STANDING COMMITTEES

Finance and Asset Management Committee

New Burke Museum Stage 2: Approve Project Site, Donor Naming Opportunities, Funding Plan and Project Budget

RECOMMENDED ACTION

It is the recommendation of the administration and the Finance and Asset Management Committee that the Board of Regents approve the project, including:

1) Project Site (Development Site 1C);
2) Donor Naming Opportunities;
3) Funding Plan; and
4) Project Budget ($82,500,000).

BACKGROUND

Detailed project information is included in the attachments.

Attachments
1. New Burke Museum Project Summary
2. New Burke Museum Project Background
3. New Burke Museum Site Selection
4. New Burke Museum Donor Naming Opportunities
New Burke Museum

Regent Actions

Stage 1 Actions: June 2009
Select Architect - Olson Kundig
Delegate authority to award design contract

Stage 1 Actions: Sept. 2014
Approve use of Alternative Public Works
Delegate authority to award construction contract

Stage 2 Actions: Request February 2016
Approve final site - see attached
Approve naming plan - see attached
Approve funding plan
Approve project budget - $82,500,000

Objective

Replace existing Burke Museum building with an expanded facility to enable the Burke to protect and share collections that constitute the natural and cultural heritage of the people of Washington state; facilitate meaningful visitor engagement with Burke Museum research and collections; and create a valued public amenity that connects the community to both the mission and campus of the University of Washington.

Description

This project will construct a new Burke Museum located along NE 15th Ave NE to the west of the existing Burke Museum within a development site identified in the UW Campus Master Plan. The facility is a three-story building with a partially exposed basement along 15th Avenue NE, approximately 108,000 GSF (60% larger than the current building). The new facility will support 20-year growth for museum collections, and a museum program that integrates exhibits, research and collection areas. Largely due to the nature of the project, it is currently being planned for LEED Gold certification.

Financials

<table>
<thead>
<tr>
<th>Proposed Budget</th>
<th>Proposed Funding</th>
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</thead>
<tbody>
<tr>
<td>Construction Costs</td>
<td>$ 58,949,000</td>
</tr>
<tr>
<td>FF&amp;E</td>
<td>$ 3,000,000</td>
</tr>
<tr>
<td>Other Costs</td>
<td>$ 10,733,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$ 4,400,000</td>
</tr>
<tr>
<td>Escalation</td>
<td>$ 5,418,000</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$ 82,500,000</strong></td>
</tr>
</tbody>
</table>

| Total Funds | $ 82,500,000 | 100% |

*Pending legislative action in 2017 for remaining $24.2 million

Benchmarks

Costs escalated to 2017 (construction-only costs)
Natural History Museum of Utah, University of Utah: New construction completed in 2011, $572/SF
Natural History Museum of Los Angeles County: Expansion started in 2012, $793/SF
Bell Museum of Natural History, University of Minnesota: New construction currently in design, $648/SF

Metrics & Indicators

<table>
<thead>
<tr>
<th>Metric</th>
<th>Current</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assignable SF (NASF)</td>
<td>80,922</td>
<td>86,315</td>
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<tr>
<td>Gross SF</td>
<td>107,774</td>
<td>110,000</td>
</tr>
<tr>
<td>Building Efficiency (NASF/GSI)</td>
<td>75%</td>
<td>78%</td>
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<tr>
<td>Construction Cost/GSF</td>
<td>$547</td>
<td>$557</td>
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<tr>
<td>Project Cost/GSF*</td>
<td>$765</td>
<td>$723</td>
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*Higher current cost reflects higher escalation and funding delay

Schedule

The project team is exploring options to begin construction earlier using secured private funding to reduce escalation costs.
Project Background

Founding
The Burke Museum was founded by the Young Naturalists’ Society in 1882 on the University of Washington’s downtown campus as the first Washington State museum. In 1899, the state legislature designated the museum as the “Washington State Museum.” Later the museum was named in honor of Judge Thomas Burke as the Burke Museum of Natural History and Culture.

Predesign Study Determined New Construction is the Best Option
The existing Burke Museum, constructed in 1962, is a two-story brick building with 68,916 gross square feet (GSF) of space. Predesign work determined that, rather than renovating the existing building, the optimum solution is to construct a new building nearby the existing museum.

Project will Result in an Architecturally Noteworthy Facility
- Enables the Burke to simultaneously protect and share its 15 million object collection that constitutes the natural and cultural heritage of the people of Washington State
- Facilitates meaningful visitor engagement with Burke Museum research and collections
- Creates a valued public amenity that connects the community to both the mission and campus of the University of Washington

Long Term Exhibit and Public Space Flexibility, Sustainability Goals
The design addresses issues of long-term flexibility in the design of galleries and public spaces, and will implement sustainable design practices to achieve a facility that functions efficiently and can be maintained with limited resources. The project is currently planned for LEED Gold.

Partial State Funding Intended to Start Construction
The $26 million in State funding in the 2015–17 biennium came with the expectation that the University would start construction in a phased manner to align with future State funding in the 2017–19 biennium. UW Treasury worked with the Burke to review the project funding and its income and operating expenses. The total available funding received to date is enough to complete the building structure, exterior cladding, and roofing. A construction start in July 2016 aligns with the future anticipated State funding in the 2017–19 biennium to complete the project.

If State Funding is Not Secured in 2017
The project would be put on hold if additional funding is not secured. The building could not be occupied for its intended use. The interior building systems and finishes would be completed when additional State funding is received.
Site Selection

Site Location
The proposed New Burke Museum Project site is part of the Campus Master Plan Development Site 1C, which is located in the northwest corner of the Central Campus area and is generally bounded by NE 45th Street to the north, Memorial Way to the east, NE Stevens Lane/NE 43rd Street to the south, and 15th Avenue NE to the west. The New Burke Museum site is located to the west of the existing Burke Museum adjacent to the 15th Ave NE.

Project Environmental Review – State Environmental Policy Act
The University's SEPA Responsible Official determined that the proposed New Burke Museum project does not have a probable significant adverse environmental impact on the environment. An environmental impact statement was not required.
Donor Naming Opportunities

Criteria for Determining Building Naming Level
Based on University of Washington best practices stating that “a naming gift should cover a significant portion of the cost of the building,” the Burke Museum proposed a naming opportunity for the building at $35 million, just over 40% of the construction cost. This recognition opportunity pertains only to the building. The name ‘Burke Museum of Natural History and Culture’ will remain the same.

National museum trends indicate that $35 million is an appropriate level for this type of naming opportunity. Relevant examples include:

- The Museum of History and Industry (MOHAI) in Seattle received board approval and offered building naming at $30 million (total project cost: $90 million; opened in 2012)
- The Natural History Museum of Utah at the Rio Tinto Center offered a building naming opportunity to Kennecott Utah Copper/Rio Tinto for $15 million plus the in-kind donation of the copper used in the building’s façade (total project cost: $102.5 million; opened in 2011)
- The Perot Museum of Nature and Science in Dallas changed its name with a $50 million gift from the Perot family (total project cost: $185 million; opened in 2008)

Administration Approval
President Cauce has approved the interior and exterior donor recognition opportunities for the New Burke Museum.

Exterior Naming Opportunities and Levels
- Building - $35,000,000
- Upper Plaza - $500,000
- Lower Plaza - $250,000
- Seating Steps - $1,000 to $10,000