

Requirements and costs:

Laundry, housekeeper, resident manager, security, insurance, repairs, rent-processing and leasing management. Laundry room 200 sq ft, plus storage closet 300 sq ft = total 500 sq ft.

Capital Costs in the Case of College Purchase and Ownership:

The capital costs in the case of College purchase and ownership are projected to be:

| Capital cost | | Cost |
|--|----------------------------|-------------|
| Construction of residential/ seminar/social space | 15,000 sq ft @ \$140/sq ft | \$2,100,000 |
| Furnishing 28 units | \$6,000 per unit (average) | \$168,000 |
| Total capital costs (without land) | | \$2,268,000 |

Business constraints:

SFU is completing a new Residence in the east campus with 14 hotel-type rooms to be marketed at \$100/night, tax and breakfast not included. That project nearly meets the current demand placed by SFU visitors for off-campus hotel accommodation (except at a few peak periods), according to calculations made from the 2002-2003 SOFI report of Finance Department. The assumption is that the Residence hotel facility will be 75% occupied. More than current demand (at peak periods) may thus also be accommodated. But when the BMC Hall comes on stream the level of demand for on-campus short-term hotel-style accommodation will be even higher, and so the proposal for four rooms here appears realistic at this time. We have also adopted the 75% occupancy rate in the BMC's short-term accommodation plan.

Sensitivity analysis:

with acknowledgement of the kind assistance of the Office of VP Finance.

Sensitivity calculated on basis of revenue potential, minus capital costs, plus operating cost requirements, minus cost of initial construction (drawn from SFU Bond Funds). Full projections available on request.

(a) Optimistic Scenario: net revenue increased by 10% less costs decreased by 10%.

Year One: \$ 56,882 Year Ten: \$186,939

(b) **Most Likely Scenario:**

net revenue less cost.

Year One: \$21,276 Year Ten: \$101,487

(c) Pessimistic Scenario: net revenues decreased by 10% less costs increased by 10%.

Year One: (\$14,331) Year Ten: \$16,035

Constitution:

Terms of Reference and Governance

(approved 30 July 2002)

Arising as a faculty initiative, the College has been supported from the beginning by senior administrators. Mindful that conditions may change, the Steering Committee decided on a constitution and terms of reference with direct reference to other forms of University governance, considered appropriate at this time. We expect that under most foreseeable circumstances the College would have a Steering Committee.

The Steering Committee's purpose

The purpose of the Steering Committee is to organize events and develop the membership of the College. It shall work towards the establishment of an internationally-oriented residential College linked to the University and to the new UniverCity community.