

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**UW Medicine – Approve Donor Naming Opportunities Plan for UW Medicine’s South Lake Union Research ComplexRECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve the proposed donor naming opportunities plan for naming buildings at UW Medicine at South Lake Union. UW Medicine requests approval of the donor naming opportunities plan in order to encourage donor philanthropy and continue medical advancement.

BACKGROUND:

The UW Medicine site at South Lake Union currently comprises three buildings: two research buildings (one named after Regent Jeffrey Brotman and his wife, Susan) and an administrative building constructed in two phases over the past six years. Construction has commenced on Phase 3.1 which will ultimately include three additional buildings.

Together, all of these buildings, collectively known as UW Medicine’s South Lake Union research complex, represent a tremendous investment in state-of-the-art laboratories, exemplary faculty and advances in medical science.

Philanthropy will be central to the University's success in creating these buildings. Donor recognition – the University of Washington's acknowledgement of donors' generosity – will be central to a successful fundraising campaign.

According to Facilities and Spaces Naming Policy, if the University owned these buildings, a naming gift would require 50 percent of construction costs. The policy is silent regarding the naming of leased buildings.

The proposed gift ranges are based on two characteristics, unique to these buildings at South Lake Union. First, these buildings are leased, not owned; donors' naming rights at South Lake Union are limited to the life of each building's lease. (Leases range from 35 to 45 years, with different options to renew. The Phase 3 buildings have 45-year leases with two five-year options to renew.)

Second, the buildings are removed from the main Seattle campus and will be visited and used by a significantly smaller population.

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UW Medicine – Approve Donor Naming Opportunities Plan for UW Medicine’s South Lake Union Research Complex (continued p. 2)

UW Medicine Advancement is working to secure \$50 million in philanthropic contributions for Phase 3, an amount that reflects the total equity requirement of \$40.6 million and an additional \$9.4 million in contributions to support scientific cores and research funding. Please see the attached Donor Naming Opportunities Plan for details.

REVIEW AND APPROVALS:

The recommended action has been reviewed and approved by the President; the Chief Executive Officer, UW Medicine; and the Vice President, University Advancement.

Attachment

UW Medicine at South Lake Union, Donor Naming Opportunities Plan

**UW MEDICINE AT SOUTH LAKE UNION
DONOR NAMING OPPORTUNITIES PLAN**

UW Medicine, South Lake Union
Equity and Philanthropic Goals, Phase 3

Building	Estimated Construction Cost	Equity requirements	Additional funding for scientific cores and research
Building 3.1*	\$165,600,000	\$13,205,000 (due July 2013)	\$5,300,000
Building 3.2	\$153,000,000	\$12,000,000 (due Feb. 2017)	\$2,500,000
Building 3.3	\$197,700,000	\$15,400,000 (due Feb. 2021)	\$1,600,000
Total	\$516,300,000	\$40,605,000	\$9,400,000

*UW Medicine broke ground for Building 3.1 of Phase 3 construction in July 2011.

UW Medicine, South Lake Union
Proposed Naming Thresholds

PHASE 2:

(Name) Building recognition of \$10–20 million gift (research building)
 (Name) Building recognition of \$10–20 million gift (administration building)

PHASE 3:

(Name) Building recognition of \$10–20 million gift (Building 3.1)
 (Name) Building recognition of \$10–20 million gift (Building 3.2)
 (Name) Building recognition of \$10–20 million gift (Building 3.3)

PHASES 1, 2 and 3:

(Name) Research Institute (all of UW Medicine Research, South Lake Union)
 recognition of a gift of \$50 million or more

Interior spaces and scientific cores could, as appropriate and via the requisite approval process, be named for other donors.

ATTACHMENT