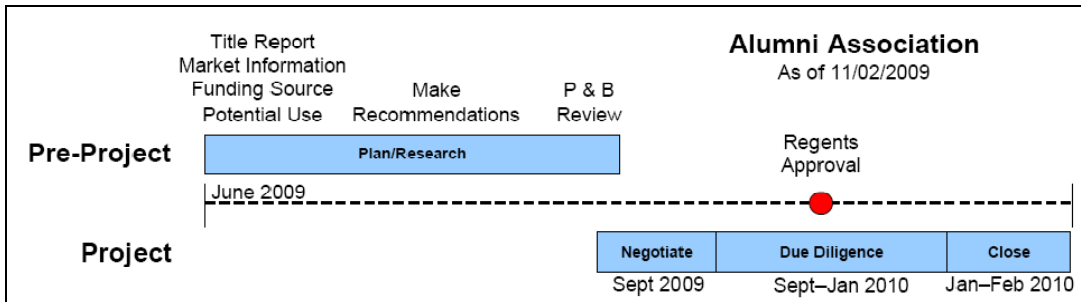


VII. STANDING COMMITTEES

B. Finance, Audit & Facilities Committee

Purchase of Alumni House Building



RECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents:

1. Approve the purchase of the Alumni House property for \$1.8 million;
2. Delegate to the president or his designee the authority to execute all documents related to this transaction.

BACKGROUND:

**Property Description:**

The Alumni House property, located at 1415 NE 45<sup>th</sup> Street, at the corner of NE 45<sup>th</sup> Street and 15<sup>th</sup> Avenue NE, was constructed in 1962 and consists of approximately 17,600 GSF on a site that is 7,688 SF. The building consists of 13,200 square feet of office space and 18 underground parking stalls. Current zoning is NC3-65 (Neighborhood Commercial with maximum height limit of 65 feet). The property was originally built as a faith-based student center and is currently owned by the University of Washington Alumni Association.

**Purpose and Benefit:**

Purchase of the Alumni House would provide additional office space at a location in close proximity to the Seattle campus. The short term use would be for occupancy by University programs, with the long term use being potential development opportunity. This property is located across the street from the campus and the 4545 building, which is currently occupied by UW Technology.

## VII. STANDING COMMITTEES

### B. Finance, Audit & Facilities Committee

#### Purchase of Alumni House Building (continued p. 2)

##### **Purchase of Real Estate:**

The Purchase and Sale Agreement for the Alumni House contains the following essential business terms:

- Seller: University of Washington Alumni Association
- Purchase Price: \$1,800,000
- Closing Date: No later than February 28, 2010
- Contingencies:
  - UW approval of property condition
  - UW approval of title report
  - Board of Regents and HEC Board approval

##### **Property Condition:**

A building condition assessment has been completed and the purchase price reflects items noted in that assessment. Phase 1 environmental assessment has been completed and only minor issues were noted. Phase 2 environmental assessment may be undertaken; if so, results will be used to determine waiver of contingency on property condition. The building is not on local, state or federal historic registers.

##### **Financing Plan:**

There will be no financing on this transaction. The purchase price will be paid with UW funds at closing. Typical closing costs are expected.

##### **Interim Management Plan:**

The University is currently evaluating potential occupants for this building and the Real Estate Office will manage the occupancy. The University's Facilities Services Office will handle the maintenance and operation of the building, and those costs will be factored into the occupancy costs for the tenants.

##### REVIEW & APPROVAL:

Purchase of the Alumni House Building has been reviewed and recommended for approval by the Senior Vice President, the Vice Provost, Planning & Budgeting, the Associate Vice President, Treasury, and the Director of Real Estate.