs. ○ Debt repayment (interest and principal). ○ Annual amortization of the building cost. ○ University to carry a 25 year ACFA loan on the new SAMU Building ○ Total estimated ACFA loan \$23,336,000

Stakeholder	Business Impact	Operational Impact
MacEwan University Administration	<ul style="list-style-type: none"> Administration will need to monitor, administer and manage new agreements with SAMU. 	<ul style="list-style-type: none"> Administration will need to consider overall financial cash-flow and overall university debt structure with 25 year mortgage.
MacEwan University Facilities department		<ul style="list-style-type: none"> Facilities will need to monitor and manage services to SAMU building.
MacEwan University Finance department		<ul style="list-style-type: none"> Finance will need to monitor and manage payments to Alberta Capital Finance Authority and revenue from SAMU. Finance will also be required to track lights-on funding for the building as it will impact the annual operating costs to be recovered from SAMU.
Retail and Campus Services	<ul style="list-style-type: none"> Direct or indirect partnering with SAMU will change direction for retail and commercial services on campus. 	<ul style="list-style-type: none"> Will need to work with SAMU to support and monitor retail and commercial activities to ensure compliance with agreements. Will need to review the retail services model at MacEwan University and make the necessary adjustments to reflect the impact on MacEwan University revenue and net contribution from Retail and Campus Services. Total estimated revenue loss is \$1,200,000.
Centre for Sport & Wellness	<ul style="list-style-type: none"> Centralized, consolidated SAMU building should increase patronage of Sport & Wellness facility. 	<ul style="list-style-type: none"> Construction disruptions will need to be controlled and minimized.

9. Project Risk Assessment

Project Risk Assessment Process – As part of the SAMU Building Project team, a risk committee has been formed jointly between MacEwan and SAMU to identify, monitor and mitigate risks. The committee Terms of Reference define the roles and responsibility of the committee and identifies the committee chair as the MacEwan’s Director of Risk.

Table 9a – Risk Register

Risk Statement	Risk Level	Impact	Treatment
Risk that the project will come in over budget impacting scope, quality and schedule.	Low	Needs of SAMU, the MacEwan student and university will not be met.	<ul style="list-style-type: none"> ○ Engage a construction manager during Design Development stage with commitment to value engineer to construction budget.
Risk that the project schedule will not be met resulting in impact to budget, scope and activities associated with the critical path.	High	Increased project costs and potentially the loss of critical resources.	<ul style="list-style-type: none"> ○ Ensure project governance is well developed to ensure timely reviews and approvals. ○ Define the critical path and ensure related activities have follow-up.
Risk that building requirements do not satisfy both MacEwan and SAMU expectations.	Low	Post occupancy changes may be required hence increasing cost.	<ul style="list-style-type: none"> ○ Ensure major decisions and approvals follow the set project governance.
Risk that the project will impact or be impacted by internal or external people, services or process.	High	<p>Project has many stakeholders with conflicting priorities.</p> <p>Project requires approvals from many governing bodies, including GOA, Board of Governors of MacEwan University and Alberta Capital Financing Authority.</p>	<ul style="list-style-type: none"> ○ Ensure a stakeholder communication plan is developed and implemented by the project manager.
Risk that MacEwan revenue and on-going operations is negatively impacted by the lack of experience of SAMU in running its building operations including retail.	Med	<p>Student dollars would be shared between MacEwan and SAMU and hence decreasing MacEwan revenue.</p> <p>SAMU's lack of experience in running retail operations could see CRU retail strategies that conflict with the university retail strategy.</p> <p>Permanently lost parking stalls due to the building location would impact long term revenues.</p>	<ul style="list-style-type: none"> ○ The University and SAMU will need to collaborate on a retail diversification plan to ensure all retail outlets remain profitable and sustainable. ○ University to work with SAMU on a cost recovery plan.

Risk Statement	Risk Level	Impact	Treatment
		Laydown area required for the project is located on a potential parking lot that would service MacEwan and the Ice District. This is a lost opportunity cost for the university	<ul style="list-style-type: none"> ○ MacEwan continues to show goodwill/ good faith towards SAMU
Risk of inadequate SAMU staffing and operational resources.	Low	SAMU would be unable to adequately operate and maintain building and in turn increase university liability.	<ul style="list-style-type: none"> ○ SAMU to consult with MacEwan to understanding and implement resource requirements.
Risk of inadequate SAMU revenue for lease payments, and operating and maintaining the building.	Low	SAMU would need to increase revenue which in turn could negatively impact students.	<ul style="list-style-type: none"> ○ Value engineering during the Schematic design phase has revised the project target that assumes no lights-on funding and a 25year amortization period. ○ MacEwan to work with various GOA to secure lights-on funding
Risk of inadequate SAMU policies or strategies to ensure Building levy and other student building fees are not reduced or overturned.	Low	SAMU would be unable to adequately operate and maintain building and in turn increase university liability.	<ul style="list-style-type: none"> ○ See Appendix O and Appendix P for SAMU mitigations strategies. ○ Legal agreements between the university and SAMU would allow the university to retrieve funds from the source.

10. Cost & Financial Model

10.1. Assumptions

The financial model for the project incorporates the following:

- (1) Design development and actual construction costs are activities which have not been completed.
- (2) The project costs will be funded from the following:
 - (a) SAMU Building Fund estimated to be \$7.5 million.
 - (b) MacEwan University Student Technology Fund of \$0.5 million.
 - (c) Balance debt financed by a 25-year debenture from Alberta Capital Finance Authority. These debentures start in December 2017 with quarterly advances and interest only payments until June 2019, followed by 23.5-year debt amortization period.
 - i. Board Resolution Scenario, Appendices A to F, based on an interest rate of 4.5%.
 - ii. Most Likely Scenario, Appendices G to L, based on an interest rate of 3.153%.
- (3) SAMU to be responsible for paying the following costs:
 - (a) Architectural fees and expenses up to design development.
 - (b) All movable furniture, fixtures and equipment.
 - (c) Lease of land from MacEwan University for construction laydown.
 - (d) Legal fees.
 - (e) Post-completion operating costs.
 - (f) Contingency for above items.
 - (g) Retail space tenant improvement, legal and commission.
- (4) Upon occupancy of the new building, SAMU will commence paying licensing / leasing and occupancy costs to MacEwan University. The licensing fee will be used to repay the debt financing from Alberta Capital Finance Authority.
- (5) SAMU will operate 4 commercial retail leases and event space.
- (6) A SAMU building levy of \$35/student/semester is estimated to raise \$1.3 million annually and will be used by SAMU to fund their licensing fee owing to MacEwan University
- (7) Revenue generated by SAMU through student fees and retail revenue will be applied towards the operational costs of utilities, custodial, maintenance, waste management and insurance.

- (8) The university will continue to work with the various ministries to secure annual “lights-on” funding and future annual Infrastructure Maintenance Program grant.
- (9) Upon full repayment of the debt financing, the SAMU licensing / leasing fee will be adjusted to \$1 per year. Occupancy costs payments will continue.
- (10) A cost to partially relocate the landscape area will be absorbed by project.
- (11) The cost to install a new sign recognizing the Christiansen Family Sport & Wellness will be absorbed by the project which is currently estimated at \$25,000.

10.2. Lights-on and Infrastructure Maintenance Funding

While the financial projections noted in the appendices are based on not receiving lights-on and infrastructure maintenance funding, MacEwan University is requesting this building receive the same financial support of lights-on and infrastructure maintenance funding from the Government of Alberta as other post-secondary institutions student building. The lights-on funding will be used by MacEwan University to reduce the occupancy costs charged to SAMU, which in turn will allow SAMU to use their funds to enhance the services provided to the students served jointly by SAMU and MacEwan University. Infrastructure maintenance funding, starting ten years after the opening of the building (2029/30), will be included in the annual Infrastructure Maintenance Program prepared by the university. These funds will be used to assist with maintaining the condition of the building and to cover the costs of repairs, upgrades, maintenance to and replacement of building systems and major building components, minor functional renovations and upgrading projects that are required to meet program delivery needs.

10.3. Amortization of Building Costs

The Government of Alberta, MacEwan University and other post-secondary institutions in Alberta amortize building costs on a straight-line basis over the estimated useful life of the building. While the plan is for a balance annual cash flow after debt repayment (Appendices C and I), and a balanced operating surplus over the 40 year life of the building (Appendices D and J) the straight-line amortization method results in annual operating surpluses followed by operating deficit over the life of the building.

An alternative accounting treatment is to amortize the building on a sinking fund method which will result in operating revenue being equal to operating expenses, consistent with the planned cash flow.

While Canadian public sector accounting standards permit the selection of an amortization of a tangible capital asset over its useful life in a rational and systematic manner, the Government of Alberta has indicated MacEwan University must be consistent with the Government of Alberta accounting policy of straight-line amortization over the useful life of the building.

10.4. Goods and Service Taxes

The capital and operating financial plans reflect the following for goods and services taxes:

- MacEwan University is eligible to receive 67% rebate on goods and services taxes paid.
- MacEwan University is required to charge SAMU 5% GST on license / leasing and occupancy costs billed to SAMU.
- SAMU is not eligible to receive any GST rebate or input tax credit.

10.5. MacEwan University Retail Operations

MacEwan University currently has a number of retail outlets on the City Centre Campus. In addition to the self-operated bookstore, MacEwan University has a contract with a third party to operate a number of food outlets and a convenience store.

SAMU is planning to operate four retail outlets in the SAMU building. The addition of these retail outlets will impact the revenue and net contribution MacEwan University receives from its retail outlets. It will be important for MacEwan University and SAMU to collaborate together to serve the university community and to maximize/optimize the operational and financial success of the retail operations for both parties. The negative consequences of not collaborating could make it difficult for the retail outlets to be financially successful for MacEwan University and SAMU.

The financial plans presented in this business case does not include any reductions MacEwan University may experience if sales at its retail outlets are reduced as a result of the additional options available to students.

10.6. Parking Operations

Parking operations at MacEwan University will be affected by the construction of the SAMU building as follows:

- (1) To accommodate a shipping and receiving area for the SAMU Building, MacEwan University will be required to permanently close up to 18 parking stalls located in the parking lot immediately north of the proposed building site. Effective July 1,

2016 this parking lot, including these parking stalls, were planned to be used for general parking for student, staff and faculty and for special events at MacEwan University and in the Edmonton Ice District. It is estimated the closure of these parking stalls will result in a minimum \$100,000 per year reduction in parking revenue for MacEwan University.

- (2) The vacant land immediately north of the site (south of 105 Avenue and east of 109 Street) is proposed to be used as a laydown area for the construction of the SAMU building.

Should this land not be available, the estimated premium over the current estimated costs is in the range of \$250,000 to \$500,000.

If this land is used for as the laydown area for the construction, MacEwan University will not be able to develop the land to meet the increase demand for parking on campus until the fall in 2020 based on a one year construction period of a parking lot after the SAMU building is completed in the summer of 2019. The increase demand for parking is due to more students, staff and faculty at the City Centre Campus when the Centre for Arts and Culture is opened in September 2017, and the opportunity to capture additional parking revenue from events in the Edmonton Ice District.

The construction costs presented in Appendices A and B includes \$75,000 being paid by SAMU to MacEwan University as partial compensation for the closure of the 18 parking stalls and for the use of the vacant lot as a laydown area.

10.7. Retail Operations within SAMU Building

The SAMU building has 4 commercial retail units (CRU) planned within the space. The CRUs occupy 238 m² of space and it is anticipated to generate \$110,124 of net annual income for SAMU. At current time, SAMU is planning on managing and operating its own retail operations.

SAMU has hired a development management firm to provide advice on the retail component. At a high level, it is not anticipated that Ice District or Brewery District will have a negative impact on internal retail operations. Students rarely have time to venture off campus during class hours for meals; on the other hand visitors to the Ice District may park and dine at MacEwan.

Retail tenants for SAMU spaces will be targeted to serve the needs of students and staff of the university. Some preliminary work has been completed by the development management firm, but further excitement and momentum about the project will be generated once the project and funding has been approved.

11. Conclusion

11.1. Conclusion

Five alternatives were assessed in their capability to best respond to SAMU's limited program space and best meet SAMU's objectives. The Alternatives varied from leasing space, renovating existing, status quo, separate land and building and building expansion. Only one Alternative satisfactorily responded to the problem of limited space and met all of SAMU's objectives, that being building expansion. Accordingly, MacEwan University and SAMU jointly recommend that consolidation and centralization of SAMU into a 4,999 m² expansion building, which will be constructed and connected to the existing Christenson Family Centre for Sport and Wellness, is the preferred alternative. This recommendation responds to the primary problem of a limitation of space to deliver program services, accommodate student clubs, provide study and social space and centralize SAMU administration and volunteers. This recommendation succinctly meets SAMU's objectives to consolidate, centralize, expand and grow.

The estimated capital cost is \$31,336,000 and will be funded with a \$7.5 million from SAMU Building Fund, \$0.5 million from MacEwan University Student Technology Fund, and the balanced debt financed from Alberta Capital Finance Authority. License fee paid by SAMU to MacEwan will be applied directly to the debt financing costs. SAMU will generate additional revenue to make lease payments from a SAMU building levy and rental and commercial retail leases.

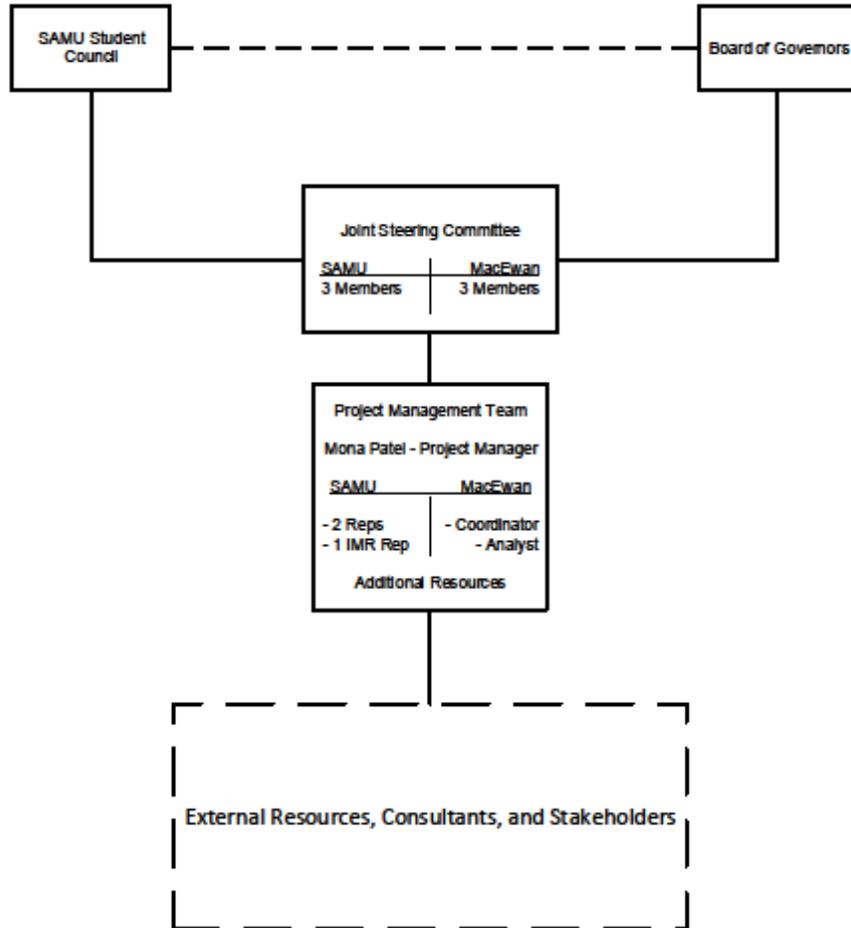
11.2. Project Responsibility

MacEwan Facilities Department has been assigned the role of Project Manager and has responsibility for managing the implementation of the project.

11.3. Project Accountability

MacEwan University president has been assigned the role of Project Sponsor and as such have overall accountability to ensure the project is completed. Project governance will be structured with a joint MacEwan and SAMU project team and steering committee.

MacEwan/SAMU Project Organization



Oct 07, 2015

12. Implementation Strategy

12.1. Resource Allocation

Approval of this business case triggers the allocation of resources to the project.

1. First and foremost, business case approval confirms the allocation of land for the purposes of development of a student association designated building. The identified parcel measures approximately 2,300m² and is located between the Christenson Centre for Sport and Wellness and the setback limits of 109th Street.
2. Business case approval generates the finalization of a Board resolution that authorizes administration to borrow up to \$23,336,000 from Alberta Capital Finance Authority for the explicit purpose of constructing a student association building for a term not to exceed 25 years and interest rate not to exceed 4.5%.
3. Business case approval activates the submission of a request for Order in Council to the Minister of Advanced Education.
4. Business case approval activates the commencement of the Design Development stage.
5. Business case approval activates the public tender process to solicit proposals from construction management firms to provide services in the design development and construction document stages and continue through construction, handover and warranty administration.
6. Business case approval activates the recruitment of one (1) project management support resources for term positions.

12.2. Project Work Plan

The project will be implemented using Project Management Institute (PMI) methodology and ISO 9001:2008 principles and quality framework. The project will be managed by MacEwan Facilities with reporting to the MacEwan SAMU Joint Steering Committee. Project governance will provide oversight and will include a framework that includes MacEwan Facilities, the Project Team, the MacEwan SAMU Joint Steering Committee, the SAMU Student Executive and the Board of Governors of Grant MacEwan University (see governance chart above).

A Project Charter will be written to define the scope, the cost and schedule and designate the key resources. A Project Plan will be developed to describe how the

Project will be implemented. The work breakdown structure (WBS) will be monitored and updated to reflect adjustments in the plan (Appendix P).

The project manager will assemble and lead a Project Team of internal and external, technical and subject matter experts to deliver an aesthetic, functional, efficient, and cost and schedule responsible building project. The project manager will establish a risk management committee to assess, monitor, assign and report project related risks.

13. Review & Approval Process

13.1. Review Process

The business case has passed a comprehensive review process that circulated through SAMU and MacEwan administrations, the University Services Division, and MacEwan SAMU Joint Steering Committee. Preliminary and draft editions were reviewed by representatives of Advanced Education.

13.2. Approval Process

The approval process utilizes incremental stages of endorsement that concludes with approval by the Board. The incremental stages are:

1. The MacEwan SAMU Joint Steering Committee reviews, endorses and recommends submission to the Campus Planning Committee of the Board.
2. The MacEwan SAMU Joint Steering Committee reviews, endorses and recommends submissions to the SAMU Student Council for approval.
3. The Campus Planning Committee of the Board reviews endorses and recommends submission to the Finance Committee of the Board.
4. The Finance Committee of the Board reviews, endorses and recommends submission to the Board of Governors of Grant MacEwan University for approval and Board resolution.

Appendix O – Continued – Memorandum: SAMU Building Levy

insurance provider and a U-Pass agreement with the City of Edmonton, neither of which has been overturned as the legal agreements these fees are based upon are binding. The two foregoing items were also entered into post-related referendum and they cannot be overturned or reversed during the period the agreement is for. In addition, Students' Council would not have the ability to redirect this money, as the referendum question stated that the levy must be used for the SAMU Building Fund.

SAMU also dedicates 10% of its revenue, and any surplus at the end of our fiscal year, to our SAMU Building Fund. This dedication of funds is written in to our Finances & Investments Policy, and has been a long standing policy of our organization. The continuance of dedication of funds is imperative for SAMU to meet it's legal obligation to MacEwan and therefore must be continued for SAMU to continue.

If SAMU's fiscal situation dramatically changed and we were forced to reassess our budget we would certainly put our legal obligations, and especially our lease agreement obligation to MacEwan University, ahead of normal operations, otherwise insolvency would result. In the highly unlikely event of insolvency we would expect and agree that MacEwan University should retain the SAMU Building Levy on our students to allow the general student body to continue to use the facility. This is quite unlikely however, as the financial statements of SAMU attest to a well-run organization that is not at risk of insolvency. Further, we know of no other student association in Alberta that has faced such a predicament; alternatively, we have seen entire institutions that have faced difficult financial situations, and even bankruptcy and we note that SAMU would be placed at great risk if such a situation arose with MacEwan University.

Attached with this document is SAMU's Finance & Investments Policy. Should you require any clarification surrounding this memorandum or the policy, please do not hesitate to contact the SAMU team.

Sincerely,



President, SAMU
Brittany Pitruniak

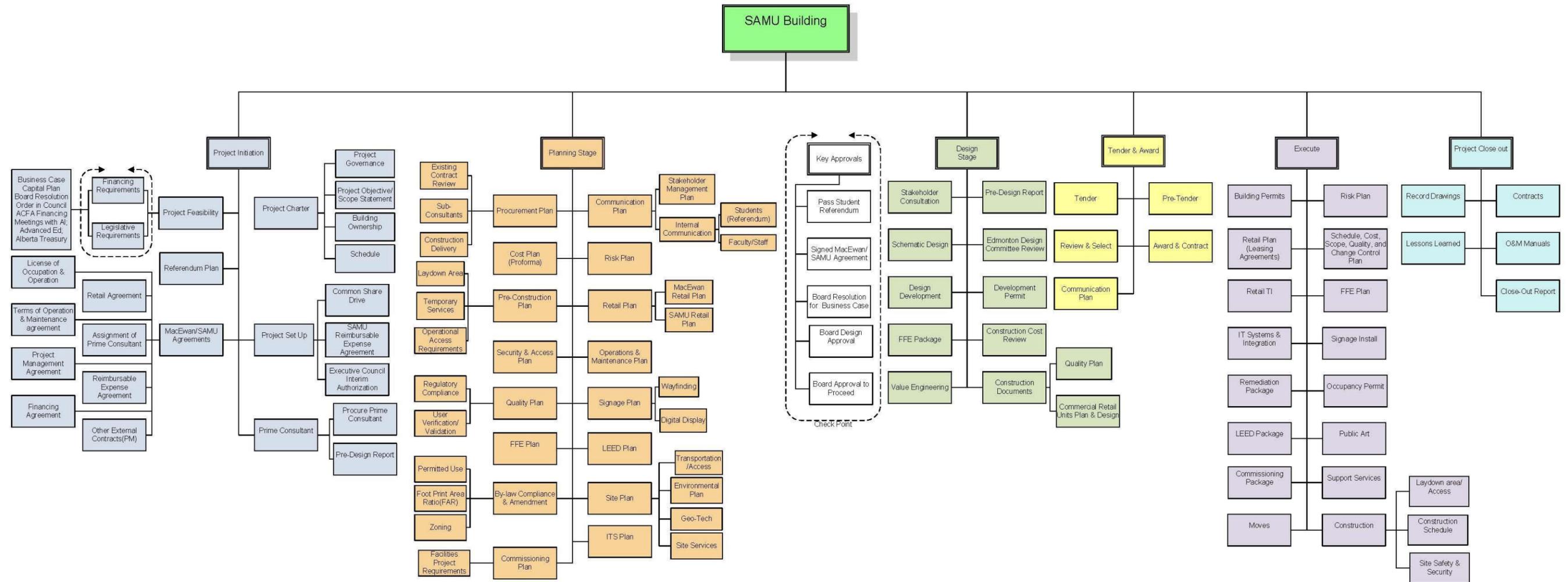


Vice President, Operations & Finance
Amy Beard

Appendix P – SAMU Building Work Breakdown Structure (WBS)



MacEwan/SAMU Building Work Breakdown Structure (WBS)



September 22, 2015