

Chairs' Corner – July 2007
UW Tower Acquisition and Occupancy

TO: UW Foundation, Campaign Cabinet, Deans, Development & Alumni Staff
FROM: Orin C. Smith, Chair, UW Foundation
Daniel J. Evans, Vice Chair, UW Foundation
William H. Gates, Campaign Chair

Dear Friends,

Late last August, a few months after Safeco disclosed plans to move its headquarters out of the University District, the UW announced that it was buying the 22-story Safeco Tower and associated property. Startling to some (probably including some of you), the purchase was a coup for the UW. We gained, at one stroke, over half-a-million square feet of office space at about a third the cost of new construction. For the University, with a central campus bursting at the seams and a scattered portfolio of leased space totaling some 1.2-million square feet, this was a signal opportunity to gain, consolidate, and rationalize space right in the University District. "It was one of the easier decisions we've made," says Provost Phyllis Wise. Negotiating the purchase was a feat in itself, as the UW proved to be nimbler than its competitors in the commercial real-estate market. Hats off to Mark Emmert, negotiating Regents Sally Jewell and Fred Kiga, and Harlan Patterson (then head of UW Planning and Budgeting) for both the vision and the skill to bring this off.

Then, of course, came the question of what and who would actually go into the Safeco buildings—now renamed the UW Tower. Clearly, the space was not appropriate for freshman history classes or biology labs. And there were some constraints that came with the financial assumptions behind the Regents' decision to purchase. In order to make things "pencil out," for example, extensive remodeling was ruled out, so new University tenants had to be able to function in Safeco's open floor plan (only two floors have any private offices).

A planning committee convened last November, headed by project coordinator Marilyn Cox, Assistant Vice Provost for Capital Planning. With occupancy slated for early 2008 (Safeco is leasing back the buildings till then), deans and central administrators were invited to submit proposals for use of the space. "Our initial fear," says Provost Wise, "was that there wouldn't be enough applicants to fill the buildings up." Instead, requests for space exceeded the square feet available. Buy it and they will come! In addition to the proposals, the committee considered a list of administrative units currently on campus and a list of current leased facilities as candidates for moving to the tower. (There was considerable overlap between the proposals and the other two lists.) All told, there was a candidate pool for more than twice the available space.

Last Thursday, July 19th, the Regents and the campus community learned the results of the complex and demanding decision-making process. Though many details remain to be

worked out, you can see the basic plan and much additional information at <http://www.washington.edu/admin/pb/UW-Tower/index.htm>.

At first glance, the color-coded diagram of space assignments may suggest an academic Tower of Babel. In the tower itself, Educational Outreach and the UW Medical Center, the main tenants, share space with the Office of Research, the Attorney General's office, social work, engineering, education, the Office of Planning and Budgeting, public health and community medicine, the Real Estate Office, the Burke Museum, and nursing. Still other units fill the three adjoining shorter buildings.

A closer look, however, reveals that the committee's work was remarkably faithful both to the guidelines it was given and to the general goal of making optimum use of space and synergy. One important target achieved was moving some 300,000 square feet of previously leased space (much of it downtown and in the Northgate area) into the tower, so that those rents could be redirected to paying the debt service for the tower. Another guideline was to keep student-centered programs on the central campus, to consider more-freestanding administrative units for the tower, and to look especially at those units that had frequent face-to-face contact with the public and could thus benefit from a "storefront" presence off campus.

Several of the other decisions involved "decompressing" crowded campus programs (the Evans School, the medical center, public health) by moving easily separable pieces into the tower. And some (museology, the data center) created space for new programs.

On one important front—releasing significant space on campus for teaching and research—the results are "less than our most optimistic goal," says Provost Wise. The fly in the ointment, not surprisingly, is financial. Because the legislature did not come up with as much operations and maintenance support for the tower as we had hoped, the building needs more self-sustaining tenants to help pay the bills, and thus fewer UW-funded units could be moved there from central campus. On the other hand, Educational Outreach (self-sustaining, not on central campus) unexpectedly became a candidate for three floors of tower space in April, so we were able to make the building work financially without having to look for outside tenants—a big plus.

Marilyn Cox gives her planning committee very high marks. "It was an outstanding group," she says. "Everyone knew this was a once-in-a-lifetime opportunity for the University, and they worked really hard to make the most of it. They always kept the broad institutional perspective in view."

Neither she nor Phyllis Wise expects the group's decisions to win universal acclaim. "No one will get exactly what they wanted," says the Provost. "There will be some unhappy people."

But the plan is sound, and the UW Tower represents a big step forward. We predict that in a short time we will all wonder how we ever did without it. And the views are terrific.

Orin, Dan, and Bill

Looking Back

- As of June 30, 2007, our **total Campaign giving since July 1, 2000, reached \$2,246,518,257 toward our new \$2.5 Billion goal.**
- The June Report of Contributions Notes is attached and contains fundraising details.

Looking Ahead

- **Friday, September 7, 2007**, Foundation Board & Campaign Cabinet Meeting, 8:00 a.m. coffee, 8:30-11:30 a.m. meeting.
- **Friday, September 7, 2007**, Sixth Annual Recognition Gala, Suzzallo Library.
- **Friday, January 25, 2008**, Foundation Board & Campaign Cabinet Meeting, 8:30 a.m. coffee; 9:00-11:00 a.m. meeting.
- **Friday, April 25, 2008**, Foundation Board & Campaign Cabinet Meeting, 8:30 a.m. coffee, 9:00-11:00 a.m. meeting. Washington Weekend April 24-26, 2008.