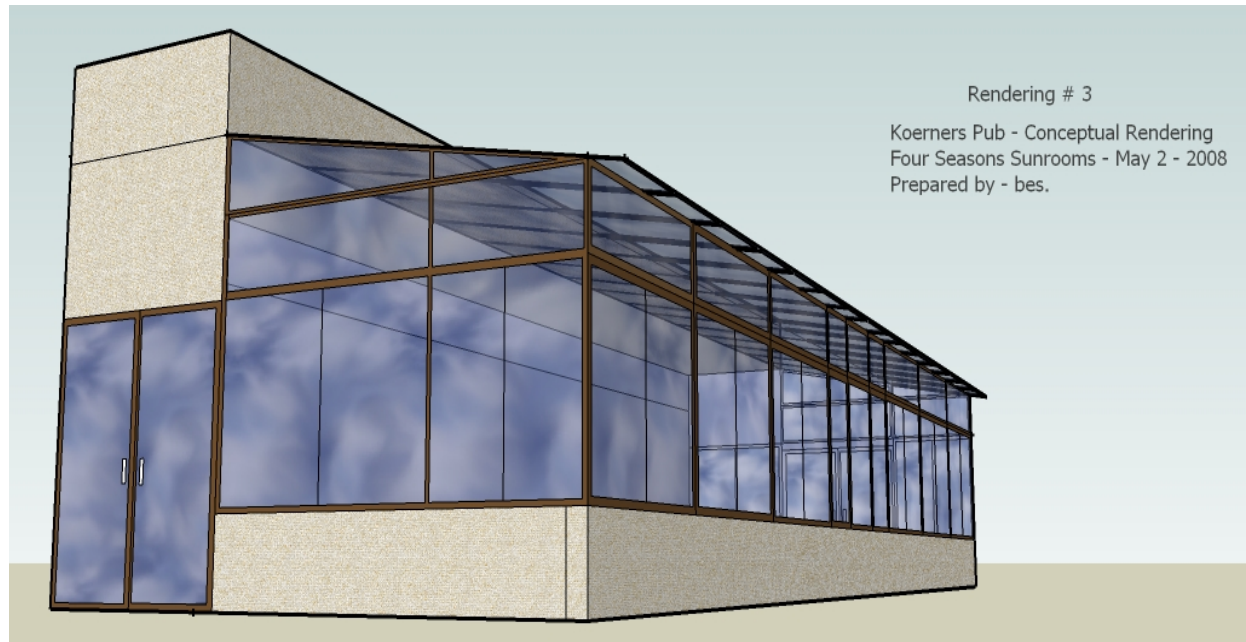


Pub Patio Project Task Force

Findings & Recommendations July 18, 2009



Outline

- History
- Cost / revenue projection
- GSS funds
- Financing options



History

- *Early 2004* - Brew Pub task force recommends Food and Expansion
- Rick Carre hired to manage Koerner's
- *2006* - Mission statement review, states expansion of pub a council priority
- *2007* - Pub patio project put on hold while ballroom is renovated
- *2008* - Rick works with contractors and UBC to finalize design
- *March 2009* - Council voted on design
- *June 2009* - PPPTF created to look into financing



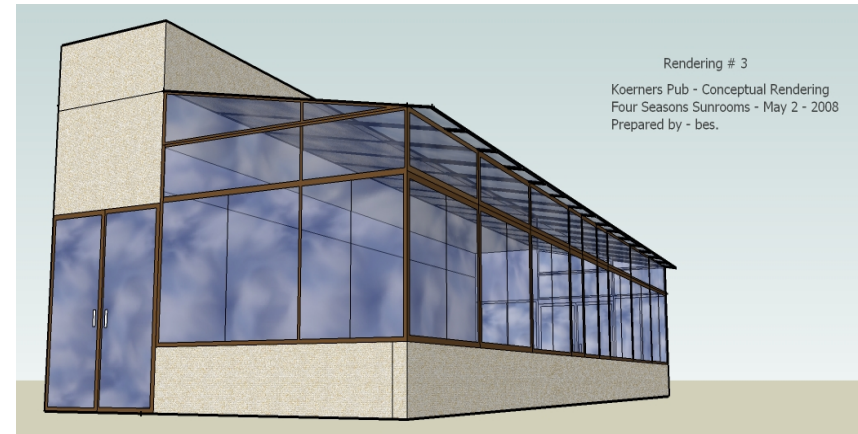
Cost

As of June 18, 2009 for Solarium construction ONLY
(ie. Glass wall left in, no fireplace)

Total cost of project **\$170,000:**

Breakdown:

- \$97,000 (due upon completion)
- + \$1,700/mo. for 24 mo. (interest free loan from contractor)
- + \$38,000 (electrical, sprinkler, furniture, etc.)



Revenue Projection

- Busy M,Th,F 12-2pm and 5-7pm (meal times)
 - mellow Mondays or Friday Nights not include
- Assume 50 more people served at \$10/person/hour
- Added revenue = \$2000/day (M,Th,F) OR \$180,000 annually
- Expected profit on revenue 54% = \$97,000
- Added operating costs 47% of profit = \$45,600
 - could arguably be much more
- Net increase in annual income = \$51,400
- Payback period = 3.3, 5, 6.6 years
 - up to 13 years depending on revenue, costs



GSS Funds

Unrestricted cash: ~\$169 000

Note: Excess revenue: in 2008 = ~\$69 000.

~\$40 000 is available for use

remainder for cash-flow purposes

CPIF: Capital Project Improvement Fund

ONLY for “capital projects” (eg. Furniture, renovations, building upgrades, etc.)

~\$25,000 (2008 excess)

~\$40 000 (2009)



Other GSS Funds

Untouchable Cash...

- General operating budget, from student fees
- Special Project Fund; ~ \$35 000
 - for external review
- Graduate Student Emergency Fund; ~ \$12 000
- Rainy Day Fund; ~ \$100 000



One Financing Option

Use unrestricted cash & CPIF (2008 & 2009):

~20K from 2008 CPIF

~40K from 2009 CPIF

~40K from unrestricted cash flow

+ \$1700/month 24 month interest free loan from contractor

~35K short of goal

(use excess from 2008 budget, bank loan, other)

Notes:

- Leaves us with LITTLE wiggle room in terms of other projects & spending wishes



Findings

- Council should decide on project based on PPPTF findings
- 5 yr payback period acceptable
- Using our unrestricted funds on this project will leave little or no money for “other projects”
- Unless we find other sources of funding (Koerner Foundation, Student Social Space, etc) will need to borrow
- Projected revenue/cost difficult to estimate
 - staffing requirement uncertain