



Office of the President

August 31st, 2021

Dr. Rickey Yada
Dean, Faculty of Land and Food Systems
2357 Main Mall (Room #248)
Vancouver BC Canada V6T 1Z4

CC:

John Metras, Associate Vice-President, Facilities
Jennifer Sanguinetti, Managing Director, UBC Infrastructure Development
Amanda Reaume, Associate Director, Faculty of Land and Food Systems, Staff

Dear Dr. Yada,

I hope you and your team are well and excited for the upcoming semester. It has been an interesting past year and a half to say the least, and it is great to see so much activity returning to our beautiful campus. I am writing to you to provide an important update on the AMS' involvement in the Food and Beverage Innovation Centre (FBIC) project.

I regret to inform you that it is becoming increasingly clear that our participation and investment in the FBIC project may present a greater detriment to the Society than a benefit. Even more importantly, it has become difficult for our organization to see how the project in its current state benefits our membership-at-large to an extent which would justify the collection of a multi-year student fee.

Let me be clear, the AMS is in *full* support of the Food and Beverage Innovation Centre and believes that it will be an important addition to UBC's academic offerings. The FBIC will allow students in your Faculty to have invaluable learning experiences to supplement their learning journey as they pursue their degrees. Our perspective is *solely that our portion of the project* has reached a point where its continued development would not be in the Society's best interests. Here are some of the items we considered as we came to this conclusion:

1. **Evolution of the project.** The project in its currently proposed form is drastically different from what was envisioned and/or proposed at the time of the AMS referendum in 2014. At that time, the Society had entertained the idea of a "craft beer establishment" to be located at the UBC Farm — which would later be looped into a larger academic facility proposal at the same location. This would then once again be changed to a new site in the academic core of campus, which while suitable for the current proposal, we feel as though does not adequately fit with the original intention of the project from our end.

Furthermore, the overall scope of the AMS portion of the project has also been reduced from what was initially envisioned. Original proponents of the project had laid out plans for a full-time, “brewpub” operation which would see students be able to use the facility for dining, event bookings, and more. This scope has been since reduced to one that is strictly production-based and that splits space-use time with academic activities.

2. **Business case.** Preliminary financial projections conducted by the Society for the newly situated proposal in Summer 2021 revealed that it will be difficult for the AMS to see a meaningful return on investment. Optimistic projections based on currently planned production capacities and industry averages revealed that the AMS would only generate anywhere from \$8,000 to \$32,000 per year in profit (if the operation performed in the top 50% of national breweries). With limited capacity to grow as well, this means the AMS would not break-even on an investment for a period of time between 30 and 125 years.

Further complicating things is the fact that the AMS would be unable to run such an operation on our own without potentially losing our non-profit status. This means the Society would have to endeavour to set up a subsidiary company, or partner with a third-party brewery. Both options would further reduce the total profit share the AMS would take from the proposed project.

3. **Funding academic facilities.** It is the position of AMS Council that the Society should not be funding academic facilities through student fees as the University has designated capital reserves for this purpose. With the project gradually evolving over the years into an almost exclusively academic space, we believe that the project is no longer as compatible as it once may have been with our mandate to pursue capital projects that benefit the student-community at large.
4. **The referendum.** It has been over seven years since the original referendum that proposed the student fee was conducted in 2014. This means that most, if not essentially all, of the UBC students who voted in favour or against are no longer attending UBC. The AMS feels uncomfortable with levying a student fee for a non-AMS sponsored (the question was not put on the ballot by AMS Council but rather by student petition) referendum question that took place so long ago, and for a project that has changed drastically in scope. At the very least the Society would most likely need to run another referendum to ensure public support, however, when looking at other considerations it is unlikely that the AMS would encourage students to vote “yes”.

Taken together, these factors have led us to the determination that our continued involvement in the project is not in the best interests of our organization or our membership. I recognize that this realization is coming relatively late in the proposal development cycle, and I would like to sincerely apologize that the AMS did not come to this realization sooner. I know that there have been a substantial number of hours invested from both your Faculty and AMS staff into this project, and I am sure that this news will come as a disappointment to the project team. I hope that all parties involved can understand where we are coming from and what has led us to this conclusion.

I am aware that this project is slated to appear at this upcoming September Board of Governors cycle for Board 1 approval. We are under the impression that since the AMS funding contribution is

outlined as less than 10% of total costs, the approval should still be able to proceed as planned. The AMS is planning to make a submission to the Board in support of the project, and please let us know if there is anything else we can do to support the request for approval.

Assuming no significant changes are made to the project or the Society's position, AMS Council will most likely be voting on a resolution to overturn the results of the 2014 referendum within the next month. At this point, our involvement in the project would be officially over and both the Faculty of Land and Food Systems and the UBC Executive would receive official notice.

Myself and our Executive would also be more than happy to meet with you and other stakeholders to further discuss our position if desired. It is our hope that we can continue to support the continued and successful development of the Food and Beverage Innovation Centre in a non-financial capacity.

On behalf of the AMS, I would like to sincerely thank the Faculty of Land and Food Systems for your support over the years in helping the Society attempt to pursue this project. While it seems that the outcome of this project partnership may not end up as it was once envisioned over seven years ago, I hope that the eventual success of the FBIC will ensure that our collective efforts are rewarded.

Kind Regards,

Cole



Cole Evans

President

AMS Student Society of UBC Vancouver |

ams.ubc.ca/leadership

T 604 822 3972