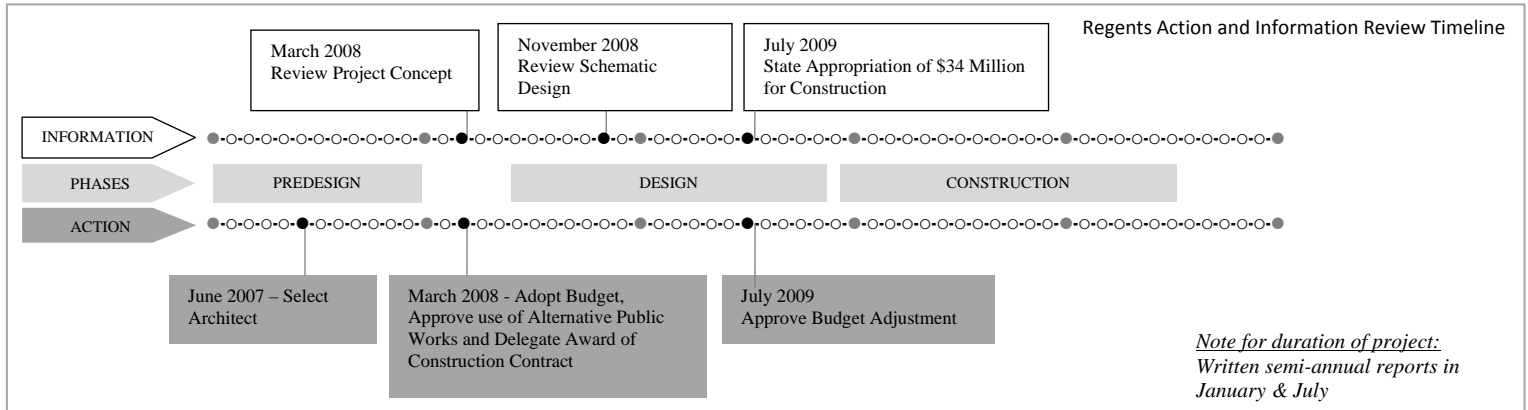


VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW Tacoma Phase 3 – Approve Budget Adjustment



RECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve a revision of the UW Tacoma Phase 3 project budget from \$60,150,000 to \$40,150,000.

PROJECT DESCRIPTION:

The Phase 3 development on the UW Tacoma campus will provide additional academic space to support expanded and new degree programs. The goal of the project is to develop capacity to accommodate at least 600 additional full-time equivalent students and transition to a model of a comprehensive four-year institution.

Anticipating a total project appropriation of \$60,150,000, the legislature allotted \$6.15 million in the 2007-2009 biennium for design of the Phase 3 project. Based upon expected construction funding of \$54 million in the 2009-2011 state appropriation, the Phase 3 scope has included a major renovation to the Joy Building, conversion of three rooms in the existing Science Building to wet labs, new construction of a four-story, 40,000 square foot building on Jefferson Street and other associated capital improvements. The actual 2009-2011 appropriation for the Phase 3 project is \$34 million, which will result in the elimination of the new Jefferson Street building from the project scope. It is this state funding reduction that causes the recommendation to reduce the project budget from \$60,150,000 to \$40,150,000.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Tacoma Phase 3 – Approve Budget Adjustment (continued p. 2)

##### PREVIOUS ACTIONS:

At the June 2007 Board of Regents meeting, the President was delegated authority to award a design contract to Thomas Hacker Architects. In March 2008, the Board of Regents approved the project budget, approved the use of alternative public works utilizing the General Contractor/Construction Manager (GC/CM) method of contracting, and delegated authority to the President to award the construction contract. The Board of Regents reviewed the schematic design at its November 2008 meeting.

##### SCOPE OF THE PROJECT:

The Russell T. Joy Building (Joy Building) is a three-story, 47,000 gross square foot historic masonry structure, constructed in 1892, located on the west side of Pacific Avenue, in the Union Depot/Warehouse Special Review District. The planned restoration of the Joy Building will address structural, seismic, life safety, hazardous materials, accessibility and other code deficiencies and will improve the building enclosure (windows and masonry systems) to ensure the long-term preservation of the facility and safety of its occupants. The project will also upgrade all major building systems including mechanical, fire protection, and electrical systems to improve performance and energy efficiency, and upgrade communications and interior finish systems to meet modern classroom and academic program needs. The Joy Building will house general assignment classrooms totaling 698 seats and department space for the interdisciplinary arts and sciences program. A shelled out space will be provided on the Pacific Avenue level, which is currently designated for retail use per the University's agreement with the City of Tacoma.

Three rooms in the existing Science Building will be converted to wet/dry labs.

The now-cancelled new construction of a four-story, 40,000 square foot Jefferson Street building south of the Jet Tioga Building would have provided two levels devoted to library expansion and two levels of flexible office and program space. The loss of the Jefferson Street building leaves a significant programmatic shortfall in the capacity of the UW Tacoma campus to accommodate its growth in student population. To the extent that project funds within the final appropriation are not needed for the Joy Building and Science Building scopes, the remaining funds will be used for an as-yet-undefined solution to at least partially address this programmatic shortfall.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Tacoma Phase 3 – Approve Budget Adjustment (continued p. 3)

##### SCHEDULE:

In late 2008, the project schedule was accelerated in order to be “shovel ready” for potential federal economic stimulus funds. Although this funding did not materialize, the project remains on its accelerated schedule.

Architect Selection	Completed in June 2007
Predesign	Completed in December 2007
Design	May 2008 through September 2009
Construction	July 2009 through January 2011
Occupancy and Use	Spring Term 2011

##### CURRENT PROJECT STATUS:

Under Delegated Authority, the Capital Projects Office entered into a Preconstruction Services agreement with John Korsmo Construction as the General Contractor/Construction Manager after a selection process which saw five firms submit qualifications, four firms interviewed, and three firms selected to submit final proposals.

To accommodate the accelerated project schedule, the design was broken into three parts: 1) the Science Building and underground electrical infrastructure; 2) Joy Building hazardous materials abatement, demolition and structural work; 3) remaining Joy Building renovation work. Construction of part 1 will commence in July 2009. Final construction documents for parts 2 and 3 are underway. Planning has begun on development of a solution to the loss of the Jefferson Street building.

##### SIGNIFICANT RISKS AND OPPORTUNITIES:

UW Tacoma continues to be challenged to optimize each new opportunity for growth to meet the transitioning needs of their campus. As the campus adds 270 full-time equivalent students each year, options to adequately meet the space requirements to support this growing enrollment increasingly diminish. This is exacerbated by the loss of the Jefferson Street building as a result of the reduced state appropriation.

The UW Tacoma recognizes that existing contaminated soils and underground water on the campus will continue to be a potential impact to the cost of construction and that planning for this cost is imperative for a successful project.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### UW Tacoma Phase 3 – Approve Budget Adjustment (continued p. 4)

The renovation of the Joy Building presents another opportunity to restore a long abandoned, historic masonry structure on Pacific Avenue. This building is the last campus-owned building on this street, between 21<sup>st</sup> and 15<sup>th</sup> Avenues to be restored, and it will complete the restoration of the retail core in this area.

*Attachment*  
Summary Project Budget

**UNIVERSITY OF WASHINGTON  
CAPITAL PROJECTS OFFICE - SUMMARY PROJECT BUDGET  
ALTERNATE PROCUREMENT - GCCM**

PROJECT: UW Tacoma Phase 3

Project Number: 200636

ESTIMATED DATE OF COMPLETION: January 2011

	<u>Total Escalated Cost</u>	<u>% of TPC*</u>
<b>BUDGET SUMMARY:</b>		
PREDESIGN	\$ 351,000	1%
BASIC DESIGN SERVICES	\$ 3,048,000	8%
EXTRA SERVICES/REIMBURSABLES	\$ 2,160,000	5%
OTHER SERVICES	\$ 642,000	2%
DESIGN SERVICES CONTINGENCY	\$ 911,000	2%
<b>CONSULTANT SERVICES **</b>	<b>\$ 7,112,000</b>	<b>18%</b>
CONSTRUCTION CONTRACT	\$ 22,505,000	56%
OTHER CONTRACTS		
CONSTRUCTION CONTINGENCY	\$ 3,525,000	9%
SALES TAX	\$ 2,421,000	6%
<b>CONSTRUCTION COST</b>	<b>\$ 28,451,000</b>	<b>71%</b>
EQUIPMENT	\$ 1,756,000	4%
ARTWORK	\$ 86,000	0%
OTHER COSTS	\$ 492,000	1%
PROJECT ADMINISTRATION	\$ 2,253,000	6%
RELATED PROJECTS/MITIGATION		
<b>OTHER COSTS</b>	<b>\$ 4,587,000</b>	<b>11%</b>
<b>TOTAL PROJECT COST (TPC)*</b>	<b>\$ 40,150,000</b>	<b>100%</b>

Included in Above:

Escalation not applicable

**SOURCE OF FUNDS:**

State	\$ 40,150,000
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 40,150,000</b>

\*\* Design costs are higher than usual due to the sunk costs of design for the postponed Jefferson Street Building.