

February 24, 2017

To: Members of the Student Representative Assembly

From: Dr. David Wilkinson, Provost and Vice-President (Academic)

Re: University Financial Commitment to the Student Activity Building and DBAC Expansion

The purpose of this letter is to articulate the University's financial commitment to the proposed student space expansion in order to assist the SRA in making an informed decision about holding a special referendum in March.

The University understands that the results of the failed referendum pointed to strong student support for space expansion, given that 56% of students who voted identified one of the two expansion options as their first choice. We also understand from student feedback that cost remains a concern.

Therefore, the University has explored all options to further invest in the project to reduce the cost to students and will commit \$10M to the capital costs of the project, which will in turn reduce the proposed capital fee increase by 24%, from \$3.95/unit to \$2.99/unit (effective when the expansion opens).

This funding is in addition to the original commitment to pay for the operating expenses of the Student Activity Building, which is calculated at \$1.1M per year in the first year, totalling \$64M over 40 years when indexed for inflation.

Therefore, in total, the University's financial commitment to the project is now \$74M over 40 years. Other aspects of the project, including the MSU's ability to manage the day-to-day operations of the Student Activity Building, the establishment of study, event and lounge space, a grocery store, and a multi-faith prayer space, remain unchanged.

In your deliberations, please note the following:

- **This financial commitment is time-sensitive.** Shifting economic factors inevitably impact the demands put on University finances, which in turn could impact the funding available for this project should the vote be postponed beyond this academic year.
- **This financial commitment is a maximum.** The University explored every avenue for funding available in this exceptional circumstance, resulting in the additional financial commitment of \$10M.

- **Other sources of funding will continue to be pursued.** The University commits to continue to pursue revenue generating opportunities for this project as a priority. Should we receive additional funding in the future, changes to student fees and/or the scope of the project will be made in consultation with the MSU Executive and in order to maximize the benefits to students.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Wilkinson', with a long horizontal flourish extending to the right.

David S. Wilkinson, FRSC, FCAE, FCIM, FACerS, P.Eng.
Provost and Vice-President (Academic)
McMaster University