

Student Centre Report & Recommendations

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**Presented on September 27, 2011 to a duly convened Special Council Meeting
of the Concordia Student Union Council of Representatives**

This report was drafted with feedback from Morgan Pudwell (*CSU VP Advocacy and Outreach*), Sabrina D'Ambra (*ENCS Councillor*), and April Underwood (*Arts & Science Councillor*) of the Ad-Hoc Student Space Committee

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Introduction

This report hopes to provide a fair and straightforward assessment of student space issues on campus, and specifically provide a response and justification for our response to the University's recommendation to select the Faubourg Ste-Catherine building as a site for a future Student Centre. It is by no means exhaustive in its understanding and research, and should only serve as a blueprint for future research and action on these issues.

Student space is an essential part of life at any university, and has a particularly interesting history at Concordia. It is important to provide early on in this document our working definition of student space: it's not simply space for students to be in, but space that is governed by students, dedicated to their projects or being used to provide a service for students by students.

History

In 2003, Concordia's undergraduate student body voted in a referendum to institute a \$1/credit fee levy to go towards a fund for a future Student Union Building (SUB). Another vote in 2005 increased that fee levy to \$2/credit, which works out to \$180 for a 90-credit program.

Since then, two other votes on this fee levy have taken place. In March 2010, the CSU Council of Representatives put a \$2.50/credit increase to the SUB fee levy to referendum which, if passed, would bring the total of the fee levy to \$4.50/credit, which works out to \$405 for a 90-credit program. At the time, the CSU said that a building, estimated at \$43 million, had been selected but that they were legally bound not to disclose its location. 72% of undergraduates voted against the fee levy increase, and it was not implemented.

In November 2010, following the defeat of the previous attempt at increasing the fee levy, the Council again put an increase to the SUB fee levy on a referendum ballot. This time, the vote was for a staggered increase of \$0.50/credit every semester for the following five semesters, which would bring the total SUB fee levy to \$4.50/credit by the end of the increase (in other words, this was the same increase as before, but designed to increase gradually instead of all at once).¹

Once again, the attempt to increase the fee levy failed, with 69% of undergraduate students voting against it despite the absence of an official "No" committee. It should be noted that the CSU once again was not able to comment on the location of the building during this referendum period. However, several days before the voting period for that referendum, *The Link* student newspaper made public that the site in question was the Faubourg Ste-Catherine building, and dedicated a significant portion of that week's issue to the Student Centre project. As a result of *The Link* revealing the location of the proposed Student Centre, much of the focus of the referendum was put on the proposed location instead of on the fee levy increase itself, leading the referendum vote to be perceived by a significant portion of the student body

¹ In the spirit of full disclosure, both of the authors of this report were involved in the November 2010 Student Centre referendum. Gonzo Nieto had, by the end of the two-week referendum period, become fairly well known as one of the unofficial representatives of the unofficial "No" committee. Lex Gill, who had a seat on CSU Council at the time, published an Opinions piece in *The Link* on the last week of the referendum criticizing the CSU's position in favour of the fee increase, and which was printed next to a pro-increase article by Prince Ralph Osei, the former CSU President. It can be read at <http://thelinknewspaper.ca/article/739>, "CSU Councillor Speaks Out Against Student Union Building," November 28, 2010.

as a vote on the Faubourg Ste-Catherine site itself. This perception is exemplified in an editorial that was printed in *The Link* on September 20, 2011 which states that “The students have already spoken on the Faubourg”.²

It is important to note that the Faubourg Ste-Catherine as a Student Centre had already been formally proposed to the CSU by 2006. The CSU President at the time, Khaleed Juma, responded to the Board of Governors as follows:

“I have asked to speak in other business today to clarify the position of the students with regards to an offer to purchase the Faubourg Building. First, on behalf of the entire student body I would like to thank Mr. Wener and the administration for the work they have done, and for making students an offer to purchase the Faubourg for a Student’s Centre. I regret that Mr. Wener is not here today, but a series of circumstances around campus have prompted me to make this formal clarification.

“While our position may appear to some to be a missed opportunity, after consulting with a variety of student groups on campus, the CSU cannot consider the project any further at this time. Some of you may know that the initial purchase price was in the vicinity of \$25,000,000, and in the longer term – may cost \$50,000,000 of student money. This is in large part a reason for our position, but we also cannot agree to purchases that provide inadequate student space. Even if the total amount being asked of us were to max out in the final analysis, between \$7,000,000 - \$10,000,000, the CSU would not have the mandate to agree to a building that does not predominantly give space to students, not yet one that does not belong to the students. A student centre is a 20-year commitment that student representatives cannot walk into lightly. Whilst the Faubourg project may not be ideal, students are still committed to working towards a student centre, and continue to formulate a wider understanding of the buildings needs.

“We are optimistic, however, and we look forward to discussions toward a comprehensive student space agreement, which we hope will include permanent use of identified space on the University’s two campuses, and eventually lead us to an appropriately sized, autonomous Student Centre, which we will definitely be willing to contribute towards.”

² See: “In all Post-Orientation Seriousness,” *The Link* on September 20, 2011 <http://thelinknewspaper.ca/article/1744>

Response Deadline

One of the current executives' campaign promises in the March 2011 CSU elections was to "create, protect and invest in student space" at our University, and hold wide consultation of the undergraduate student body in order to gain more insight regarding our member's space needs and the current options for how to meet those needs.

When we came into office, we were informed in our first meetings with representatives from Concordia's Facilities Management (Peter Bolla, Martine Lehoux and Dominique Dumont) that the University required our response as to whether or not we were interested in the Faubourg Ste-Catherine building as a Student Centre by September 2011. The reason for this was that Concordia University already had an option on the building until April 2012, and it would take 6-8 months for the necessary applications for the acquisition of the building to be processed by the Government. They also informed us that if the CSU was not interested in the Faubourg Ste-Catherine for a Student Centre, the University had plans to purchase the building and turn it into an academic building.

Immediately, this deadline presented a problem for us by making it near impossible to conduct the consultation we had promised to deliver before the time our response was needed by, as a significant amount of the undergraduate student body would not be back in town until the beginning of September. The consultation required, namely the administration and interpretation of enough surveys and responses to have a sample that is representative of 33,000 students, is a process that would take longer than the first month of school.

Summary of the Student Centre Proposal

Cost

The entire project is estimated at \$54 million. According to each parties' Proportionate Share, the CSU would be responsible for \$27.5 million, and the University would be responsible for the remaining \$26.5 million.

The \$54 million is broken down as follows:

- Acquisition: \$32.5 million
- Renovations: \$20.1 million
- Miscellaneous (leasing, transaction costs, etc.): \$1.4 million

Space

The three categories of space in the building are CSU dedicated space, University dedicated space and shared space (such as public circulation space or retail space).

The breakdown of space is as follows:

- There is a total of 14,265 sq. m. of space in the building
- 4,336 sq. m. (30.4%) would be dedicated to the CSU
- 4,037 sq. m. (28.3%) would be dedicated to CU
- 5,892 sq. m. (41.3%) would be "shared space"

Retail Space

As per Montreal city by-laws, the ground floor of buildings on Ste-Catherine must be commercial. There is currently 6,572 sq. m. of retail space in the building, making up 46.1% of the building's total area.

Of this 6,572 sq. m., 3,735 sq. m. are "shared space", meaning the revenue from the leases of these locations is split by either party according to their respective Proportionate Shares. The remaining 2,837 sq. m. of retail space (Sharx in the basement and the entirety of the 4th floor) are exclusively under the University's proportion of the building.

Management: Proportionate Share & the Board of Co-Management

Definition

The definition in the *Agreement Regarding the Concordia Student Centre* of the **Student Union's Proportionate Share** is:

"a fraction which has as its numerator the Gross Area of the Student Union's Premises and as its denominator the sum of the Gross Area of the Student Union's Premises and the Gross Area of the University's Premises" [1.59]

For the **University's Proportionate Share**, the same calculation is made except with the **Gross Area of the University's Premises** as the numerator [1.69]. It should be noted that this percentage is not equivalent to the percentage of space each party occupies in the building, as retail space is excluded from these calculations (i.e. the CSU does not occupy 51% of the building by having a 51% Proportionate Share). By virtue of the way each Party's Proportionate Share is calculated, the CSU would maintain a majority Proportionate Share of the building so long as it has slightly more space in the building than Concordia University, regardless of the amount of retail space in the building. The Proportionate Share of either party is also used to determine the proportion of the total Student Centre cost that each party pays.³

Who Governs the Student Centre?

According to the Agreement, the Student Centre would be governed by a Board of Co-Management that would be composed of three student representatives from the CSU and two representatives from the University [4.01(a)(i)]. Decisions by this Board would be made by majority vote [4.01(c)], except in instances where the Student Centre Agreement specifies that a decision can only be made by a unanimous vote (eg. [4.11a-4.11m]). However, the Agreement specifies that if the University were to have a Proportionate Share of 50% or greater, they are entitled to one additional seat on the Board of Co-Management, at which point the CSU would no longer have a majority of seats on the Board of Co-Management [4.01(a)(ii)]. Note that, as mentioned above, the University's current Proportionate Share is 48.2%.

Term of the Agreement & "No Longer Economically Viable to Operate"

The Initial Term of the Agreement is 40 years [1.32]. Upon expiry of the Initial Term, the Agreement is automatically renewed for three successive 10-year periods, unless either the CSU or the University delivers notice terminating the Agreement on grounds that the Student Centre is No

³An inconsistency to note is that, although the current Faubourg Ste-Catherine space plan proposals give the CSU a 51.8% Proportionate Share and the University a 48.2% (as per the definitions of the CSU's and University's Proportionate Shares ([1.59] & [1.69], respectively), give the CSU approximately a 62% Proportionate Share and the University a 38% Proportionate Share.

Longer Economically Viable to Operate(a definition for this term can be found in Schedule “B” of the Agreement). This notice can only be given between 2-3 years before the start of the next renewal period [3.02(a)].

If the notice of termination comes from the University, the CSU may

- purchase the Student Centre from the University at a cost equal to the parking lot plus the University’s Proportionate Share of the Student Centre [3.03(a)(i)]
- elect to find an “arm’s length third party” to purchase the Student Centre & Parking Areas from the University [3.03(a)(ii)]
- concur that the Student Centre is No Longer Economically Viable to Operate. Should this happen, the University pays the CSU an amount equal to the CSU’s Proportionate Share of the Student Centre Value [3.03(a)(iii)]

If the notice of termination comes from the CSU, the University may:

- elect to occupy the entire Student Centre, and the University pays to the CSU an amount equal to the Student Union’s Proportionate Share of the Student Centre Value [3.04(a)(i)]
- elect to find an “arm’s length third party” to purchase the Student Centre & Parking Areas from the University [3.04(a)(ii)]
- concur that the Student Centre is No Longer Economically Viable to Operate. Should this happen, the University pays the CSU an amount equal to the CSU’s Proportionate Share of the Student Centre Value [3.04(a)(iii)]

Applicable Policies

As defined in the Agreement, the Applicable Policies are “the policies of the University applicable to the Student Centre” [1.07] A full list of the Applicable Policies can be found in Schedule “D” of the Agreement. Any decision made by the Board of Co-Management must be in compliance with the Applicable Policies -- if not, the applicable provisions of the Applicable Policy in question supercede the decision of the Board [4.11(i)].

The policies that we’ve brought up concerns⁴ with are:

- Policy on the Distribution of Publications on Campus (VPERSG-3): currently, only student groups must go through an application procedure and provide their own distribution depots in order to distribute publications on campus; the University provides space and the depots for other groups
- Policy on Filming and Photography on University Premises (VPERSG-6): filming and photography is not allowed on campus except with permission
- Security Policy (VPS-20): security’s ability to request identification and ask someone to leave the premises for not having Concordia identification
- Policy on the Use of the Concordia University Name, Logo and Related Insignia and the Governance of its Visual Character (VPERSG-4): some student groups have already had to remove the word “Concordia” from their name because they had not applied to the Board of Governors in order to use it, and could be a concern for student groups in the future, whether in the Student Centre or in their current locations.
- Telephone Services Policy (VPS-31): requires that the CSU pay the University for phone

⁴Though our concerns with some of the Applicable Policies were expressed at a Users Committee meeting where Roger Cote, VP Services of Concordia University, was present, we have yet to find out whether the changes requested are possible.

service, which would be much more cost efficient if the CSU could use its own telephone service provider

Fee Levy Groups and the Student Centre

What is a fee levy group?

A fee levy group is an independent organization that collects its own fee levy from Concordia University students. These fees are instated by Concordia students through referendum, after which the fee is collected by the University along with tuition fees and allocated to the group. These groups are autonomous from the CSU, and their legal relationship with the CSU is only through shared membership and the CSU's administration of referenda. In order for a group to be eligible for a fee levy, they must meet the criteria laid out the CSU Standing Regulations (S.R. 130), at which point their application is taken to the CSU Council of Representatives, who may put the question to referendum (S.R. 131). If the question is approved by undergraduate students, the group must show proof of incorporation before the results of the vote are brought to the University's Board of Governors (S.R. 132). If at any later point, these groups wish to go to referendum for an increase to their already existing fee, they must go through a similar process as well as presenting audited financial statements.

Fee levy groups vary greatly in mandate and practice, and their needs for space are also quite varied. Most fee levy group's space is administered by the Dean of Students Office. In certain cases -- often when there is no space available at the University -- the CSU provides space for fee levy groups. Other groups rent space external to the University, either due to a need for independence or in response to the lack of available space.

Autonomy of Fee Levy Groups

During the November 2010 referendum to increase the fee levy being collected for the purchase of a Student Union Building (SUB), CSU's VP External & Projects at the time, Adrien Severyns, said that all clubs would move to the SUB and fee levy groups would have the option of doing so. Adrien also told this to Gonzo during the transition period for the 2011-2012 CSU executives.

In the beginning of June 2011, CSU President Lex Gill and VP Clubs & Student Space Gonzo Nieto, in meetings with Peter Bolla, Martine Lehoux and Dominique Dumont from Concordia University's Facilities Management department, discovered that, since negotiations with Keyana Kashfi, the intention had been to move "all student groups", including fee levy groups, to the Student Centre. This is a decision that had been made by previous CSU executives and the University without the consultation of the fee levy groups in question, which is problematic because the fee levy groups are autonomous organizations that the CSU does not have the right to negotiate on behalf of.

Not only was the initial decision made without consulting the other organizations involved, but negotiations until the present time have still only been between CSU executives and the representatives from Facilities Management (despite the current CSU executive's insistence that these groups be included in negotiations). This lack of consultation, along with the fact that some of these groups may not be interested in moving to the Faubourg Ste-Catherine, was mentioned in an email by Elizabeth Morey, the previous Dean of Students, on March 28, 2011 to the User Committee. In the context of reducing the space necessary in the building, she said that "the independent fee levy groups who have never been

approached about this discussion may not even want to move”, adding that “they could possibly be regrouped in another location that allows storefront (eg. Mackay)”.

In June 2011, Gonzo and Lex found out that the plans at the time were such that the fee levy groups were to be placed under the CSU’s proportion of space in the building. At a User Committee meeting, Gonzo and Lex brought up the concern that fee levy groups, being independent from the CSU, should not fall under the CSU’s proportion of space. At the time, the representatives from Facilities Management claimed to be unaware that the fee levy groups are autonomous organizations, separate from the CSU (and that, by extension, the CSU is in no way able to negotiate on behalf of these groups), and they explained that it was arranged that way because they were student groups.

After explaining why it is more adequate for the University to provide independent and autonomous space to fee levy groups, the fee levy groups were moved into the University’s proportion of space, and space was rearranged so that the CSU still maintained a Proportionate Share greater than 50%. However, the problem still existed that fee levy groups were not being consulted about the Student Centre, and the CSU was being asked to make decisions that involved the space of these organizations. In one particular meeting where the Dean of Students, Andrew Woodall, was also in attendance, a list of all fee levy groups and faculty associations was compiled and read off one-by-one, with the University members of the User Committee asking the CSU members which groups should or shouldn’t be housed in the Student Centre, to which the CSU mentioned several times that they could not make these decisions on behalf of the fee levy groups. By the end of the meeting, the majority of the groups that were selected to ideally move to the Student Centre were those that are currently housed in one of the annexes on Mackay or Bishop St.

Fee levy groups that would be moved to the SUB had never been consulted regarding this decision, and it seemed that these groups did not have an opportunity to express any requirements as to their space needs, nor a choice as to whether or not to move to the SUB.

Additional Notes on Finances

Revenue from Retail

The revenue from most of the retail in the building is split by the University and the CSU according to each parties' Proportionate Share of the building. However, the revenue from certain portions of the retail space, such as Sharx on the first basement floor or the retail space on the fourth floor, would go entirely to the University. This would be the case for the retail space on the fourth floor because the University would move in to that space once the current lease on the space expires, and the space is part of the University’s Proportionate Share already.

The *pro forma* is a document detailing all of the costs and revenues associated with the project, along with the percentage of each cost and revenue that is attributed to each Party.⁵

One thing to note is that, in the current version of the pro forma, the same is not the case for the CSU. The lease for the 5th and 6th floors expires on 2014, at which time the CSU would move in to that

⁵ Until the week of August 19th, Gonzo Nieto and Lex Gill had not yet been able to see a Pro Forma financial document for the Student Centre \$2.00/credit option.

space. Both floors are also currently under the Proportionate Share of the CSU. However, in the most recent pro forma, the revenue from that lease is split by both Parties until the lease expires.⁶

MELS

MELS, the Ministry of Education, provides funding to the project per square meter. On the most recent version of the pro forma, the funding received from MELS is split between the CSU and the University 50/50, despite the fact that, currently, the Proportionate share of the CSU in the building would be 51.8%. When this difference is accounted for across the 10 years shown in the pro forma, it adds up to slightly over \$125,000.

Assumptions of Pro Forma

We have two general concerns with the assumptions made in the current pro forma document, which are that:

1. The pro forma assumes that a large majority of the retail spaces in the building would all be rented out for the first 10 years of the project. We feel this may be an unreasonable assumption
2. The second assumption made is that the projected enrolment for the first 10 years of the project (an important number, as it determines the amount of revenue coming from the SUB fee levy) is the same as enrolment currently. As this does not take into account possible fluctuations in enrolment numbers (such as those that may happen due to upcoming tuition fee increases), we feel that this may be an unreasonable assumption.

Loss of Current Space

An aspect of the Faubourg Ste-Catherine proposal that was not made explicit during the November 2010 referendum was that most or all of the existing space at the SGW campus that is currently administered by the CSU would be lost in the transition to the Student Centre. This includes all the space on the 7th floor (CSU office, Large Lounge, Small Lounge, bakesale space, Comms office, space where the People's Potato is as well as the seating space beside the People's Potato) and the club space in the P annex (on Mackay St.) and the K annex (on Bishop St.).

It appears that the plan also included moving Java U, Travel Cuts, Reggies and HoJo from the Mezzanine (2nd floor of the Hall building) to the Student Centre, as this was brought up in a Student Centre User Committee, though it was not mentioned whether the University would also be taking back those spaces or if they would remain under the jurisdiction of the CSU. The University also mentioned that it could be problematic to have Reggies there, as it would be very close to and competing with Sharx (which is currently located in the Faubourg Tower and leasing space from the University).

However, any discussion regarding a decision to relocate Reggies was misplaced at a User Committee meeting, as that conversation should take place between the University and the Board of Directors of CUSACorp. Despite the lack of an agreement on moving Reggies to the Faubourg Ste-Catherine, the Student Centre Space Plan presented at the next User Committee meeting included space on the 2nd floor of the building.

The space in the Hall building and the P and K annexes that the CSU stands to lose is approximately 2050 sq. m. When this is compared with the amount of space the CSU would gain in the Faubourg (which is 4,336 sq. m.), the net increase in space would be 2,286 sq. m.

⁶ Gonzo asked Mr. Bolla about this irregularity on September 26, 2011, and Mr. Bolla responded that it was a mistake on the University's part, and would be clarified.

At a User Committee meeting, Lex Gill asked the University representatives what would happen to the current student space on campus (both space that is under the jurisdiction of the CSU and space under the jurisdiction of fee levy groups) if the CSU were to reject the current proposal for a Student Centre at the Faubourg Ste-Catherine. Mr. Bolla responded that, although the decision is up to Roger Cote, VP Services of Concordia, he imagined that it would be “business as usual”. At a later User Committee meeting, Roger Cote reaffirmed the University’s commitment to maintaining the currently existing student space.

Student Centre Fee as FIO

(see [6.02(c)])

The Student Centre Agreement grants the University the right to collect the fee levy associated with the project even in the event that students, by the same referendum process that created the fee, reject or alter it (note that this applies only if an agreement has already been reached on a building site). The intention of clause is to secure funding for the project once initiated, but the wording is deeply problematic and of questionable legality.

In Quebec, mandatory fees charged to students by the University are referred to as “ancillary fees”, “mandatory institutional fees” (MIF) or, in the law, as “*frais institutionnels obligatoires*” (FIO). These fees are governed by the *Règle budgétaire sur l’encadrement des frais institutionnels obligatoires dans les universités*, and increases are limited depending on the amount the University already collects in fees.⁷ The University is unable to increase an FIO beyond that which is prescribed in the Règle Budgétaire without consent from the appropriate recognized student association (in the case, the CSU). That consent, referred to as an “*entente*” (pursuant to Section 3 of the Règle Budgétaire) has, at least according to the Agreement, been granted by the CSU in the event that they are unable to fulfill their financial obligations. Not only, then, has the University been granted the right to collect the Student Centre fee directly from students in the event of a purchase, but has also been given the power to increase the fee beyond the normally allowable limits determined by law (see[6.02(c)] “the restrictions upon annual increases in Section 2 of the Règle Budgétaire do not apply to the FIO.”).

In other words, a vote by the CSU’s membership to *cancel* the Student Centre fee is the only process that would give the University explicit unilateral power to *increase* it.

⁷The version referenced in the contract: CT no 206489 dated May 27, 2008, the most recent at the time. The formula to find the maximum amount by which a University can increase these fees in a given academic year is determined by the the revenue generated by FIOs over the number of raw FTEs (EETPs).

RECOMMENDATIONS / G. Nieto, L. Gill

(as presented to the CSU Council of Representatives by the CSU Executive on September 27, 2011)

BIRT the CSU Council of Representatives reject the current recommendation for a Student Centre at the Faubourg Ste-Catherine site.

BIFRT that the CSU executive send notice to Concordia University and instructions to Scotiabank within thirty (30) days of the date of adoption of this motion, removing the University as funds administrator of the Levy Fund (the “Fund”), and appointing Scotiabank as funds administrator of the Fund, in accordance with the *Funds Administration Agreement*.

BIFRT the CSU executive consult with Scotiabank to investigate possible ethical investment options for the Fund.

BIFRT the CSU executive be mandated to produce a comprehensive study of student space issues on campus, including, but not limited to, research regarding the goals, visions and priorities of Concordia students regarding a potential future Student Centre, to serve as a binding blueprint for any future student space projects pursued under the *Agreement Regarding the Concordia Student Centre* or otherwise. The cost of this study, which shall be drawn from the Fund, cannot exceed the annual interest accrued in the Fund for this fiscal year.

BIFRT the CSU Executive cease all meetings with the Student Centre User Committee and all negotiations otherwise related to the Student Centre project until further notice from Council.

ANNEXES / ADDITIONAL RESOURCES

- 1) Agreement Regarding the Concordia Student Centre, 2009 (found at http://newuniononline.org/documents/Concordia/Student_Centre_Agreement.pdf)
- 2) Funds Administration Agreement Between Concordia Student Union and Concordia University, 2009
- 3) Board Resolution: Fee Collection, 2003
- 4) Board Resolution: Fee Collection, 2005
- 5) Scotiabank Investment Notice, 2010
- 6) Bank Statement, September 2011
- 7) Email from Elizabeth Morey, March 28, 2011
- 8) Student Centre Space Summary, August 22, 2011