

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Metropolitan Tract Quarterly Report for the Quarter Ended March 31, 2012

For information only.

Attachment

Metropolitan Tract Quarterly Report for the Quarter Ended March 31, 2012

Metropolitan Tract Quarterly Report

Q1 ended 3/31/2012

Q1 Notables:

- Revenue exceeded the budget due to timing of payments from Unico and higher than expected retail revenues
- Total occupancy on the Metropolitan Tract is 90%, with office occupancy at 91% and retail at 85%
- The Olympic Hotel recorded improved occupancy as well as rate increases in Q1 2012 compared to the same period in 2011
- No capital expenditures were paid out in Q1 due to the timing of project completions

Market News:

- Rents have stabilized and the UW and Unico are focusing on larger office vacancy blocks in the IBM Building and retail spaces across the Tract
- Office vacancy in the Seattle Central Business District is currently at 16% and asking rates are \$27 - \$30/ square foot for Class A space
- Russell Center "WAMU" sold for \$480 million to Common Wealth Partners, a California investment firm

Operations & Cash Flow

(Millions \$)

	Quarter Ended 3/31		YTD	
	Actual	Budget	Actual	Budget
Revenues ¹	\$ 7.7	\$ 6.4	\$ 7.7	\$ 6.4
Operating Expenses ²	\$ (2.8)	\$ (2.2)	\$ (2.8)	\$ (2.2)
NOI	\$ 4.9	\$ 4.2	\$ 4.9	\$ 4.2
Non-Operating Expenses ³	\$ (0.6)	\$ (0.7)	\$ (0.6)	\$ (0.7)
Net Income	\$ 4.4	\$ 3.5	\$ 4.4	\$ 3.5
Capital & TIs	\$ -	\$ (1.3)	\$ -	\$ (1.3)
Net Cash Flow	\$ 4.4	\$ 2.2	\$ 4.4	\$ 2.2
Distribution to University	\$ -	\$ -	\$ -	\$ -
Increase/(Decrease) in Cash	\$ 4.4	\$ 2.2	\$ 4.4	\$ 2.2

¹ Revenues include rent from tenant leases, operating savings payments from Unico and Leasehold Excise Tax receipts from tenants.

² Operating Expenses include Leasehold Excise Tax payments, earthquake insurance, professional fees and Met Tract Real Estate Office management expenses.

³ Non-Operating Expenses include funding for the UW Real Estate office for non-Metro Tract University real estate services

Metropolitan Tract Portfolio



Unico Portfolio		Olympic Hotel		Cobb Building		Rainier Tower Sublease	
Rainier Tower	569,155	Luxury Hotel Rooms	450	Residential Units	91	Sublease Space	379,463
Financial Center	339,527	Office Space	15,500	Retail Space	18,171	Lease Expiration	10/31/2014
Puget Sound Plaza	274,885	Retail Space	28,000	Lease Expiration	3/22/2050	Annual Revenue	\$1M (net)
IBM Building	225,129	Parking Stalls	787	Annual Revenue	\$200K		
Skinner Building	193,672	Lease Expiration	10/1/2040				
Total Office	1,602,368	Annual Revenue	\$3M				
Retail Space	141,806						
Parking Stalls	744						
Lease Expiration	10/31/2014						
Annual Revenue	\$16.5M						