

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**

In Joint Session with

**A. Academic and Student Affairs Committee****UW Tower Transition Planning Progress Report****Occupancy Planning**

UW Tower occupancy planning is continuing on schedule and the UW Tower Planning Advisory Committee will present recommendations to the Provost on June 22, 2007. Details of the occupancy plan will be presented in the next update to the Regents. Following the assignment of space in July, unit-specific move planning will begin. During the latter half of 2007, planning will also be underway for space assignments related to released campus facilities resulting from the UW Tower properties occupancy.

**Safeco Gift of Furniture, Equipment, and Art**

In April, Safeco confirmed its intentions to give the furniture content of the UW Tower properties to the University of Washington, along with certain equipment used in the general operations of the facilities. This generous gift will allow the university to avoid furnishing costs estimated at almost \$10 million. In addition, Safeco will give the Sperry Obelisk, located at the corner of Brooklyn Avenue and NE 45<sup>th</sup> Street, to the university, and will place the George Tsutakawa Fountain, located in the main entry plaza, on long term loan to the university. The UW Campus Art Administrator is continuing discussions with Safeco regarding additional acquisitions from the Safeco art collection, as Safeco downsizes its facilities and deaccessions pieces from its collection.

**2007-09 State Funding Related to UW Tower Properties**

The 2007 state operating budget includes an allocation of \$3.9 million in operations and maintenance funding for the UW Tower properties; \$1.3 million for the second half of FY 2008 (based on the university's occupancy of the property beginning January, 2008), and \$2.6 million for FY 2009. This amount is less than the \$10.8 million requested in the University of Washington's 2007-09 operating budget proposal to the state. The 2007 state capital budget provides \$25 million for computing and communications and data center upgrades, of which \$20 million will be directed to the UW's planned new data center in the UW Tower properties Building C, and \$5 million will fund connectivity improvements for the tower properties and other facilities across the campus.

**Building Improvements**

Once the occupancy plan for the UW Tower properties is approved by the Provost, a final scope and budget will be approved for computing and communications upgrades to the property and work on these improvements will be scheduled to occur as soon as possible

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

in order to expedite occupancy. An investment grade audit of the property is also being undertaken to determine the costs and benefits of certain energy conservation upgrades.

#### Financial Status

The earlier cash balance that resulted from the leaseback of the office spaces and parking garages to Safeco has now been reduced following the April payment of approximately \$3.7 million in interest payments on the commercial paper for the acquisition.

	<b><u>Month of</u></b> <b><u>April</u></b>	<b><u>Fiscal Year</u></b> <b><u>To Date</u></b>
<b><u>Revenues</u></b>		
Safeco Building Lease and Other	\$726,923	\$6,816,060
<b>Total Revenue</b>	<b>\$726,923</b>	<b>\$6,816,060</b>
 <b><u>Expenses</u></b>		
Debt Service & Fees	\$3,751,407	\$3,878,067
General Operating Expenses (Utilities, Property Mgmt., Other)	\$8,922	\$162,839
Minor Building Repairs	\$0	\$0
Tenant Improvements	\$0	\$0
Property Acquisition Expenses	\$0	\$204,322
Building Transition Expenses	\$0	\$95,788
Other	\$0	\$50,000
<b>Total Expenses</b>	<b>(\$3,760,329)</b>	<b>(\$4,391,016)</b>
 <b>Net Revenue/(Expenses)</b>	 <b>\$3,033,406</b>	 <b>\$2,425,045</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>