

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### UW Tower Transition Planning Progress Report

UW Tower transition planning activities are progressing on schedule in preparation for space assignments to occur in July. Thirty-eight proposals were received from various academic and administrative units, and these proposals, along with additional candidate leased and administrative spaces, will be the pool from which the occupancy plan is created. The Provost has approved a number of policy and planning recommendations that have been put forward by the UW Tower Properties Planning Advisory Committee as a foundation for creating the optimal occupancy plan for the tower properties. Temporary uses for the unoccupied facilities have been recommended by the Planning Advisory Committee and approved by the Provost as noted below.

#### Policy Decisions and Space Planning Progress

- Base rate pricing for space in the UW Tower Properties will be the same on a cost per square foot basis throughout the property; this rate will include a building reserve to provide for future capital facilities renewal.
- Security services will be maintained within the building at a level comparable to Safeco's security services, and we will transition the property from the City of Seattle to the University of Washington Police Department jurisdiction.
- Negotiations with Safeco are continuing regarding acquisition of furniture, equipment, and certain art works.
- Occupancy alternatives are in discussion with the Planning Advisory Committee.
- Temporary use assignments, through the end of 2007, include:
  - Collegiana to UWMC for patient family housing
  - Building A to C&C during construction of 4545 Building energy conservation project (*pending*)
  - IHOP to franchisee for continuing restaurant use (*pending*)

#### 2007-07 State Budget Requests Related to UW Tower Properties

The university's operating budget request included a specific request for state support for operations and maintenance for the UW Tower properties in the amount of \$3,589,000 for fiscal year 2008 and \$7,178,000 for fiscal year 2009. The Governor's budget proposal did not include UW Tower operations and maintenance funding, however we are continuing to work to secure this funding in the final operating budget. In the current proposed capital budget, \$25,000,000 is provided for computing and communications and data center upgrades, of which \$20,000,000 would be directed to the UW's planned new data center in the UW Tower properties and \$5,000,000, would fund connectivity improvements.

#### Financial Report

## VII. STANDING COMMITTEES

### A. Academic and Student Affairs Committee

#### UW Tower Transition Planning Progress Report (continued p. 2)

As a result of leaseback of the office spaces and parking garages to Safeco during 2007, the property has shown an initial positive cash flow. Interest payments in the amount of approximately \$3.7 million are due in April on the commercial paper for the acquisition.

	<b><u>Month of February</u></b>	<b><u>Fiscal Year To Date</u></b>
<b><u>Revenues</u></b>		
Safeco Building Lease	\$861,870	\$4,969,477
Other Building Lease	\$11,113	\$26,304
Other Parking Lease	\$22,798	\$37,293
Miscellaneous	\$0	\$ 171,624
<b>Total Revenue</b>	<b>\$895,781</b>	<b>\$5,204,698</b>
<b><u>Expenses</u></b>		
Debt Service & Fees	\$6,000	\$113,500
General Operating Expenses (Utilities, Property Mgmt., Other)	\$4,102	\$152,003
Minor Building Repairs	\$0	\$0
Tenant Improvements	\$0	\$0
Property Acquisition Expenses	\$0	\$129,322
Building Transition Expenses	\$47,267	\$95,788
Other	\$50,000	\$53,260
<b>Total Expenses</b>	<b>(\$107,369)</b>	<b>(\$543,873)</b>
<b>Net Revenue/(Expenses)</b>	<b>\$788,412</b>	<b>\$4,660,825</b>

#### Timeline

*November 15, 2006* - Call for space proposals  
*January 31, 2007* - Proposals due  
*January 2007 to June 2007* - Occupancy planning  
*June 2007* - Recommendations due to Provost  
*July 2007* - UW Tower Properties space assignments  
*June 2007 to late 2007/early 2008* - Campus release space planning  
*Early 2008* - UW Tower move-ins begin

#### Website

<http://www.washington.edu/admin/pb/UW-Tower/index.htm>