

# ANNUAL CAPITAL BUDGET

Fiscal Year 2025

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# INTRODUCTION

## EXECUTIVE SUMMARY

UW Facilities is pleased to present the proposed Annual Capital Budget for Fiscal Year 2025 to the Board of Regents and University leadership for review and approval.

Although developing the Capital Budget remains an annual process, the name has changed from the “Five-Year Capital Budget” to the “Annual Capital Budget” to better align with the current CPAT annual project review timeline. In addition, it now includes a 10-year ‘look-ahead’ into potential future capital investments.

The Annual Capital Budget is a comprehensive look at the entire capital program for the University of Washington and is reviewed and approved by the UW Board of Regents annually. The proposed Annual Capital Budget represents a total project investment of **\$4.6 billion** with an annual cash flow of approximately **\$634 million** (\$3.2B) over the next five fiscal years. Roughly **\$346 million** of this total requires annual debt service payments, and **\$766 million** of this total is expected to come from external partnerships (requiring the UW to commit to leasing space) as the University leverages land values, existing cash flows and partnerships with other agencies and private developers. To assure the Regents that the newly proposed projects and those still in motion have viable financial models, we will continue to analyze project cash flows for the forthcoming five fiscal years.

As previously mentioned, this year’s Annual Capital Budget provides a look ahead into the institution’s 10-Year Capital Planning efforts, including a recommended list of six projects likely to seek approval from the Regents in Fiscal Year 2025 or in upcoming years based on evaluation by the Capital Planning Advisory Team (CPAT). These six prioritized projects total **\$858 million** of capital investment and are included in the overall Annual Capital Budget totals above.

As a reminder, capital projects are approved by the Board of Regents in two stages. The first is **conditional approval** for inclusion as part of the Annual Capital Budget, and the second is **full approval** before beginning the design phase for projects estimated at over \$15 million or those executed under Delegated Authority. Since institutional needs, funding, and opportunities can vary from year to year, any project not considered Active Capital needs to be resubmitted for the annual CPAT review and prioritization process. A detailed description of the Capital Budget Process begins on page 60.

The University owns and operates a diverse variety of physical assets and is obligated to properly maintain these assets to ensure they are safe, durable, and fulfill their intended purpose of supporting the University’s mission. Pursuant to [RCW 28B.20.130](#) (Powers and duties of regents – General), all UW buildings, space, and land, regardless of fund source or location, belong to the University and by delegated authority are subject to assignment and reassignment to meet the overall needs of the institution. The Annual Capital Budget intends to carefully plan future investments to optimize these resources, reduce overall life cycle costs, and enhance the productivity of institutional assets.

UW Facilities would like to acknowledge the continued contributions and support of University leadership; Finance, Planning & Budgeting; External Relations; Advancement; UW Medicine; CPAT; academic leadership; and all our institutional partners for their collaboration as this document was developed.

# BACKGROUND AND MAJOR ISSUES

## LONG-TERM CAPITAL PLAN STRATEGIES

The Long-Term Capital Plan (LTCP) strategies were developed in late 2019 - early 2020 by a broad constituency of campus leadership to create a framework to guide the overall allocations of the primary capital fund sources (state, debt, gift, and equity) to institutional demand categories (clinical, growth, renewal, and strategic).<sup>1</sup> These strategies were mapped to the projected capital funding sources to ensure that year-by-year decisions are aligned with these guidelines and emphasize the following:

- Increased capital investment in renovation or replacement of existing buildings (i.e., **facilities “renewal”**) to avoid further growth of the deferred maintenance backlog
  - ✓ This includes prioritizing renewal investments to accommodate program growth and limiting the total new square footage **facilities growth rate** of the campuses
- Providing ongoing access to **capital for the clinical enterprise**
- Leveraging **partnerships** with external entities where industry capabilities can serve to further the UW mission

When it was initially developed, the LTCP excluded utilities and infrastructure needs from the renewal demand category. In response to that issue, the original strategies have evolved over the past several years to include more nuanced approaches that support the institution's need to more directly address deferred maintenance, infrastructure, and energy renewal (decarbonization) without sacrificing the need to support the clinical enterprise.

With those issues at the forefront, the refined principles outlined below were shared with the Regents in the fall of 2023 and focus more discretely on renewal and managing growth:

- 100% of UW Building Account funds should be utilized for renewal of existing facilities;
- Seek to leverage almost all of state capital funding to be appropriated for renovation/replacement projects;
- Explore opportunities to attract new sources of philanthropy to help address renewal needs,
  - ✓ i.e., sustainability investments;
- Seek to accommodate program growth within our existing facilities footprint wherever feasible,
  - ✓ Fully fund annual Maintenance & Operations + Renewal (M&O+R) for any projects resulting in facility footprint growth; and
- Continue to provide access to capital via debt to support the clinical enterprise strategic initiatives

Planning for the provision of capital resources to pay for asset reinvestment (one-time capital) related to deferred maintenance and energy renewal, in addition to any necessary annual stewardship needs (recurring capital), is critical. Potential strategies include partnerships with third-party vendors, seeking grants, obtaining federal support (i.e., the Inflation Reduction Act incentives), State Climate Commitment Act proceeds, rebates, and other new sources of revenue. Many of these sources are incremental, but when looked at in totality, they could provide a foundation to build upon.

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<sup>1</sup> Please see the Glossary of Terms at the end of this document for more detailed demand category definitions.



## INCREASED INVESTMENT IN RENEWAL

As has been emphasized over the past several years, the main institutional risk remains the continued growth of the deferred maintenance backlog. The most recent estimates suggest that the deferred maintenance backlog in education and general administration (E&G) facilities on the Seattle Campus alone is \$2.6 billion, with a projected renewal need growing by approximately \$100 million per year (see table below).

### 2024 ESTIMATED DEFERRED MAINTENANCE BACKLOG

Facility Type	UW Bothell	UW Seattle	UW Tacoma	UWMC
E&G Facilities	<b>\$41.4M</b> (increasing @ \$4.5M/yr.)	<b>\$2.6B</b> (increasing @ \$100M/yr.)	<b>\$60.9M</b> (increasing @ \$8.2M/yr.)	<b>TBD</b>
Housing	<b>\$0<sup>1</sup></b>	<b>\$200M<sup>2</sup></b>	TBD	N/A
Utilities	TBD	TBD	TBD	TBD
Athletics	N/A	TBD	N/A	N/A

One of the key LTCP strategies is mitigating this growth and ensuring investment in renewal projects remains a priority. Renewal projects can be the replacement (including demolition) of dated facilities with new, modern facilities, or strategic renovations of existing buildings or building systems that have the potential for continued service long into the future.

UW Facilities continues to team with our campus partners to update forecasts regarding the growth, or sometimes decline, of the main funding sources identified in the LTCP for capital renewal expenditures. Those funding sources<sup>3</sup> are:

- State Capital Bond Account (Fund 057)
- UW Building Account (Fund 064)
- Climate Commitment Account (Fund 26C)
- Debt (clinical and non-clinical)
- Academy Equity (Central, Unit, and School of Medicine - excluding UW Medicine)
- UW Medicine Equity
- Philanthropy

The Building Renewal Program (BRP) currently in development as part of the overarching Campus Asset Renewal Plan (CARP) (see following page) will identify the best investments to address the deferred maintenance backlog on the Seattle Campus, with the level of investment required currently projected on the order of \$206 million per annum (in 2023 dollars). One of the ongoing challenges to achieving that target is the need for consistent sources to service debt available to help support renewal projects (+/- \$40-\$50 million per annum based on the LTCP allocation strategies). However, identifying sources available to provide debt service is a critical task that could require reductions in other institutional programs. In addition, developing attractive projects for donors and public-private partners is an essential strategy to maximize renewal investments from potential funding sources.

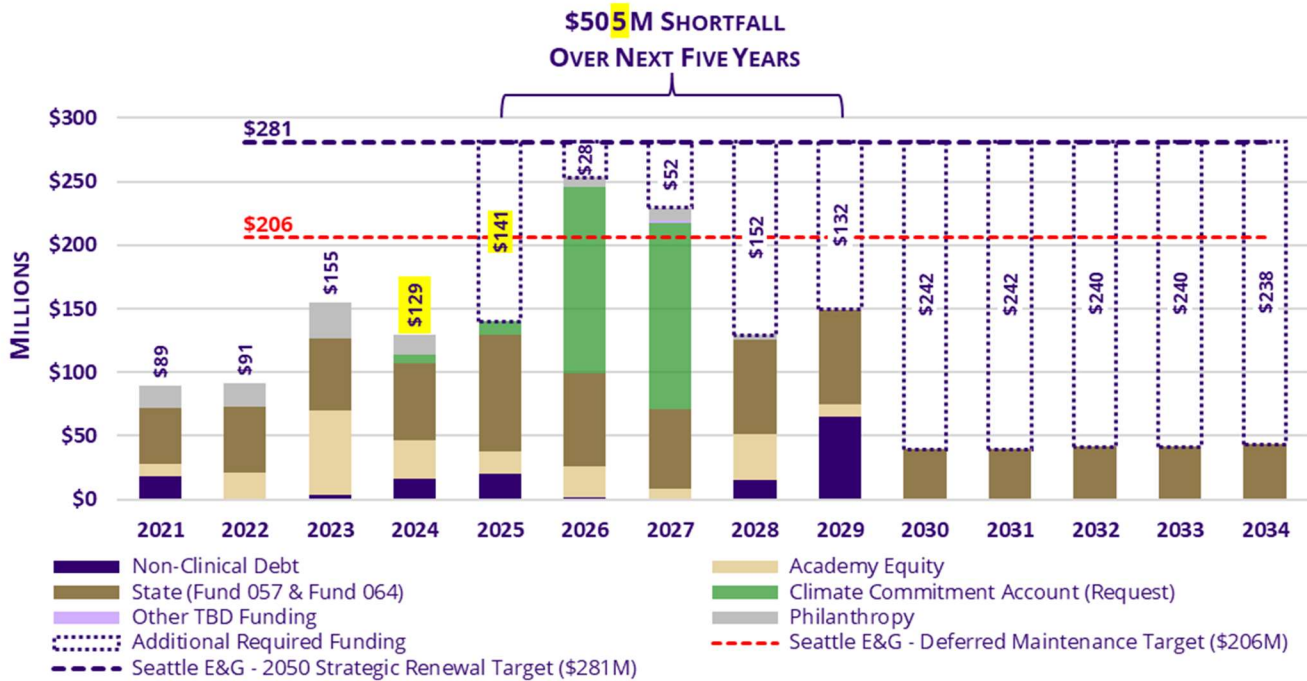
The chart at the top of the following page documents the capital funding directed toward Seattle Campus E&G facility renewal projects since 2021 and the amount included in the FY25 Annual Capital Budget.

<sup>1</sup> Following Husky Village demolition.

<sup>2</sup> Will be greatly reduced following completion of the UH4 Adjacent Properties transaction and the Haggett & McMahon Hall projects.

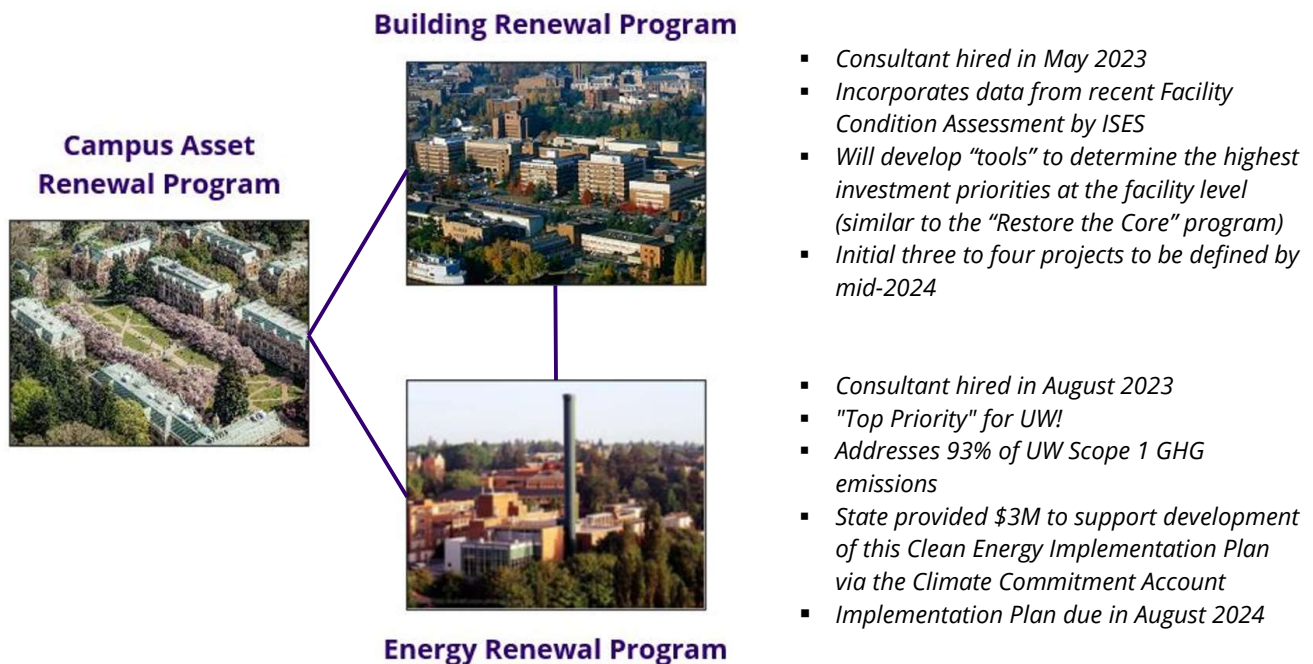
<sup>3</sup> More detailed information can be found in "Capital Funding Sources" beginning on page 63.

## ANNUAL CAPITAL RENEWAL INVESTMENT IN SEATTLE E&G FACILITIES



## THE CAMPUS ASSET RENEWAL PROGRAM

The Campus Asset Renewal Program (CARP) was established in the Summer of 2023 to combine complementary initiatives that are underway related to our ongoing deferred maintenance issues (Building Renewal Program) while incorporating the objectives of the Clean Energy Strategy (Energy Renewal Program). The governance of these two major initiatives under the CARP umbrella is a singular effort to realize implementation efficiencies, significant financial economies of scale, and long-term reductions in annual operating costs.



The **Building Renewal Program (BRP)** is similar in concept to the *Building Restoration & Renewal Prioritization Study* (June 2004), which served as the basis for the University's "Restore the Core" Program several decades ago. That study identified 15 mission-critical buildings with a backlog of renewal needs, which, if done incrementally, would exceed the building's replacement value. This new program will provide information to support prioritization at a facility level and is envisioned to provide a variety of "tools" that will allow a finite evaluation of the assets and systems within a facility for potential targeted investments. The recent Facility Condition Assessments performed by Intelligent Systems & Engineering Services provide the foundation for this work. Another main difference is that the BRP will assess all the Seattle E&G facilities, not just a subset.

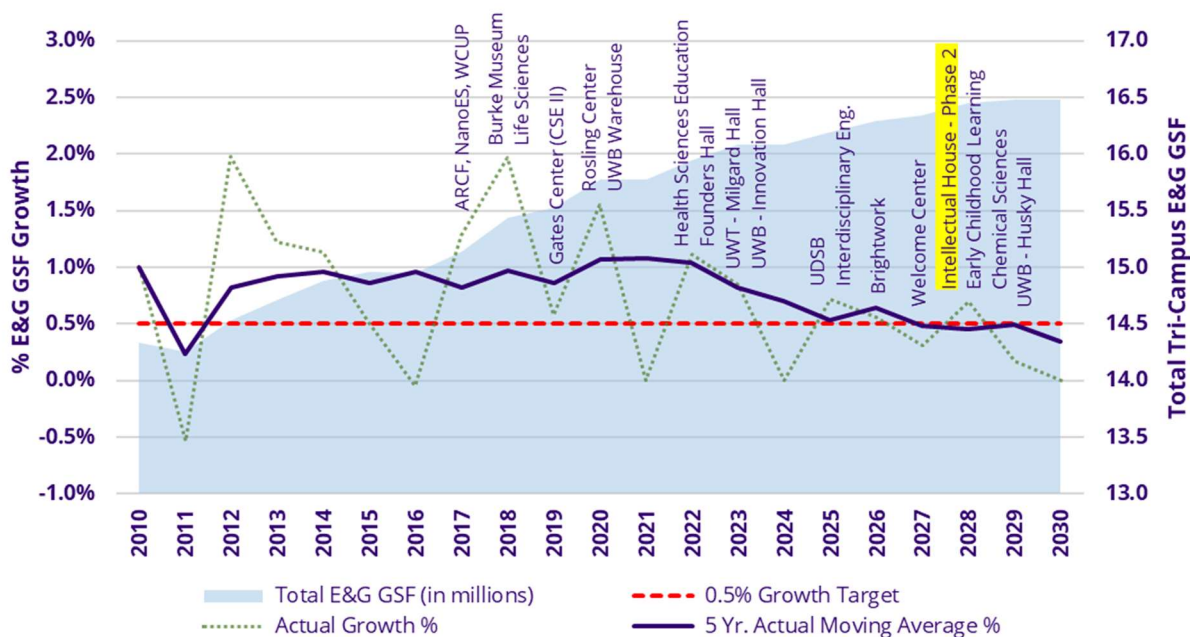
The **Energy Renewal Program (ERP)** is developing an implementation plan, funded by Climate Commitment Account proceeds, to support our five-part Clean Energy Strategy. An energy services partner (Affiliated Engineers, Inc.) has been retained to conduct the detailed engineering analyses necessary to refine the strategy. These analyses include the various energy project timelines, refined cost estimates, and overall coordination to turn this strategy into an implementation plan aligned with other University strategic initiatives. This consultant agreement includes expertise in seeking potential funding sources and identifying projects that have the best probability for federal support.

## LIMITING GROWTH

One foundational strategy to maximize renewal investments is to accommodate any necessary program growth within the existing facility footprint and limit the amount of new space created. To support this effort, program growth that can be effectively housed in an existing facility renovated to suit the new use and concurrently address deferred maintenance should be considered the first option.

The chart below shows the progress made over the last several years to limit the growth of new E&G space across the institution. The chart also includes projects that are still under construction (or have yet to begin), and these projects create a trend line that begins to parallel the 0.5% target value for space growth in future years. Continued diligence in project selection will be required to maintain this positive trend.

**ANNUAL TRI-CAMPUS E&G SPACE GROWTH VS. 0.5% TARGET**



## CAPITAL FOR THE CLINICAL ENTERPRISE

Clinical demand is comprised of projects that support and bolster the mission and strategic objectives of the Clinical Enterprise. Although clinical demand is identified as a singular element of the four demand categories in the LTCP and the associated target funding distribution, it also encompasses elements of the other three (renewal, strategic, and growth). The Clinical Enterprise must continue making significant investments to address deferred maintenance, maintain safe and up-to-date infrastructure, and generate necessary revenue.

Until FY20, most capital investments in the Clinical Enterprise were predominantly funded via UW Medicine (UWM) equity or cash reserves, based on the precept that clinical equity would continue to grow at 5% per annum per the initial LTCP projections. Starting with the FY21 Capital Budget, UWM has worked with Finance, Planning & Budgeting to assign a debt wedge for planning purposes to support projects not funded with unit equity.

The institutional debt limit for capital investments is \$625 million over the next five years or approximately \$125 million per annum. Of this available capacity, UWM has identified approximately \$75 million for use in FY25 as shown in the table below:

Project Name	FY25 Debt	Total Debt
Montlake Campus Membrane Repair & Landscape	\$18.8	\$36.3
UWM Montlake Roof and Chiller Replacements	\$11.7	\$19.2
UWM Montlake Operating Room Expansion	\$10.1	\$17.9
UWM NW - Digestive Health Clinic and Endoscopy Procedure	\$6.7	\$16.7
UWM NW - A Wing Floors 4-5 Renovation	\$3.6	\$21.8
Small Works Projects (less than \$15M)	\$24.1	\$112.5
<b>Total (millions)</b>	<b>\$75.0</b>	<b>\$224.4</b>

Access to debt for the Clinical Enterprise remains contingent upon detailed financial due diligence and risk assessment, including an assessment of the ability of the Clinical Enterprise to afford the risk (see *Capital Funding Guidelines* beginning on page 61).

## LEVERAGING PARTNERSHIPS

The University has leveraged private sector expertise (sometimes called public-private partnerships or P3s) for close to 30 years and continues to do so today on several projects currently in development.

Potential benefits of partnerships include:

- Leveraging the expertise of a third party to further the UW mission
- Transferring risk to a third party (construction, lease-up, operating)
- Monetizing real estate assets (e.g., up-front and/or annual ground lease payments)

Issues to be considered:

- Rating agencies consider partnership projects "on-credit." The impact on the institutional credit rating could be negative, neutral, or positive depending on a variety of factors (e.g., transaction structure, ongoing performance, etc.)
- New Governmental Accounting Standards Board (GASB) guidance eliminates the distinction between operating and capital leases. All future lease obligations are recorded on the institutional Balance Sheet (i.e., "on books")

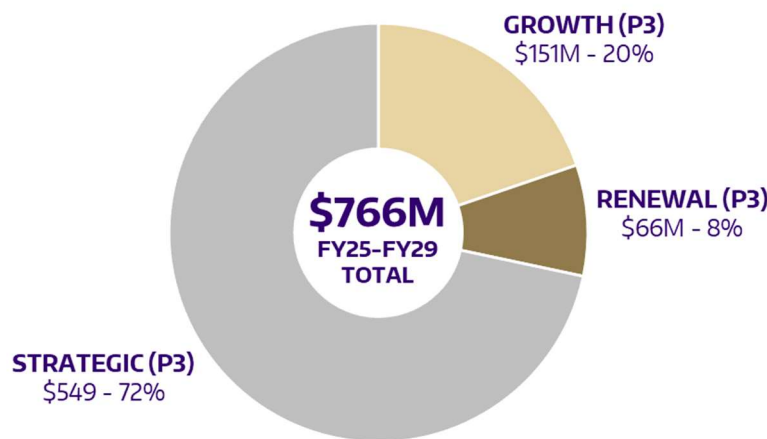


- Because the credit treatment by the rating agencies can change over time, there is risk in engaging in long-term agreements
- Potential use of future revenues
- Higher cost to institution for project delivery

Because partnership agreements are complex, CPAT requested support from subject matter experts, which resulted in forming the Project Finance and Legal (PFAL) group. This group is a small, focused team of campus experts in real estate, facilities, finance, procurement, and legal, chartered by CPAT. It exists to advise CPAT and senior leadership and perform the initial evaluation of a partnership opportunity. *The Public-Private Partnerships Governance Framework* adopted in 2022 guides the work of the PFAL team. Although not all the existing P3 projects have gone through this process, all new partnerships are now subject to review and evaluation by PFAL and CPAT.

The chart below captures a high-level recap of which demand categories these partnerships help support. Most of the current partnerships support strategic demand and some growth but need to do more to address renewal. Although the original LTCP strategies did not specifically target partnerships as a potential funding source for renewal, they can play a significant role going forward. There is significant potential for interest by external partners to support energy transformation initiatives (which, in many cases, are more strategic than simply renewal) and associated deferred maintenance project reduction going forward.

### FY25-FY29 PARTNERSHIP CAPITAL DISTRIBUTION - \$766M



Current partnership projects included in the FY25 Annual Capital Budget include:

- Brightwork (formerly known as W27 - CAMCET) (page 30)
- UW Bothell - Student Housing (page 32)
- University District Station Development (page 33)
- Housing & Food Services – University Housing Four Properties (UH4) (page 41)
- Welcome Center (page 43)

Potential partnership projects seeking approval in the FY25 Annual Capital Budget:

- UW Tacoma – Student Housing and Food Service (page 26)

# FY 2025 ANNUAL CAPITAL BUDGET

## PROJECT TYPES

### PROJECTS SEEKING APPROVAL - FY25 CAPITAL BUDGET

The projects in this category were recommended by CPAT for inclusion in the FY25 Annual Capital Budget and will likely seek Regent approval during Fiscal Year 2025 or in upcoming years, pending the resolution of funding plans and other project-specific issues.

### 10-YEAR CAPITAL LOOK AHEAD

This category includes projects submitted through the current capital planning process, but not deemed to be immediate priorities due to funding availability or the need for further project development. This category also includes projects that are anticipated to be emergent needs in the coming ten-year period and have yet to be submitted to and recommended for inclusion by CPAT.

## ACTIVE CAPITAL

These projects have received either conditional or full approval from the Board of Regents or are being executed under Delegated Authority (less than \$15M) and are in progress. Each of these projects will draw on the University's capital resources, and together, over the next five years, they account for approximately 40% of the total Capital Budget. The risks associated with each project and its funding sources are included in the individual Project Summaries section, which begins on page 27.

## CORE CAPITAL

This category includes projects funded by recurring capital sources, primarily the UW Building Account. These projects typically fall into the following categories:

- Asset Preservation (inc. renewal)
- Programmatic Renewal
- Accessibility Improvements
- Seismic Improvements

In addition to the above categories, Core Capital includes projects that directly support the Seattle campus decarbonization efforts via improvements to our central utility plants and energy infrastructure.

## CLINICAL CAPITAL

Most of the line items in this section are groupings of small projects. UW Medicine has identified these projects by location and investment type: deferred maintenance, equipment replacement, and strategic expansion. Roughly 55% of these projects utilize debt wedge funding, including major and small works projects. The Regents will continue to review and approve individual projects over \$15 million and the annual portfolio of small works projects utilizing debt.

# CAPITAL PLANNING ADVISORY TEAM RECOMMENDATIONS

## BACKGROUND

Since the fall of 2021, CPAT has been charged with bringing a strategic focus and better organization and alignment to capital planning efforts. During the majority of 2022, the CPAT committee refreshed the comprehensive capital planning strategy for the University, resulting in the creation of Administrative Policy Statement (APS) 38.1 "Capital Planning and Space Stewardship" which is in the final stages of refinement and will provide clarity and transparency around capital planning policies and procedures.

CPATs ongoing role remains recommending projects that best balance a myriad of competing needs while working to:

- Reduce the deferred maintenance backlog to a manageable level
- Enable functional, beautiful space from renovation and replacement
- Review growth projects, such as net new square feet and public-private partnerships to ensure alignment with the University mission
- Help deliver a prioritized Annual Capital Budget with equity, inclusion, accessibility, sustainability, and financial sustainability at its center

The work of the team continues to be:

- Reviewing major unit and interdisciplinary capital needs and prioritizing projects, as advisor to the Provost and President
- Ensuring that policy guidelines have been met, funding plans are complete and sound, shared common good spaces and assets are prioritized, and maintenance and operations plans are complete and sound
- Advising the Provost and President as to what projects should be advanced as part of the University's Annual Capital Budget that is presented to the Board of Regents for action every June

## IMPROVED EVALUATION AND PRIORITIZATION PROCESS

To more equitably evaluate and prioritize projects that serve a variety of institutional needs, starting with the FY25 Annual Capital Budget process, CPAT established three categories to help differentiate between projects that may have equal merit, but perhaps serve different purposes. In past versions of the Capital Budget, these projects were referred to as "Institutional Capital." The new categories are outlined below:

- Academic & Institutional Support Projects:
  - ✓ Changes in programming
  - ✓ Changes in demand for services
  - ✓ Code or regulatory compliance
  - ✓ Recruitment limitations
- Education & Research Projects:
  - ✓ Changes in programming or pedagogy
  - ✓ Changes in FTE (students, faculty, visitors....)
  - ✓ Trends in research
  - ✓ Recruitment limitations

- System Renewal Projects:
  - ✓ Renewal of building, transportation, or infrastructure systems
  - ✓ Change the function of, or repurpose existing assets
  - ✓ Code or regulatory compliance
  - ✓ Improve energy efficiency
  - ✓ Reduce carbon emissions

## PROJECTS SEEKING APPROVAL - FY25 CAPITAL BUDGET

For the FY25 Annual Capital Budget, the members of CPAT were presented with 11 projects to review, score, and prioritize. This is nearly a twofold increase in submitted projects (from six to 11) compared to FY24. Of these submissions, CPAT determined that six were developed enough and supported institutional goals to merit inclusion as "Projects Seeking Approval - FY25 Capital Budget." As these projects continue to be refined, we anticipate they will be presented to the Board for full approval and move to "Active Capital."

In addition to the six projects CPAT recommended to the Executive Office for inclusion in the Capital Budget, five additional projects are being tracked as projects in development as part of the "10-Year Capital Look Ahead" (see table on page 14). These projects were submitted and vetted through the capital planning process but were not deemed immediate priorities due to funding availability or the need for further project development. Updated project proposals will be revisited in future planning cycles alongside any emergent requests to determine if any will move forward for inclusion in a future Annual Capital Budget. CPAT was pleased to see that the four projects identified during last year's planning cycle as projects requiring additional development and, therefore, not included in the FY24 Capital Budget returned with stronger proposals and more viable funding schemes. Two of these projects are now included in the current FY25 recommendation. Projects seeking continued inclusion in the following year's Capital Budget need to be resubmitted for review/prioritization by CPAT.

In addition to the projects mentioned above, we expect to receive distinct proposals over the next several years for the Campus Asset Renewal Program, which includes both the building and energy renewal programs, as well as projects that address renewal in the UW Medical Center and the Magnuson Health Sciences Complex in South Campus. As these proposals are received, they will go through the same annual evaluation process by CPAT.

The projects listed in the table on the following page have been prioritized by CPAT and recommended for inclusion in the FY25 Annual Capital Budget. They are anticipated to seek Regent approval during Fiscal Year 2025 or in upcoming years if the criteria (Issues Needing Resolution) listed in the table are addressed. Details about these projects can be found in the individual Project Summaries section beginning on page 20.



## PROJECTS SEEKING APPROVAL - FY25 CAPITAL BUDGET

Proposed funding sources can be found in the Summary Table on page 17.

Project Name	Sponsoring Unit	Primary Demand Type	Estimated Cost	Issues Needing Resolution
Clean Energy Transformation 25-27 <sup>1</sup>	Facilities	Renewal	\$292M	Dependent upon receiving funding from the Climate Commitment Account (project will be included in our 25-27 Capital Budget Request in September 2024)
Chemical Sciences	Arts & Sciences	Growth	\$191M	Dependent upon appropriation of \$125M for construction from the State Capital Bond Account in the 25-27 State Capital Budget
Miller Hall Renovation <sup>2</sup>	College of Education	Renewal	\$84M	Additional discussions required to identify unit equity or donor funding opportunities. Project needs to be considered within the context of the yet to be finalized BRP.
UW Bothell - Husky Hall Replacement	UW Bothell	Renewal	\$70M	UW Bothell needs to confirm \$20M of unit equity is available to support project
Bagley Hall Renovation <sup>2</sup>	Arts & Sciences	Renewal	\$100M	Dependent upon approval of Chemical Sciences (companion project)
UW Tacoma – Student <sup>3</sup> Housing and Food Service	UW Tacoma	Growth	\$120M <sup>3</sup>	Dependent upon Project Finance and Legal (PFAL) review and successful development of a Public Private Partnership (P3) agreement and review of potential ongoing Maintenance & Operations costs associated with the project

<sup>1</sup> Clean Energy Transformation 25-27 is considered part of the Energy Renewal Program that has yet to be finalized.

<sup>2</sup> The Miller and Bagley Hall Renovations are considered part of the Building Renewal Program that has yet to be finalized.

<sup>3</sup> Actual initial cost to UW Tacoma is \$2.5 million of local equity.

## 10-YEAR CAPITAL LOOK AHEAD

The following projects are assumed to be emergent needs in the coming ten-year period. The first five projects were submitted and vetted through the current capital planning process but were not deemed immediate priorities due to funding availability or the need for further project development. The costs shown in the table are initial estimates of project value, if available. Updated or new project proposals will be reviewed in future planning cycles to determine priorities and, if any, will move forward for inclusion in a future Annual Capital Budget.

Project Name	Sponsoring Unit	Primary Demand Type	Category	Submitted for FY25 Review	Estimated Cost
Libraries Off-Site Storage and Student Space Solutions	Libraries	Renewal	Education & Research	YES	\$80M
Field Station Energy Transformation Program	Facilities	Renewal	System Renewal	YES	\$55M
College of Engineering, Restoration and Renewal	College of Engineering	Renewal	Education & Research	YES	\$240M
UW Tacoma - Tioga Building Renovation	UW Tacoma	Renewal	Education & Research	YES	\$28M
S1 Parking Garage Replacement	Transportation Services	Renewal	Academic & Institutional Support	YES	\$150M
Building Renewal Program <sup>1</sup>	Facilities	Renewal	Education & Research	NO	TBD
Energy Renewal Program <sup>1</sup>	Facilities	Renewal	System Renewal	NO	\$500-750M

<sup>1</sup> The initial list of prioritized projects identified by both the Building and Energy Renewal Programs are expected in summer/fall of 2024 and both programs have been added to this table to ensure visibility for ongoing decision making.

## FUNDING ALIGNMENT TO LTCP STRATEGIES

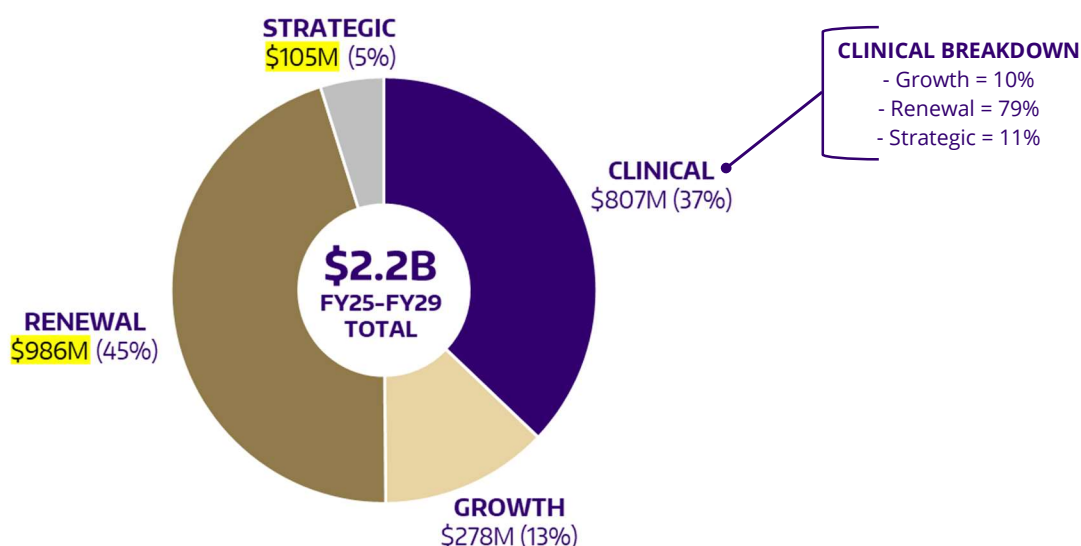
### OVERVIEW

The chart below shows the proposed distribution of the \$2.2 billion worth of funding captured in the FY25 Annual Capital Budget over the next five fiscal years by LTCP demand category.

Based on the original LTCP target distributions, the Strategic category is slightly below the intended strategy (6%), Clinical and Growth are above their respective targets (33% and 7%), and Renewal is 9% less than the target value (54%).

Although this distribution does not match the original LTCP targets, it is a marked improvement upon the FY24 Capital Budget regarding balancing the need for increased investment in Renewal and limiting the funding directed towards Growth. Proposed funding for Renewal grows by nearly \$500 million, increasing the percentage of the overall distribution from 30% to 45%, with over half of this gain due to anticipated proceeds from the Climate Commitment Account.

### FY25-FY29 PROPOSED FUNDING DISTRIBUTION - \$2.2B<sup>1</sup>



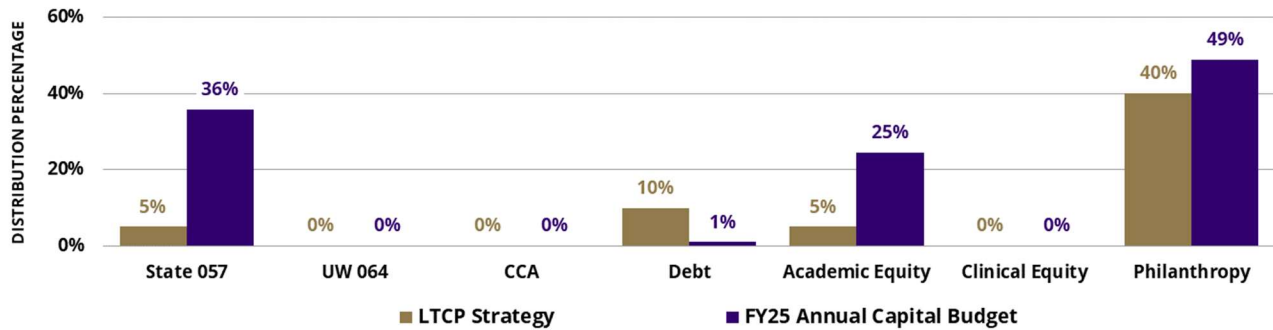
Even with the increased funding dedicated for renewal across the institution, we still fall just over \$500 million short of the \$1.4 billion required over the next five years to support the 2050 Strategic Investment Plan for the Seattle Campus E&G Facilities as presented to the Regents last fall (refer to the chart on page 6). As we continually revisit the strategies of the LTCP, the need to adjust the original assumptions regarding funding source availability and demand needs to evolve to match current institutional initiatives and help close the renewal shortfall. A more definitive target for renewal is in development via the Campus Asset Renewal Program to reduce the institutional risk of deferred maintenance to a manageable level within 30 years. To execute this comprehensive strategy to reduce institutional risk, the funding available for renewal projects must continue to increase to close the funding "gap." Myriad strategies are under consideration, but not yet committed to meeting this challenge.

<sup>1</sup> Includes: Projects Seeking Approval - FY25 Capital Budget.

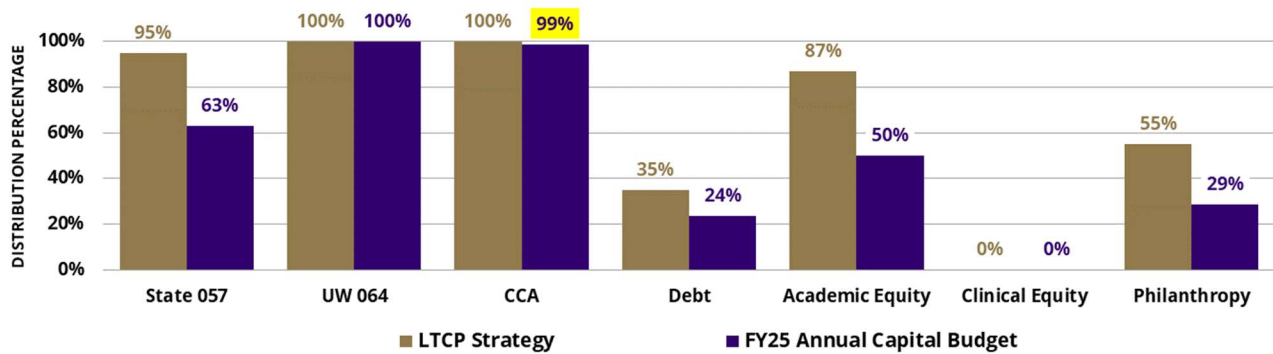
Excludes: Behavioral Health projects, Housing & Food Services projects, P3 projects and funding defined as "Other."

## FUNDING DISTRIBUTION VS LTCP STRATEGIES

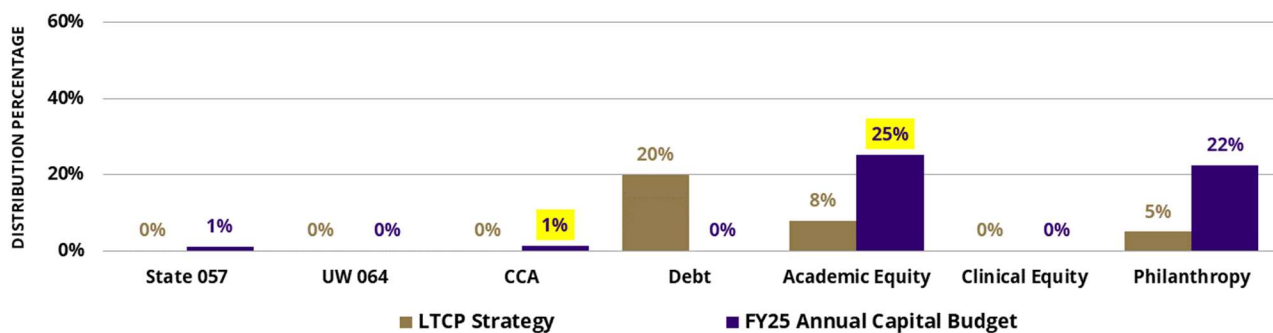
### GROWTH DEMAND FUNDING DISTRIBUTION



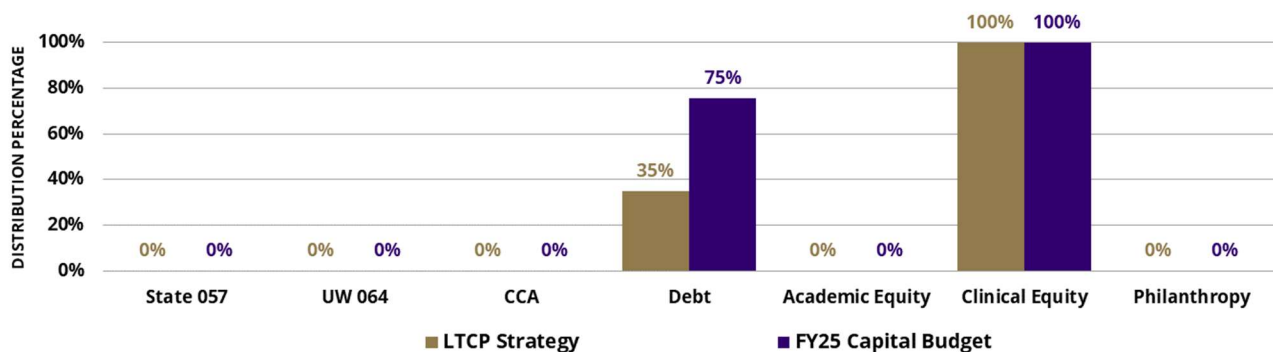
### RENEWAL DEMAND FUNDING DISTRIBUTION



### STRATEGIC DEMAND FUNDING DISTRIBUTION



### CLINICAL DEMAND FUNDING DISTRIBUTION





# BUDGET SUMMARY TABLES

All budget and funding numbers are in \$ millions. "Other" funding represents funding sources that are still being determined or are not direct institutional obligations. The P3 projects shown include only the cost of construction of University occupied space and do not include the cost of lease payments.

## PROJECTS SEEKING APPROVAL - FY25 CAPITAL BUDGET

CPAT Priority	Project Name	Primary Demand Area	Budget	Prior Spend	FY2025 - FY2029 Projected Spend (Millions)										Future Spend FY30-FY34
					State Bond	UW Bldg. Account	CCA	Debt	Gift	Central Equity	Unit Equity	Other	UW Total	P3	
1	Clean Energy Transformation 25-27	Renewal	292.6	-	-	-	292.6	-	-	-	-	-	292.6	-	-
2	Chemical Sciences Modernization	Growth	191.0	1.0	130.0	-	-	-	20.0	-	40.0	-	190.0	-	-
3	Miller Hall Renovation	Renewal	84.0	-	74.0	-	-	-	-	-	10.0	-	84.0	-	-
4	UW Bothell - Husky Hall Replacement	Renewal	70.0	-	50.0	-	-	-	-	-	20.0	-	70.0	-	-
5	Bagley Hall Renovation	Renewal	100.0	-	-	-	-	80.0	-	20.0	-	-	100.0	-	-
6	UW Tacoma - Student Housing and Food Service	Strategic	120.0	-	-	-	-	-	-	-	2.5	-	2.5	117.5	-
TOTALS			857.6	1.0	254.0	-	292.6	80.0	20.0	20.0	72.5	-	739.1	117.5	-

## ACTIVE/CORE/CLINICAL CAPITAL

Project Type	Budget	Prior Spend	FY2025 - FY2029 Projected Spend (Millions)										Future Spend FY30-FY34
			State Bond	UW Bldg. Account	CCA	Debt	Gift	Central Equity	Unit Equity	Other	UW Total	P3	
Active Capital	2,103.5	681.7	109.1	-	4.8	9.0	182.0	19.7	267.1	14.2	605.9	648.4	167.5
Core Capital	678.6	209.9	-	180.4	49.6	-	-	24.4	-	-	254.3	-	214.3
Clinical Capital	975.0	171.8	-	-	-	257.3	-	-	545.9	-	803.3	-	-
PROJECTS TOTAL	3,757.0	1,063.4	109.1	180.4	54.3	266.3	182.0	44.1	813.0	14.2	1,663.5	648.4	381.8

# ACTIVE/CORE/CLINICAL – PROJECT DETAILS

## ACTIVE CAPITAL

Project Name	Primary Demand Area	Budget	Prior Spend	FY2025 - FY2029 Projected Spend (Millions)										Future Spend FY30-FY34
				State Bond	UW Bldg. Account	CCA	Debt	Gift	Central Equity	Unit Equity	Other	UW Total	P3	
Destination One Epic (D1 Epic)	Strategic	171.5	166.2	-	-	-	4.0	-	-	-	1.3	5.3	-	-
College of Engineering - Interdisciplinary Engineering Building - Phase I(a)	Growth	102.2	77.3	-	-	-	5.0	-	7.9	12.0	-	24.9	-	-
Brightwork	Growth	292.1	20.9	14.2	-	-	-	47.8	-	0.8	6.0	68.8	202.4	-
UW Bothell - Housing Replacement	Growth	173.2	156.9	-	-	-	-	-	-	1.7	-	1.7	14.6	-
University District Station Development	Strategic	208.6	143.1	-	-	-	-	-	7.9	-	-	7.9	57.6	-
ICA Basketball Training Facility	Renewal	59.6	18.6	-	-	-	-	41.0	-	-	-	41.0	-	-
UWMC - NWH Behavioral Health Renovation	Renewal	15.0	3.2	11.8	-	-	-	-	-	-	-	11.8	-	-
Renovation/Replacement Magnuson Health Sciences Bldg - Phase 2	Renewal	66.1	16.1	47.9	-	-	-	-	-	2.1	-	50.0	-	-
Laboratory Medicine & Pathology	Strategic	77.0	40.7	-	-	-	-	-	-	36.3	-	36.3	-	-
Anderson Hall Renovation for College of Environment	Renewal	40.8	6.5	22.4	-	-	-	-	2.9	9.0	-	34.3	-	-
Intellectual House - Phase 2	Growth	12.1	0.1	9.0	-	-	-	3.0	-	-	-	12.0	-	-
HFS - University Housing Four Properties UH4	Strategic	360.5	5.4	-	-	-	-	-	-	-	-	-	355.1	-
HFS - Haggett Hall	Renewal	196.0	18.5	-	-	-	-	-	-	177.5	-	177.5	-	-
Welcome Center	Strategic	71.0	0.5	-	-	-	-	45.3	-	4.5	2.0	51.8	18.7	-
College of Education - Early Learning Center, Rainier Valley	Growth	35.2	-	-	-	-	-	35.2	-	-	-	35.2	-	-
ASUW Shell House Restoration	Renewal	15.5	0.8	-	-	-	-	9.8	-	-	4.9	14.7	-	-
School of Dentistry - D1 Renovation - Digital Simulation Center	Renewal	2.0	0.2	-	-	-	-	-	1.0	0.8	-	1.8	-	-
UW Tacoma - Land Acquisition	Strategic	7.7	3.9	3.9	-	-	-	-	-	-	-	3.9	-	-
HFS - McMahon Hall	Renewal	190.0	-	-	-	-	-	-	-	22.5	-	22.5	-	167.5
Clean Energy Testbeds	Strategic	7.5	2.8	-	-	4.8	-	-	-	-	-	4.8	-	-
<b>TOTALS</b>		<b>2,103.5</b>	<b>681.7</b>	<b>109.1</b>	<b>-</b>	<b>4.8</b>	<b>9.0</b>	<b>182.0</b>	<b>19.7</b>	<b>267.1</b>	<b>14.2</b>	<b>605.9</b>	<b>648.4</b>	<b>167.5</b>

## CORE CAPITAL

Project Name	Primary Demand Area	Budget	Prior Spend	FY2025 - FY2029 Projected Spend (Millions) <sup>1</sup>										Future Spend FY30-FY34
				State Bond	UW Bldg. Account	CCA	Debt	Gift	Central Equity	Unit Equity	Other	UW Total	P3	
Asset Preservation (Minor Works and Major Preservation)	Renewal	434.7	112.9	-	141.5	-	-	-	-	-	-	141.5	-	180.3
Program Renewal (Classroom Modernization Effort)	Renewal	52.5	26.7	-	-	-	-	-	21.8	-	-	21.8	-	4.0
Accessibility Improvements	Renewal	15.2	12.7	-	-	-	-	-	2.6	-	-	2.6	-	-
Seismic Improvements	Renewal	109.4	49.7	-	29.8	-	-	-	-	-	-	29.8	-	30.0
Infrastructure Renewal 23-25	Renewal	24.9	6.5	-	9.1	9.2	-	-	-	-	-	18.3	-	-
Clean Energy Strategy	Renewal	3.0	1.5	-	-	1.5	-	-	-	-	-	1.5	-	-
Energy Renewal FY24	Renewal	38.9	-	-	-	38.9	-	-	-	-	-	38.9	-	-
<b>TOTALS</b>		<b>678.6</b>	<b>209.9</b>	<b>-</b>	<b>180.4</b>	<b>49.6</b>	<b>-</b>	<b>-</b>	<b>24.4</b>	<b>-</b>	<b>-</b>	<b>254.3</b>	<b>-</b>	<b>214.3</b>

<sup>1</sup> Asset Preservation and Program Renewal calculations utilize five fiscal years for both "Prior Spend" and "Future Spend FY30-FY34" even though these funding sources (UW Bldg. Account and Central Equity) are anticipated to provide a consistent level of funding for future projects.

## CLINICAL CAPITAL

				FY2025 - FY2029 Projected Spend (Millions)											
Project Name	Primary Demand Area	Budget	Prior Spend	State Bond	UW Bldg. Account	CCA	Debt	Gift	Central Equity	Unit Equity	Other	UW Total	P3	Future Spend FY30-FY34	
INDIVIDUAL PROJECTS															
UWMC - Montlake Campus Membrane Repair	Renewal	56.7	30.8	-	-	-	20.1	-	-	5.9	-	25.9	-	-	
UWMC - Plaza Café Remodel	Renewal	81.0	0.0	-	-	-	-	-	-	81.0	-	81.0	-	-	
GROUPED PROJECTS <sup>2</sup>															
UWMC - Core Capital Construction	Strategic	82.7	16.6	-	-	-	66.1	-	-	-	-	66.1	-	-	
UWMC - Deferred Maintenance	Renewal	273.9	38.5	-	-	-	67.9	-	-	167.5	-	235.4	-	-	
UWMC - End of Life Equipment	Renewal	201.1	28.6	-	-	-	3.6	-	-	168.9	-	172.5	-	-	
UWMC - Montlake OR Expansion	Strategic	19.1	9.0	-	-	-	10.1	-	-	-	-	10.1	-	-	
UWMC - NWH Campus Reconfiguration/Backfill	Strategic	28.6	2.1	-	-	-	24.9	-	-	1.7	-	26.5	-	-	
UWMC - NWH OR Expansion	Strategic	25.3	-	-	-	-	-	-	-	25.3	-	25.3	-	-	
UWMC - Strategic Specialty Care and Service Line Expansion	Strategic	206.5	46.1	-	-	-	64.7	-	-	95.7	-	160.4	-	-	
	TOTALS	975.0	171.8	-	-	-	257.3	-	-	545.9	-	803.3	-	-	

<sup>1</sup> May include projects that will require future Regental approval/reporting.

## PROJECT SUMMARIES

## PROJECTS SEEKING APPROVAL - FY25 CAPITAL BUDGET

PROJECT SUMMARY

Demand Area: Renewal

Type: Projects Seeking Approval - FY25 Capital Budget

Clean Energy Transformation 25-27

REGENTS ACTIONS:

TBD

TBD

DESCRIPTION:

The Seattle campus energy system has served the campus well for over 100 years, but its age and dependence on fossil fuels no longer align with the mission of the University. Maintaining the status quo puts the UW in substantial financial and reputational risk. UW's Clean Energy Transformation Strategy will meet the following objectives:

Provide a reliable & resilient energy system

Reduce carbon emissions per the UW Sustainability Action Plan

Remain flexible to future technologies

Serve current and future loads and serve as a living lab

Exceed city and state requirements

Minimize total cost of ownership and reduce operating costs

Transitioning the Seattle plant from fossil fuels to 100% clean energy is a critical next step for UW, and a project that will take significant coordination, planning, and investment. The following projects are recommended to advance this transition:

Chilled Water Thermal Energy Storage

Power Plant Boiler Removal

Micro-district -West Campus

Micro-district - South of Pacific

Sewer Heat Recovery Site Piping

WCUP Heating System Improvements

West Receiving Station Electrical Infrastructure Upgrade

Chiller Installation

District Energy Standards/Basis of Design

Lake Interface Advancement

FINANCIALS:

Proposed Project Budget

Construction\$243,000,00083.0%

Consultant Services\$25,600,0008.8%

Other Costs\$3,400,0001.2%

Project Management\$20,600,0007.0%

Total Project Costs\$292,600,000100%

Proposed Funding

Climate Commitment Acct. 25-27\$292,600,000100.0%

Total Funding\$292,600,000100%

SCHEDULE:

2023

2024

2025

2026

2027

2028

2029

Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4

CLEAN ENERGY IMPLIMENTATION PLAN

BOR

DESIGN/CONSTRUCTION



PROJECT SUMMARY			Demand Area: Growth 64% - Renewal 36%		
			Type: Projects Seeking Approval - FY25 Capital Budget		
Chemical Sciences Building					
REGENTS ACTIONS:					
May 2024		• Information item.			
June 2024		• Project approval and delegated authority to the President or her designee to execute contracts required to deliver the project.			
OBJECTIVES:		• [student/faculty growth and retention] Increase degree production through recruitment and retention of excellent graduate students and faculty resulting in an expansion of class offerings.			
		• [colocation interdisciplinary] Increase grant funding and new interdisciplinary discovery through a more creative and efficient collocated environment.			
		• [modernization/optimization] Optimize space by 15% through implementation of efficiencies, modernization, and economies of scale.			
		• [synergy/interdependence between research & classroom] Capitalize on synergy and interdependence between research and classroom by creating an environment that drives innovation and research that feeds what is taught in the classroom.			
DESCRIPTION: Construction of a new Chemical Sciences Building (CSB) will enable a new mode of science where curiosity-driven chemical research can transform into real-world applications in real-time. This is anticipated to be the first phase of a multi-phase project, co-locating Chemistry research faculty members currently housed in Bagley Hall and Chemistry Library as the two buildings are unfit and unsafe for modern chemical research.					
The new building will provide unique opportunities for education and discovery for undergraduate and graduate students in interdisciplinary chemical sciences research and enhance the Department of Chemistry's ability to recruit and retain faculty and graduate students to grow its research portfolio. This facility requires proximity to the existing Chemistry Building and Bagley Hall and with nearby interdisciplinary research centers such as MoES and NanoES. The proposed location (CMP Site C16) will relocate displaced occupants from the Chemistry Library and create vacant space in Bagley Hall.					
FINANCIALS:					
Proposed Project Budget			Proposed Funding		
Construction Cost	\$156,848,616	82.2%	State Supplemental Budget FY25	\$5,000,000	2.6%
Consultant Services	\$18,265,983	9.6%	State Bldg/Const. Account 25-27	\$125,000,000	65.5%
Equipment and Furniture	\$4,846,058	2.5%	Donor <sup>1</sup>	\$20,000,000	10.5%
Other Costs	\$4,853,680	2.5%	Unit Equity	\$40,750,000	21.3%
Project Management	\$6,185,663	3.2%	Central Equity	\$250,000	0.1%
Total Project Costs	\$191,000,000	100%	Total Funding	\$191,000,000	100%
<sup>1</sup> The college plans to raise \$20 million in philanthropy. Any shortfall in fundraising will be backstopped by Unit Equity.					
BENCHMARKS:					
Life Sciences Building (\$814 per GSF in 2017)			\$1,463 Escalated Project Cost/GSF		
Nano Engineering Sciences (\$1,043 per GSF in 2016)			\$1,952 Escalated Project Cost/GSF		
Molecular Engineering Sciences (\$836 per GSF in 2011)			\$1,875 Escalated Project Cost/GSF		
METRICS & INDICATORS:					
	Current	Target		Current	Target
Net Assignable SF	67,779	-	Construction Cost/GSF	\$1,434	-
Gross Square Feet	109,373	-	Project Cost/GSF	\$1,746	-
Efficiency (NASF/GSF)	62%	-			

SCHEDULE:

2023				2024				2025				2026				2027				2028			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		PREDESIGN																					
						DB TEAM																	
								DESIGN & PERMIT															
												ENABLING											
														CONSTRUCTION									

## PROJECT SUMMARY

**Demand Area:** Renewal

**Type:** Projects Seeking Approval - FY25 Capital Budget

### Miller Hall Renovation

#### REGENTS ACTIONS:

TBD • TBD

**DESCRIPTION:** Miller Hall was built in 1922, with its last major renovation in 1962. In 2004, Miller was one of 15 buildings identified for renovation as part of the campus wide “Restore the Core” program. Most of the buildings identified, other than Miller Hall, have been renovated or are in the process of renovation. Since that time, the College’s programs have surpassed the physical limitations of the building, and this lack of adequate space has forced instruction outside of Miller Hall and impacted teaching pedagogy, faculty retention, and student recruitment.

A full and comprehensive “Substantial Renovation” is proposed to extend the life and improve the programs. The full renovation would propel the College by creating dedicated and intentional spaces for students, innovative spaces for faculty collaboration, and improved classrooms to align with teaching pedagogies. Modernized office, research, and collaboration spaces would ensure the College continues to produce impactful research while cultivating a sense of community to attract and retain excellent and diverse faculty, researchers, staff, students, and industry partners.

#### FINANCIALS:

##### Proposed Project Budget

Construction Cost	\$71,484,000	85.1%
Consultant Services	\$7,308,000	8.7%
Equipment and Furniture	\$1,260,000	1.5%
Other Costs	\$1,176,000	1.4%
Project Management	\$2,772,000	3.3%

**Total Project Costs** **\$84,000,000** **100%**

##### Proposed Funding

State Bldg/Const. Account 27-29	\$74,000,000	88.1%
Unit Equity/Donor	\$10,000,000	11.9%
<b>Total Funding</b>	<b>\$84,000,000</b>	<b>100%</b>

#### BENCHMARKS:

Clark Hall Renovation (2015)	\$1,148 Project Cost/GSF
Denny Hall Renovation (2016)	\$1,165 Project Cost/GSF
Anderson Hall Renovation (anticipated 2025)	\$1,285 Project Cost/GSF

#### METRICS & INDICATORS:

	Current	Target		Current	Target
Net Assignable SF	60,832	60,832	Construction Cost/GSF	\$984	-
Gross Square Feet	72,655	72,655	Project Cost/GSF	\$1,156	-
Efficiency (NASF/GSF)	84%	84%			

#### SCHEDULE:

2025				2026				2027				2028				2029			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		APPROVAL																	
			DEFINITION & DESIGN																
								CONSTRUCTION											
																	MOVE		

**PROJECT SUMMARY**

**Demand Area:** 47% Growth - 53% Renewal  
**Type:** Projects Seeking Approval - FY25 Capital Budget

***UW Bothell – Husky Hall Replacement*****REGENTS ACTIONS:**

TBD • TBD

**DESCRIPTION:** This project will provide much needed space for UW Bothell, currently operating with 56 SF per student, about one-third the recommended state average. It will also support co-location of academic programs on campus, allowing the University to release leased space where these programs are currently housed.

The current space constraints erode the campus' ability to accommodate student needs and deliver a high-quality education using appropriate technologies. In particular, UWB has just 51% of the desired classroom target space for a campus of its size. The 60,300 GSF facility will provide six to eight general purpose classrooms that will enable hi-flex/hybrid modes of instruction, flexible lab space, a simulation suite for the proposed pre-licensure nursing program, collaboration spaces, and dedication space to house the School of Business and UW Bothell Administration. At 70,000 GSF, the facility will be able to accommodate the displaced arts studio, media center, and social science research.

**FINANCIALS:**

## Proposed Project Budget

Construction Cost	\$60,100,000	85.8%
Consultant Services	\$5,200,000	7.4%
Equipment and Furniture	\$1,100,000	1.6%
Other Costs	\$1,100,000	1.6%
Project Management	\$2,500,000	3.6%
<b>Total Project Costs</b>	<b>\$70,000,000</b>	<b>100%</b>

## Proposed Funding

State Bldg/Const. Account 27-29	\$50,000,000	71.4%
Unit Equity	\$20,000,000	28.6%
<b>Total Funding</b>	<b>\$70,000,000</b>	<b>100%</b>

**BENCHMARKS:**

UW Bothell – Discovery Hall (2014)	\$907 Project Cost/GSF
UW Health Sciences Education Building (2022)	\$1,024 Project Cost/GSF
UW Bothell/Cascadia College – Innovation Hall (2023)	\$999 Project Cost/GSF

**METRICS & INDICATORS:**

	Current	Target		Current	Target
Net Assignable SF	39,200	44,000	Construction Cost/GSF	\$997	-
Gross Square Feet	60,300	70,000	Project Cost/GSF	\$1,161	-
Efficiency (NASF/GSF)	65%	63%			

**SCHEDULE:**

2025				2026				2027				2028				2029			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
			BOR																
				DB TEAM															
						DEFINITION													
								DESIGN/PERMITTING											
												CONSTRUCTION							
																		MOVE	



## PROJECT SUMMARY

### Demand Area: Renewal

**Type:** Projects Seeking Approval - FY25 Capital Budget

## Bagley Hall Renewal

**REGENTS ACTIONS:**

June 2026

- Project approval and delegated authority to the President or her designee to execute contracts required to deliver the project.

**OBJECTIVES:**

- **[student/faculty growth and retention]** Increase degree production through recruitment of graduate students resulting in an expansion of class offerings.
- **[colocation interdisciplinary]** Increase grant funding and new interdisciplinary discovery through a more creative and efficient collocated environment.
- **[building renewal]** Reduce deferred maintenance backlog through renewal of building systems and vacated spaces due to Chemical Sciences Building.
- **[synergy/interdependence between research & classroom]** Capitalize on synergy and interdependence between research and classroom by creating an environment that drives innovation and research that feeds what is taught in the classroom.

**DESCRIPTION:** Bagley Hall, a 223,700 GSF facility built in 1937 is the core facility for chemical sciences instruction. The construction of the Chemical Sciences Building will result in over 60,000 ASF of vacated space in Bagley Hall, providing a significant opportunity to increase instructional classroom, class lab, and student collaboration spaces, co-locate currently dispersed graduate and post-doctoral offices, and provide continuous floors of open space to be repurposed by another department. It also provides a great opportunity to upgrade many of the building's failing MEP systems, elevators, restrooms, etc. to bring the building up to current standards. The project will renovate approximately 21,000 GSF in this phase. The remainder of the vacated space will be left vacant for the time being.

## FINANCIALS:

Proposed Project Budget			Proposed Funding		
Construction Cost	\$78,744,534	78.7%	Debt	\$80,000,000	80.0%
Consultant Services	\$10,387,314	10.4%	Central Equity	\$20,000,000	20.0%
Equipment and Furniture	\$6,726,750	6.7%	<b>Total Funding</b>	<b>\$100,000,000</b>	<b>100%</b>
Other Costs	\$1,193,477	1.2%			
Project Management	\$2,947,925	3.0%			
<b>Total Project Costs</b>	<b>\$100,000,000</b>	<b>100%</b>			

### METRICS & INDICATORS:

	Current	Target		Current	Target
Net Assignable SF	-	-	Construction Cost/GSF	-	-
Gross Square Feet	21,000	-	Project Cost/GSF	\$1,100*	-
Efficiency (NASF/GSF)	-	-			

\* Project Cost per GSF associated with the renovated space and not systems renewal (deferred maintenance).

**SCHEDULE:**

2026				2027				2028				2029			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		DB TEAM													
				DESIGN & PERMITTING											
								CONSTRUCTION							

**PROJECT SUMMARY****Demand Area:** Strategic**Type:** Projects Seeking Approval - FY25 Capital Budget***UW Tacoma – Student Housing and Food Service*****REGENTS ACTIONS:**

TBD • TBD

**DESCRIPTION:** The project proposes to construct a 300-400 bed residence hall and dining facility leveraging a Public Private Partnership (P3). The desired solution would also include renovations and improvements to the Court 17 apartments to better serve students and possibly faculty and staff. UW Tacoma currently lacks a traditional residence hall experience desired by many first-time, out-of-region and international students and a complete food service program, which puts the campus at a competitive disadvantage compared to other 4-year institutions in Washington. This development will attract a broad range of students, including first generation and more diverse student populations served by UW Tacoma, helping to increase enrollment and retention.

**FINANCIALS:**

Proposed Project Budget

**Total Project Costs**      **\$120,000,000**      **100%**

Proposed Funding

Public Private Partnership      \$117,500,000      97.9%

Unit Equity      \$2,500,000      2.1%

**Total Funding**      **\$120,000,000**      **100%****BENCHMARKS:**

UW Bothell Residential Village (September 2024)

\$543 Project Cost/GSF

**METRICS & INDICATORS:**

	Target		Target
Gross Square Feet (Remodel)	107,000	Construction Cost/GSF (Remodel)	\$280
Gross Square Feet (New)	150,000	Construction Cost/GSF (New)	\$600

**SCHEDULE:**

2025				2026				2027				2028			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
BOR				BOR											
DESIGN/CONSTRUCTION															
														MOVE	

## ACTIVE CAPITAL

PROJECT SUMMARY

Demand Area: Strategic  
Type: Active Capital

Destination One Epic (D1 Epic)

REGENTS ACTIONS:

July 2018

- Approved the project and the direct project budget of \$159.5 million;
- Approved use of the Internal Lending Program (ILP) to fund up to \$129 million, including financing costs; and
- Delegated authority to the President or her designee to execute the vendor contract, and/or other related documents, as necessary.

February 2021

- Approved a \$12 million increase to the project budget and updated Go-Live date.

OBJECTIVES:

- Improve workflows and reduce costs.
- Reduce the number of systems used across the Consolidated Clinical Enterprise of UW Medicine and standardized work across the continuum of patient care.
- Move to a single enterprise-wide electronic health record (EHR) solution.

DESCRIPTION:

Destination One Epic, or D1 Epic, is a new connected care experience that UW Medicine implemented to expand to a single, enterprise-wide electronic health record system for all clinical and revenue operations. It essentially makes it more convenient for medical professionals to access patient information, while also streamlining business operations.

FINANCIALS:

Approved Project Budget

Internal Labor	\$65,100,000	38.0%
External Labor	\$53,100,000	31.0%
EHR Software Licenses	\$13,300,000	7.7%
Vendor Services	\$19,300,000	11.2%
Other Costs	\$20,700,000	12.1%
Total Project Budget	\$171,500,000	100%

Approved Funding

UWM ILP Borrowings	\$128,400,000	74.9%
UWMC Equity	\$22,400,000	13.1%
HMC Equity	\$14,450,000	8.4%
SCCA Equity	\$6,250,000	3.6%
Total Funding	\$171,500,000	100%

SCHEDULE:

2018				2019				2020				2021				2022			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		DESIGN & BUILD																	
						TEST & SITE PREP													

PROJECT SUMMARY			Demand Area: Growth 69% - Renewal 31%		
			Type: Active Capital		
Interdisciplinary Engineering Building					
REGENTS ACTIONS:					
June 2020	<ul style="list-style-type: none"><li>Approved project site, identified in the Campus Master Plan as C11 and C12;</li><li>Approved project budget of \$75.07 million (contingent on \$45 million from the State for construction funding in the 2021-2023 biennium);</li><li>Approved the use of up to \$10 million from the Internal Lending Program (ILP) for a portion of the construction costs; and</li><li>Delegated authority to the President or her designee to execute contracts required to execute the project.</li></ul>				
March 2023	<ul style="list-style-type: none"><li>Approved increase in the project budget from \$75.07 million to \$96.035 million;</li><li>Approved the use of up to \$5.0 million from the Internal Lending Program (ILP) for a portion of the construction costs;</li><li>Approved the use of the ILP Bridge Program to fund expenditures relating to unrealized pledges with a maximum borrowing of \$7.7 million and a loan term not to exceed five years; and</li><li>Delegated authority to the President or her designee to execute contracts required to execute the project.</li></ul>				
OBJECTIVES:					
<ul style="list-style-type: none"><li>Provide an educational experience that prepares undergraduate students to be leaders.</li><li>Increase diversity and access to foster excellence.</li><li>Accommodate the nearly doubling in the number of undergraduate students over the last 12 years.</li><li>Build interdisciplinary collaborations that inspire innovation.</li><li>Create industry partnerships to increase impact.</li><li>Focus on key global challenges where they achieve greatest impact and excellence.</li></ul>					
DESCRIPTION:					
The new Interdisciplinary Engineering Building (IEB) facility will provide the capacity to alleviate existing space deficits within the College of Engineering and provide student services and a “home base” for the first year and sophomore classes. The IEB will provide substantial project and curricular space, balanced with research and faculty office areas to support the growth in student enrollment. Engineering education requires space for collaborative, project-based learning — space for this kind of instruction is lacking at the UW.					
FINANCIALS:					
Approved Project Budget			Approved Funding		
Acquisition/Enabling Costs	\$4,038,750	3.9%	State Bldg/Const. Account 17-19	\$600,000	0.6%
Construction Contracts	\$92,377,604	90.4%	UW Building Account 19-21	\$4,000,000	3.9%
Consultant Services	\$2,212,354	2.2%	State Bldg/Const. Account 21-23	\$45,400,000	44.4%
Equipment and Furniture	\$213,000	0.2%	Donor Funding <sup>1</sup>	\$26,100,000	25.6%
Project Management	\$3,363,292	3.3%	ILP Debt Funds	\$5,000,000	4.9%
Total Project Costs	\$102,205,000	100%	College of Engineering Equity <sup>2</sup>	\$13,215,000	12.9%
			Central Equity	\$7,890,000	7.7%
			Total Funding	\$102,205,000	100%
<sup>1</sup> Reflects donor pledges plus gifts on-hand as of 11/30/2022. Excludes interest earning on donor funds. Funding is net of 5.0% assessment fee.					
<sup>2</sup> College equity is expected to be reimbursed by donor pledges to be received after construction is complete. Costs of issuance associated with the ILP loan (\$35,000) also to be paid from College equity.					
BENCHMARKS:					
Cal Poly Science & Ag Teaching/Research			\$1,250 Project Cost/GSF		
UC Santa Barbara Classroom Building			\$1,022 Project Cost/GSF		
UW Molecular Engineering			\$1,053 Project Cost/GSF		

**METRICS & INDICATORS:**

	Current	Target		Current	Target
Net Assignable SF	41,500	-	Construction Cost/GSF	\$1,232	-
Gross Square Feet	75,000	-	Project Cost/GSF	\$1,363	-
Efficiency (NASF/GSF)	55%	-			

**SCHEDULE:**

2019	2020				2021				2022				2023				2024				2025
Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
PLANNING																					
			DB TEAM																		
					DEFINITION/PRECONSTRUCTION																
									ENABLING												
													CONSTRUCTION								
																					MOVE

## PROJECT SUMMARY

**Demand Area:** Growth 70% - Renewal 30%

**Type:** Active Capital

### *Brightwork (formerly known as W27 – CAMCET)*

#### REGENTS ACTIONS:

- |               |  |
|---------------|--|
| December 2019 | <ul style="list-style-type: none"> <li>Approved Site Selection – UW West Campus site W27; and</li> <li>Approved solicitation of developer proposals for a building dedicated to education, research, and services for a sustainable future (including the Center for Advanced Materials and Clean Energy Technologies or CAMCET).</li> </ul> |
| March 2022    | <ul style="list-style-type: none"> <li>Approved the development plan for Site W27 including ground lease of the property to Wexford Science + Technology LLC and lease of space by the University; and</li> <li>Delegated authority to the President or her designee to execute all transaction documents.</li> </ul>                        |

#### OBJECTIVES:

- Foster collaborative research between the University and other public and private entities that accelerates solutions for a healthy planet.
- Provide world-class innovation space for students and researchers.

**DESCRIPTION:** The University will ground lease Site W27 to developer, Wexford Science + Technology LLC, to construct an 11-story building of approximately 340,000 GSF which will include about 115 below-grade parking stalls. To clear the development area, several buildings will be vacated and demolished, along with 95 parking stalls in lots W12 and W13. The University will lease back space in the building for lab intensive research units focused on solutions for a healthy planet. University occupancy will provide the opportunity to closely collaborate with other public and private sector tenants in the building working on compatible research and technologies focused on solutions for a healthy planet. Other project elements include landscaping improvements to the 1.2-acre site, upgrades to the Burke Gilman Trail, and creation of a mid-block pathway between sites W27 and W26 to the north.

**FINANCIALS:** This project will utilize a funding model in which the developer assumes the financial and development risk. The developer will lease the land from the University for a specified period during which the University will pay rent to the developer for the space that the UW leases in the building. In turn, the developer commits to paying the UW an annual ground lease based on current land and building values. This ground lease represents a new revenue stream for the University and can be used to subsidize rent. Tenant improvements for UW spaces will be the responsibility of the UW entities in the building. The developer is responsible for the on-going maintenance of the building, limiting the University's exposure to deferred maintenance. There will be opportunities for philanthropic participation, such as a lobby that reflects the role and history of the Pacific Northwest in the global evolution of renewable and sustainable energy. Similarly, each lab space could be named for donors. The state has provided \$29 million to help catalyze the development. These funds will be used for enabling projects, tenant improvements and equipment for the Clean Energy Institute, one of the building's anchor tenants.

#### Approved Project Budget

<b>Wexford Costs</b>			
Construction Hard + Soft Costs	\$202,500,000	97.1%	
Project Management Fees	\$5,000,000	2.4%	
Predev. Reimbursement to UW	\$1,000,000	0.5%	
<b>Total Wexford Project Costs</b>	<b>\$208,500,000</b>	<b>100%</b>	

#### UW Costs

CEI - Bowman Expenses	\$11,755,000	14.1%	
CEI - TIs & W27 Enabling	\$18,295,000	21.9%	
Inst. for Protein Design – TIs	\$24,850,000	29.7%	
Brotman Baty Inst. – TIs	\$22,700,000	27.1%	
Unidentified Tenants – TIs	\$6,000,000	7.2%	
<b>Total UW Project Costs</b>	<b>\$83,600,000</b>	<b>100%</b>	

**Total Project Costs                    \$292,100,000**

#### Approved Funding

State Bldg/Const. Account 15-17	\$9,000,000	10.8%
State Bldg/Const. Account 17-19	\$19,988,000	23.9%
Donor – Inst. for Protein Design <sup>1</sup>	\$24,850,000	29.7%
Donor – Brotman Baty Institute <sup>1</sup>	\$22,700,000	27.1%
Donor – Clean Energy Institute	\$260,000	0.3%
Unit Equity (CEI Reserves)	\$800,000	1.0%
Other (Unidentified Tenants) <sup>2</sup>	\$6,000,000	7.2%
<b>Total UW Funding</b>	<b>\$83,598,000</b>	<b>100%</b>

<sup>1</sup> If there is a shortfall in philanthropy funding, TIs will be covered in accordance with MOU between SOM and FPB.

<sup>2</sup> Remaining tenants yet to be identified and funding secured.



## BENCHMARKS:

Wentworth Institute (Boston) – 60/40 Lab/Office (648,974 GSF - 2026)	\$822 Project Cost/GSF
UC Davis Lab East (Sacramento) (326,700 GSF – 2025)	\$676 Project Cost/GSF
Biomedical Campus Building 2 (Phoenix) – 50/50 Lab/Office (265,255 GSF – 2024)	\$603 Project Cost/GSF
3838 Market St. (Philadelphia) – 50/50 Lab/Office (255,850 GSF – 2024)	\$598 Project Cost/GSF
City Square (Philadelphia) – 50/50 Lab/Office (427,684 GSF – 2022)	\$494 Project Cost/GSF
Wake Forest/Atrium Health (Charlotte) – 50/50 Lab/Office (250,000 GSF – 2025)	\$472 Project Cost/GSF

## SCHEDULE:

2020		2021				2022				2023				2024				2025				2026					
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
DEV. SELECTION																											
			SCHEMATIC DESIGN																								
							DD & CONST. DOCS																				
									PERMITTING																		
							ENABLING								CONSTRUCTION								TI'S				

## PROJECT SUMMARY

**Demand Area:** Growth 73% - Renewal 27%

**Type:** Active Capital

***UW Bothell - Student Housing***

**REGENTS ACTIONS:**

July 2019

- Approved the project site;
- Delegated authority to the President or President's designee(s) to select a developer; and
- Approved pre-construction budget of \$300,000, funded by UW Bothell.

February 2021

- Approved the pre-development agreement, ground lease, and office lease associated with the UW Bothell Student Housing Project on the Husky Village site; and
- Delegated authority to the President or her designee to execute agreements required to deliver the project.

**OBJECTIVES:**

- Provide vibrant, quality on-campus housing to meet the ongoing demand from UW Bothell (UWB) students, consistent with the UWB/Cascadia College 2017 Campus Master Plan.
- Create a new campus gateway with accessible pedestrian connections to the campus core.

**DESCRIPTION:** Husky Village Apartments (268 beds) will be demolished and replaced with a developer-built mixed-use project on land leased from UW. The project will provide 1,055 student beds plus 20,000 GSF of ground floor offices for UWB administration, a 15,000 GSF dining hall and a 1,500 GSF convenience store. The University maintains control of the land while providing near-term student housing. Redevelopment will increase students' access to housing, optimize property zoning density, pay off outstanding debt, and eliminate existing aging buildings.

Phase 1 is complete with Summit Hall and the Dining Terrace Pavilion in operation. Buildings B and C (Phase 2) are under construction and scheduled to open in September 2024.

**FINANCIALS:**

Capstone Development Costs			University Costs	
Construction Hard + Soft Costs plus Financing	\$154,601,665	90.9%	UWB Equity	\$2,985,787
TI Allowance for UWB Offices (\$100/SF)	\$2,013,200	1.2%	<i>(Office Fit Up over TI Allowance)</i>	
Debt Payoff to UW ILP	\$10,441,871	6.2%	UWB Equity	\$196,132
Project Management Fee to UWF	\$2,600,000	1.5%	<i>(Shared funding commitments)</i>	
Predevelopment Reimbursements to UWB	\$350,000	0.2%	<b>Total University Costs</b>	<b>\$3,181,919</b>
<b>Total Project Budget (Capstone Funded)</b>	<b>\$170,006,736</b>	<b>100%</b>		

*Ground Lease: Annual ground rent payments beginning in Year 11 include fixed and variable components.*

Office Lease for UW Bothell Administration: Rent plus operating expenses start at \$720,000 per year in 2023 and increase by 2% annually for 20 years. This is offset by termination of 16,573 SF office at Beardslee Crossing in December 2022 (average \$564,000 per year.)

## BENCHMARKS:

Bellevue College (370 Beds/135,000 GSF)	\$105,405 Cost/Bed	\$288 Cost/GSF
Seattle University – Vi Hilbert Hall (303 Beds/143,264 GSF)	\$165,953 Cost/Bed	\$351 Cost/GSF
UW North Campus Housing 4a (1,758 Beds/547,195 GSF)	\$134,503 Cost/Bed	\$432 Cost/GSF
UW North Campus Housing 4b (370 Beds/85,665 GSF)	\$113,597 Cost/Bed	\$491 Cost/GSF

### METRICS & INDICATORS:

	Current	Target		Current	Target
Operating Cost/Bed	\$4,988	-	Construction Cost/GSF	\$498	-
Renewal Cost/Bed	\$225	-	Construction Cost/Bed	\$144,027	-
Efficiency (NASF/GSF)	60%	-			

*Higher than average costs can be attributed to inclusion of large dining hall and the Beardslee Blvd. widening required by the City of Bothell.*

**SCHEDULE:**

2020				2021				2022				2023				2024			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2019 > DEVELOPER																			
		DESIGN																	
						PHASE 1 - CONSTRUCTION						MOVE							
												PHASE 2 - CONSTRUCTION						MOVE	

## PROJECT SUMMARY

### Demand Area: Strategic

**Type:** Active Capital

### University District Station Development

**REGENTS ACTIONS:**

September 2018	<ul style="list-style-type: none"> <li>• Approved solicitation of developer proposals for ground lease / lease-back of the site.</li> </ul>
December 2019	<ul style="list-style-type: none"> <li>• Approved an agreement to lease, a 75-year ground lease, and a 15-year office lease for the University District Station Building (UDSB) site; and</li> <li>• Delegated to the President or her designee the authority to execute all documents related to this transaction.</li> </ul>

**OBJECTIVES:**

- Reduce the University's overall cost of leasing administrative space.
- Take advantage of operational synergies of centralized administrative units.
- Create a branded gateway to the University of Washington Campus for light rail users.
- Design a building that sets a precedent for efficient and effective administrative space usage.
- Encourage transit-oriented development consistent with the masterplan.

**DESCRIPTION:** The University District Station Building (UDSB) will be constructed above the Sound Transit University Station located at NE 43rd St. and Brooklyn Ave NE. The 13-story, 260,000 SF administrative and office building will be a ground lease partnership with Lincoln Properties with the University of Washington leasing six floors (135,000 SF). Start of construction UDSB has been delayed by City of Seattle permits, and lease commencement is now forecast for Spring, 2025. Tenant improvement costs of \$175/SF are included in the terms of the lease, with any costs exceeding \$175/SF to be covered by Central funding up to \$8M.

The Developer will design, finance, construct, operate and maintain UDSB development. The sources of funding for paying rent and ongoing maintenance and operating expenses (for the dedicated University space) will be direct charges to departments and Central funding. Funding commitments will be set forth in Occupancy Assignments with each occupant of the building and with Finance, Planning & Budgeting.

**FINANCIALS:**

Approved Project Budget			Approved Funding		
Core and Shell (Developer)	\$177,000,000	84.9%	Public/Private Partnership	\$200,600,000	96.2%
TI – Developer Allowance (\$175/RSF)	\$23,600,000	11.3%	Central Equity	\$8,000,000	3.8%
TI – UW Commitment	\$8,000,000	3.8%	<b>Total Funding</b>	<b>\$208,600,000</b>	<b>100%</b>
<b>Total Project Costs</b>	<b>\$208,600,000</b>	<b>100%</b>			

## BENCHMARKS:

Trammel Crow / NBBJ Development Study May, 2017	\$522 Project Cost/GSF
Commercial Office Benchmark - Seattle Market (Seattle DJC May 2018)	\$500 - 600 Project Cost/GSF

### METRICS & INDICATORS:

	Current	Target		Current	Target
Net Assignable SF (UW)	135,000	135,000	Project Cost/GSF	\$793	\$793
Gross Square Feet	263,000	263,000			

**SCHEDULE:**

[illegible]

\*Final TI schedule to be coordinated with the Developer's Master Schedule.

## PROJECT SUMMARY

**Demand Area:** Growth 35% - Renewal 65%

**Type:** Active Capital

### ICA Basketball Training Facility

#### REGENTS ACTIONS:

- February 2020
- Approved use of the site adjacent to Hec Edmundson Pavilion, current site of the Pavilion Pool;
  - Approved the project budget of \$60.5 million;
  - Approved the funding plan, including the use of the Bridge Program with a maximum borrowing of \$12.5 million; and
  - Delegated authority to the President or her designee to execute a contract with a Design/Builder.

#### OBJECTIVES:

- Provide a first-class home for men's and women's basketball with 24/7 practice courts. The Training Facility will demonstrate the University's commitment to Title IX by creating equitable spaces for each program.
- Point of arrival and interiors will enhance student athlete access and maximize Husky Basketball appeal for prospective recruits.
- Connect to Hec Edmundson Arena floor and Graves Annex.
- Be cost effective, and aesthetic quality will be consistent with recent ICA capital projects.

**DESCRIPTION:** When the project was originally conceived and approved by the Board of Regents in February 2020 for \$60.5M, it was envisioned as a newly constructed Basketball Operations Center to replace the existing Pavilion Pool, and renovation of the Health & Human Performance Center (H2P) in Graves Annex. Shortly after, it was paused due to significant financial uncertainty caused by COVID-19. The project restarted in May 2021 with a reduced project budget of \$53.75M. However, multiple factors led to the realization that the budget did not support the original program vision. As a result, the program objectives were reduced in January 2023, project title adjusted to reflect the revised scope, and funding commitment was increased to \$59,575,000.

The current project will replace the existing Pavilion Pool and build a new Basketball Training Facility in its place. The Training Facility will include dedicated practice courts for the men's and women's basketball programs, a welcoming and statement-making lobby, court viewing spaces, and required building support. The new facility will provide interior connections to the Arena floor level of Hec Edmundson Pavilion and Graves Annex Strength and Conditioning space. Site improvements will be performed as required by impact imposed upon the surroundings including code required improvements, accessibility, site restoration, and utility/infrastructure relocations triggered by the proposed construction. The pool building will be demolished within the scope of this project, as allowed by the Seattle Landmarks Commission's determination of non-historic significance on December 5, 2018.

The balance of original project objectives that are unattainable within the current project scope include all H2P renovations, basketball team spaces, coaches' offices, athletic training facilities. These programs are being deferred to a future project or subsequent phase.

#### FINANCIALS:

##### Approved Project Budget

Construction Cost	\$45,660,152	76.6%
Consultant Services	\$7,949,950	13.3%
Equipment and Furniture	\$1,990,484	3.4%
Other Costs	\$1,804,209	3.0%
Project Management	\$2,170,205	3.7%
<b>Total Project Costs</b>	<b>\$59,575,000</b>	<b>100%</b>

##### Approved Funding

Donor Funds	\$59,575,000	100%
<b>Total Funding</b>	<b>\$59,575,000</b>	<b>100%</b>

#### BENCHMARKS:

ASU Weatherup Center	\$806 Project Cost/GSF
Univ. of Arizona – Jefferson Gym & Davis Center	\$758 Project Cost/GSF
Univ. of Utah – Huntsman Basketball Center & Sorenson High Performance	\$733 Project Cost/GSF
OSU Basketball Center	\$756 Project Cost/GSF
Univ. of Houston Lewis Basketball Center	\$751 Project Cost/GSF

## METRICS & INDICATORS:

	Current	Target		Current	Target
Net Assignable SF	31,444	62,000	Construction Cost/GSF	\$1,155	-
Gross Square Feet	39,536	80,000	Project Cost/GSF	\$1,506	-
Efficiency (NASF/GSF)	80%	78%			

## SCHEDULE:

2020				2021				2022				2023				2024				2025			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
			PLANNING																				
				DB TEAM																			
								PROJECT DEFINITION/DESIGN/PRECONSTRUCTION															
													PERMITTING										
																CONSTRUCTION							
																						MOVE	

## PROJECT SUMMARY

Demand Area: Clinical

Type: Active Capital

***UW Medical Center Northwest Hospital – Behavioral Health Renovation*****REGENTS ACTIONS:**

- January 2023 • Information Item
- March 2023 • Approved the full project budget of \$15 Million; and,
- Delegated authority to the President or her designee to execute contracts required to deliver the project.

**OBJECTIVES:**

- An appropriation was provided during the 21-23 Legislative Session solely for the renovation of existing geriatric psychiatric beds within the Northwest Campus of the University of Washington Medical Center, including predesign, design costs, enabling projects, and early work packages. The renovation design must include fourteen adult psychiatric beds.

**DESCRIPTION:**

Renovation of nearly 13,000 SF of the existing Adult Psychiatric Care Unit in E-Wing to create an adult voluntary behavioral health unit for 14 patients, and space for teaching and training health care providers. The renovation will meet the requirements of the Department of Health licensing. Project scope is limited to avoid substantial alterations and Seattle Energy Code upgrades. Patient room updates will be limited to finishes, anti-ligature, door, and window upgrades. Two rooms will undergo full renovation to meet ADA accessibility requirements. Infrastructure work includes updated heating, ventilation and cooling systems and minor electrical and data upgrades to limited rooms.

**FINANCIALS:**

## Approved Project Budget

Construction Cost	\$11,175,479	74.5%
Consultant Services	\$2,008,572	13.4%
Equipment and Furniture	\$826,875	5.5%
Other Costs	\$273,496	1.8%
Project Management	\$715,578	4.8%
<b>Total Project Costs</b>	<b>\$15,000,000</b>	<b>100%</b>

## Approved Funding

State Bldg/Const. Account 21-23	\$2,000,000	13.3%
State Bldg/Const. Account 23-25	\$13,000,000	86.7%
<b>Total Funding</b>	<b>\$15,000,000</b>	<b>100%</b>

**METRICS & INDICATORS:**

	Current	Target		Current	Target
Net Assignable SF	12,571	-	Construction Cost/GSF	\$868	-
Gross Square Feet	12,881	-	Project Cost/GSF	\$1,165	-
Efficiency (NASF/GSF)	98%	-			

**SCHEDULE:**

2022				2023				2024				2025			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	DB														
		DEFINITION													
				DESIGN/PRE-CONSTRUCTION											
										CONSTRUCTION					
												OCCUPANCY			



## PROJECT SUMMARY

## Demand Area: Renewal

Type: Active Capital

## Renovation/Replacement Magnuson Health Sciences Center – Phase 2

**REGENTS ACTIONS:**

February 2022	<ul style="list-style-type: none"> <li>• Information Item</li> </ul>
March 2022	<ul style="list-style-type: none"> <li>• Approved the project budget of \$64,000,000; and,</li> <li>• Delegated authority to the President or her designee to execute contract amendments for construction contracts.</li> </ul>

**OBJECTIVES:**

- Modernize primary teaching facilities in support of pedagogies used by the nation's top-ranked health sciences schools.
- Reduce the deferred maintenance backlog in the largest building on the Seattle Campus and upgrade critical systems in support of the entire Health Sciences complex.
- Advance the principles of the Seattle Campus Master Plan for the Health Sciences zone.

**DESCRIPTION:** The renovation of T-Wing is Phase 2 of a potential four-phase plan identified in the 2011-2013 State Capital Budget Request 10-Year Plan. The Phase I construction of the new Health Sciences Education Building (HSEB) was the start of the phased plan and began to meet the need for shared instructional space as well as provide an opportunity to decant existing T-Wing functions in anticipation of the Phase 2 renovation.

The Phase II project will supplement the HSEB and further accommodate the growing demands of educational space for the health sciences schools, including team-based interdisciplinary learning, the connection and collaboration of students and faculty across disciplines, and space for interdisciplinary innovation and collaboration to help transform the training of tomorrow's health professionals.

Additional scope has been added in response to the need to provide space for the WWAMI Institute for Simulation in Healthcare (WISH) and Center for Cardiovascular Innovation (CCVI) programs to operate in T-Wing. The School of Medicine is funding this work, which is being tracked separately by the design/build team.

## FINANCIALS:

Approved Project Budget			Approved Funding		
Construction Cost	\$54,796,633	82.9%	State Bldg/Const. Account 19-21	\$1,000,000	1.5%
Consultant Services	\$5,331,546	8.1%	State Bldg/Const. Account 21-23	\$5,000,000	7.6%
Equipment & Furnishings	\$1,949,220	2.9%	State Bldg/Const. Account 23-25	\$58,000,000	87.7%
Other Costs	\$1,839,502	2.8%	School of Medicine Unit Equity	\$2,100,000	3.2%
Project Management	\$2,183,099	3.3%	<b>Total Funding</b>	<b>\$66,100,000</b>	<b>100%</b>
<b>Total Project Costs</b>	<b>\$66,100,000</b>	<b>100%</b>			

### METRICS & INDICATORS:

	Current	Target		Current	Target
Net Assignable SF	57,470	57,470	Construction Cost/GSF	\$613	-
Gross Square Feet	89,375	89,375	Project Cost/GSF	\$740	-
Efficiency (NASF/GSF)	64%	64%			

**SCHEDULE:**

2020				2021				2022				2023				2024				2025				2026			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
				PLANNING																							
								DB TEAM																			
								DEFINITION/PRECON																			
								CONSTRUCTION																			

## PROJECT SUMMARY

**Demand Area:** Strategic  
**Type:** Active Capital

### *UW Medicine – Laboratory Medicine & Pathology*

#### REGENTS ACTIONS:

- |            |  |
|------------|--|
| March 2022 | <ul style="list-style-type: none"> <li>Approved lease terms for relocation and consolidation of Department of Laboratory Medicine and Pathology into a 5-story building at 1601 Lind Avenue in Renton; and</li> <li>Delegated authority to the President or her designee to execute the lease and other documents associated with consolidation of the space.</li> </ul> |
| May 2023   | <ul style="list-style-type: none"> <li>Approved the revised project budget of \$77 million to complete tenant improvements; and</li> <li>Delegated authority to the President or her designee the authority to execute any lease amendments or other documentation which may be necessary to accomplish the project.</li> </ul>  |

#### OBJECTIVES:

- Consolidation of six separate, outdated locations into a singular, new location is a strategic priority to increase the operational efficiency of laboratory services and allow for growth over time.

**DESCRIPTION:** The Department of Laboratory Medicine and Pathology currently occupies 84,000 square feet in multiple hospital and leased locations. The University plans to consolidate a significant portion of the hospital-based functions and all functions in leased space into a 5-story building at 1601 Lind Avenue in Renton, totaling 199,168 square feet. Consolidation and growth have been a long-term goal, predating the pandemic.

The total projected cost is approximately \$202 million, which includes rent and operating expenses for the 20-year lease term plus initial tenant improvements to renovate the building and furnish it with laboratory equipment. All costs will be funded 100% by revenue and unrestricted reserves of the Department of Laboratory Medicine and Pathology.

#### FINANCIALS:

##### Approved Project Budget

Tenant Improvements	\$65,000,000	84.4%
Equipment	\$12,000,000	15.6%
<b>Total Project Costs</b>	<b>\$77,000,000</b>	<b>100%</b>

##### Approved Funding

<b>Total Funding</b>	<b>\$77,000,000</b>	<b>100%</b>
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##### Lease Recap

New 20-Year Lease	\$124,691,115
Existing Leases Being Retired	(\$102,843,607)

##### Proposed Funding

<b>Unit Equity</b>	<b>\$21,847,508</b>	<b>100%</b>
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**Net New Lease Obligations** **\$21,847,508**

#### BENCHMARKS:

Average Existing Lease Cost (for the six existing leases for 49,408 SF)

\$104 per SF (inc. M&O)

New Lease at 1601 Lind Avenue, Renton

\$31 per SF (inc. M&O)

#### SCHEDULE:

2021				2022				2023				2024				2025			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

NEGOTIATIONS

TENANT IMPROVEMENTS

## PROJECT SUMMARY

**Demand Area:** Renewal

**Type:** Active Capital

### Anderson Hall Renovation for College of Environment

#### REGENTS ACTIONS:

- November 2022
- Approved the Full Project Budget of \$40.8 million; and
  - Delegated authority to the President or her designee to execute contracts required to deliver the project.

#### OBJECTIVES:

- Maintain competitive excellence in instruction, research, and recruitment.
- Provide world-class internationally recognized knowledge and leadership for environmental and natural resources issues.
- Support modern teaching pedagogies and increase capacity for general use.
- Preserve historic facility, enhance accessibility, and bring structure and systems up to code compliance.

**DESCRIPTION:** Substantial alteration addressing code deficiencies such as: structural, seismic, life safety, hazardous materials, and accessibility. Replacement of heating, ventilation, plumbing, electrical, fire protection, mechanical, and communication and alarm systems for functionality and reduced operating costs. Complete renewal of building envelope to prevent water infiltration and improve energy performance and occupant comfort. Classroom size flexibility and functionality to be increased with multimedia and furniture upgrades.

#### FINANCIALS:

##### Approved Project Budget

Construction Cost	\$34,214,000	83.8%
Consultant Services	\$3,329,000	8.2%
Equipment & Furnishings	\$1,120,000	2.7%
Other Costs	\$962,000	2.4%
Project Management	\$1,175,000	2.9%

**Total Project Costs** **\$40,800,000** **100%**

##### Approved Funding

State Bldg/Const. Account 09-11	\$200,000	0.5%
Central Equity (Provost)	\$2,950,000	7.2%
State Bldg/Const. Account 23-25	\$28,650,000	70.2%
Unit Equity	\$9,000,000	22.1%

**Total Funding** **\$40,800,000** **100%**

#### BENCHMARKS:

UW Clark Hall Renovation (2010)	\$935 Project Cost/GSF
UW Denny Hall Renovation (2016)	\$813 Project Cost/GSF
Parrington Hall Renovation (2020)	\$514 Project Cost/GSF
Kincaid Hall Renovation (2021)	\$542 Project Cost/GSF

#### METRICS & INDICATORS:

	Current	Target		Current	Target
Net Assignable SF	21,187	21,187	Construction Cost/GSF	\$952	-
Gross Square Feet	35,923	35,923	Project Cost/GSF	\$1,136	-
Efficiency (NASF/GSF)	59%	59%			

#### SCHEDULE:

2022				2023				2024				2025			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		PL													
			DB												
				DEFINITION/PRECONSTRUCTION											
								CONSTRUCTION							
															MOVE

PROJECT SUMMARY

Demand Area: Growth  
Type: Active Capital

wəłəbʔaltx<sup>w</sup> (Intellectual House) – Phase 2

REGENTS ACTIONS:

TBD

- Approval of \$12,078,000 project budget.
- Delegated Authority to execute Design Build Contract.

OBJECTIVES:

- To make Native people “visible” on the UW campus.
- To offer a meeting place for UW Native American students, faculty, and staff.
- To visibly manifest and symbolize the importance of Native traditions in the institutional culture.
- To share knowledge of Northwest Indigenous people within the UW community and among the Tribes in the area, and the broader community.
- To enhance recruitment and retention of Native students, faculty, and staff.
- To serve Tribes with resources and access to the University community.
- To edify the community with respect to the cultures and values of Indigenous people.
- To enhance the campus experience for all students, faculty, staff, and visitors.

DESCRIPTION:

The University of Washington’s Diversity Blueprint 2022-2026: Actions toward Access, Inclusion, and Equity endeavors to move beyond simply assessing diversity needs by prompting us to develop opportunities for place-based education and engagement. The Intellectual House (wəłəbʔaltx<sup>w</sup>) - Phase 1, completed in 2015, moved us closer toward enabling Native American students to overcome the cultural barriers they face to earning a four-year degree by creating a facility where students, faculty, staff, and Native American communities can come together in a supportive and welcoming educational environment to share their knowledge and cultures.

wəłəbʔaltx<sup>w</sup> - Phase 1 was built in the Coast Salish longhouse-style and prioritized function and related facilities tied to the community gathering activities including a large gathering hall, kitchen, and conference room. Phase 2 is envisioned to bring additional support to Native American student retention through greater connection to their culture and community in the form of a facility that includes a Native art lab, classrooms, a student resource area, student lounge, and an outdoor gathering space surrounded by educational native gardens used in the teaching of indigenous science, art, and medicine.

FINANCIALS:

Proposed Project Budget (excludes M&O)

Construction Cost	\$8,463,941	70.1%
Consultant Services	\$2,331,879	19.3%
Equipment & Furnishings	\$384,167	3.2%
Other Costs	\$116,520	0.9%
Project Management	\$781,493	6.5%
Total Project Costs	\$12,078,000	100%

Proposed Funding

State Bldg/Const. Account 23-25	\$9,000,000	74.5%
Donor Funds	\$3,000,000	24.8%
Unit Equity	\$78,000	0.7%
Total Funding	\$12,078,000	100%

BENCHMARKS:

Intellectual House – Phase 1, Seattle, WA (escalated from 2015)

\$1,337 Project Cost/GSF

METRICS & INDICATORS:

	Current	Target		Current	Target
Net Assignable SF	6,317	-	Construction Cost/GSF	\$1,008	-
Gross Square Feet	8,400	-	Project Cost/GSF	\$1,438	-
Efficiency (NASF/GSF)	75%	-			

SCHEDULE:

2023				2024				2025				2026				2027				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
FUNDRAISING/PREDESIGN																				
						DB														
								DESIGN/PERMIT												
												CONSTRUCTION								

PROJECT SUMMARY			Demand Area: Strategic Type: Active Capital		
<b><i>Housing &amp; Food Services – University Housing Four Properties (UH4) Radford Court, Nordheim Court, Blakeley Village, and Laurel Village</i></b>					
<b>REGENTS ACTIONS:</b>					
September 2022	<ul style="list-style-type: none"><li>Approved the solicitation of proposals and selection of a partner to lease four University housing properties on terms to be negotiated.</li></ul>				
November 2023	<ul style="list-style-type: none"><li>Approved leasing four University housing properties to Greystar in partnership with Provident on terms as negotiated, with Provident serving as the lessee and borrower of tax-exempt bonds and Greystar serving as the developer and manager of the properties; and</li><li>Delegated authority to the President or her designee(s) to execute all transaction documents required to complete the transactions for the four housing properties.</li></ul>				
<b>OBJECTIVES:</b>					
	<ul style="list-style-type: none"><li>Achieve a HFS cash reserve balance sufficient to execute on required capital projects on existing on-campus HFS facilities</li><li>Maintain on-campus rental rates, which would increase only with inflation</li><li>Eliminate deferred maintenance on-campus and in the campus adjacent communities</li><li>Maintain affordable housing for student families</li><li>Increase campus adjacent housing for students</li><li>Increase childcare capacity</li><li>Retire substantial debt currently carried by the department</li></ul>				
<b>DESCRIPTION:</b> This project aims to leverage the UH4 properties through long term land leases to achieve institutional objectives surrounding debt reduction, childcare capacity, student family housing availability and affordability, on-campus housing capacity, and reduction of deferred maintenance in the housing system. The land currently occupied by Radford Court, Nordheim Court, Laurel Village, and Blakeley Village would be leased to a private developer(s) in return for up front and ongoing revenue streams meeting the objectives outlines above. It is estimated that the Radford and Nordheim leases would result in approximately \$175 million in year one revenues. The net after \$45 million debt payoff for Radford and Nordheim will be \$130 million. Annual ground lease payments over the 45-year lease are anticipated at \$325 million. These funds would be used for the redevelopment of Haggett Hall and major renovations of McMahon and Hansee Halls. HFS will require the lessee to construct new single student apartments at Blakeley Village and new family student housing at Laurel Village. At the Laurel site, HFS requires inclusion of a childcare facility (replacing several existing facilities) and approximately 160 units to be reserved for UW students at a reduced rental rate. Annual proceeds from the Laurel and Blakeley sites would be used to fund the ongoing childcare operating costs as well as subsidize below market rents for UW student units.					
<b>FINANCIALS:</b>					
Blakely Village Proposed Project Budget			Proposed Funding		
<b>Total Project Costs</b>	<b>\$202,711,808</b>	<b>100%</b>	<b>Private Developer</b>	<b>\$202,711,808</b>	<b>100%</b>
Laurel Village Proposed Project Budget			Proposed Funding		
<b>Total Project Costs</b>	<b>\$157,758,114</b>	<b>100%</b>	<b>Private Developer</b>	<b>\$157,758,114</b>	<b>100%</b>
Proposed Project Revenues – Year One			Proposed Funding		
Lump Sum Payment	\$167,000,000	77.6%	<b>Private Developer</b>	<b>\$215,240,000</b>	<b>100%</b>
Debt Payment	\$46,000,000	21.4%	(Land Lease Revenues)		
Annual Land Lease	\$2,240,000	1.0%			
<b>Total Project Costs</b>	<b>\$215,240,000</b>	<b>100%</b>			
<b>SCHEDULE:</b>					
<ul style="list-style-type: none"><li>Radford and Nordheim: Late FY24 \$175 million lump sum (net debt); Annual escalating ground lease payments totaling \$325 million between FY25-FY70. Any new development timeline will be determined by the private developer.</li><li>Laurel and Blakeley Villages: FY24 development commences; no income to HFS</li></ul>					

## PROJECT SUMMARY

**Demand Area:** Growth 33% - Renewal 67%

**Type:** Active Capital

***Housing & Food Services – Haggett Hall***

**REGENTS ACTIONS:**

September 2022	<ul style="list-style-type: none"> <li>• Approve the Full Project Budget of \$22.25 million; and</li> <li>• Delegated authority to the President or her designee to execute contracts required to deliver the project.</li> </ul>
November 2023	<ul style="list-style-type: none"> <li>• Approved the Full Project Budget for the Haggett Hall replacement (\$22.5M + \$165.5M = \$188M) and Delegated Authority to execute contracts required to deliver the project.</li> </ul>

### OBJECTIVES:

- Complete the Housing Master Plan and north campus neighborhood as originally intended prior to the pandemic.
- Provide a welcoming facility that includes a minimum of 800 student beds, and a fitness and wellness center.
- Leverage timing to reduce overall project costs with the required demolition of Haggett Hall and new Haggett Hall construction occurring sequentially.
- Comply with deferred SDCL and SFD requirements for Willow Hall grade plane and emergency vehicle access.

**DESCRIPTION:** Haggett Hall, as it currently exists, is beyond reasonable life expectancy and was identified for demolition and replacement as part of the 2011 Seattle Campus Housing Master Plan. Per previous studies, it is cost prohibitive to renovate Haggett in lieu of replacement. Replacement will include, full abatement, demolition, site restoration and design and construction of a replacement Haggett Hall. Site restoration will include compliance with deferred SDCI and SFD requirements pertaining to Willow Hall grade plane compliance and access road compliance. The new design will feature 6 over 2 podium construction designed to accommodate 800 student beds and communal spaces to support equity and wellness. The new Haggett Hall is scheduled to be open for the Fall 2027 quarter.

## FINANCIALS:

### Approved Project Budget

### Approved Funding

<b>Projected Total Project Costs</b>	<b>\$196,000,000</b>	<b>100%</b>	<b>HFS Equity (Land Lease Revenues)</b>	<b>\$196,000,000</b>	<b>100%</b>
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## BENCHMARKS:

Oak Hall (2020)	\$551 Project Cost/GSF
Willow Hall (2018)	\$485 Project Cost/GSF
Madrona Hall (2018)	\$487 Project Cost/GSF
McCarty Hall (2018)	\$415 Project Cost/GSF

**SCHEDULE:**

Project is estimated to span FY23-27, opening to residents in Autumn 2027.

2022		2023				2024				2025				2026				2027					
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
GC SELECT																							
		ARCH SELECT																					
		DEMO DESIGN & PERMITTING																					
				DESIGN AND DOCUMENTATION																			
						NEW CONSTRUCTION PERMITTING																	
				ABATEMENT AND DEMOLITION																			
								NEW CONSTRUCTION															



## PROJECT SUMMARY

Demand Area: Strategic

Type: Active Capital

**Welcome Center****REGENTS ACTIONS:**

November 2022 • Information item.

**OBJECTIVES:**

- The UW has a rare opportunity to partner with the University Book Store and the University of Washington Alumni Association to develop and operate a Welcome Center, nestled in the heart of the U-District. Across the street from campus and a block from the new light rail station, the Welcome Center will create a gateway to the UW. It will tell the UW's story of impact, catalyze collaboration, ignite curiosity, and evoke a deep sense of place and belonging. It will welcome everyone to *their* university.

**DESCRIPTION:**

Final business terms are not determined at this time.

- The University Book Store (UBS), the Alumni Association (UWAA) and the UW plan to create an LLC.
- This LLC (initially comprised of UBS and UWAA) plans to issue an RFP as part of the process to find a developer who will build and operate a 256,600 GSF structure on the current UBS parking lot on the corner of 15th and 43rd NE.
- UW contemplated to join LLC on or after Developer Selection.
- UBS will contribute the fee title to the parking lot to the LLC.
- It is anticipated that the developer will build and operate the tower facility under a long-term ground lease with the LLC.
- The project will consist of two condominium units:
  - A podium unit that contains a UW Welcome Center, UBS Book Store and Alumni Association, public space.
- A tower to potentially contain leased office or residential space.
- It is anticipated that the LLC will lease the podium core and shell from the developer for 25 years with an obligation to purchase it at year 25 for a predetermined and fixed price.
- The LLC will construct the build out and tenant improvements in the podium unit.
- UW anticipates occupying the podium in perpetuity and its ownership interest through the LLC.

**FINANCIALS:**

## Estimated Project Budget\*

Podium Core & Shell	\$21,800,000	30.7%
Soft Costs	\$20,600,000	29.0%
Tenant Improvements	\$18,100,000	25.5%
Site Preparation (MHA)	\$5,400,000	7.6%
Parking	\$5,100,000	7.2%

## Estimated Funding

Philanthropy	\$45,300,000	63.8%
Unit Equity (from UBS)	\$2,000,000	2.8%
Alumni Association	\$5,000,000	7.1%
Ground Lease (from UBS)	\$18,700,000	26.3%
<b>Total Funding</b>	<b>\$71,000,000</b>	<b>100%</b>

**Total Project Costs      \$71,000,000      100%**

\*Project cost dependent upon outcome of the Request for Proposals (RFP) process.

**SCHEDULE:**

2023				2024				2025				2026				2027				2028	
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
LEGAL STRUCTURE																					
	DEVELOPER SELECTION																				
	UW APPROVALS																				
					DESIGN / ENTIT. / PERMITS																
												CONSTRUCTION									
																					MOVE

PROJECT SUMMARY				Demand Area: Growth Type: Active Capital	
College of Education – Early Learning Center, Rainier Valley					
REGENTS ACTIONS:					
June 2023	<ul style="list-style-type: none"><li>Approved participation in a City of Seattle solicitation for proposals to develop City property adjacent to the Mt. Baker light rail station, with expectation of the University's commitment to occupy space as an Early Learning Campus.</li></ul>				
TBD in 2024	<ul style="list-style-type: none"><li>Delegate authority to execute final terms with Developer in 2024.</li><li>Project scope estimated at \$35 million + \$15 million M&amp;O (15 years).</li></ul>				
OBJECTIVES:					
<ul style="list-style-type: none"><li>Access: Deliver high-quality early learning programs including high-demand family support services.</li><li>Workforce Development: Provide affordable, relevant, and innovative professional-development and degree-completion programs to early-learning professionals.</li><li>Systems Improvement: Support incubation and rapid-cycle innovation in early-learning practices while providing equitable dissemination infrastructure that reaches every Head Start, Early Head Start, and most EACAP programs in the state.</li></ul>					
DESCRIPTION: A state capital-budget proviso mandates that the property formerly owned by UW and transferred to City of Seattle adjacent to the Mt Baker Link light rail station in Rainier Valley be redeveloped for affordable housing and educational use, including a possible early-learning focus. This is an ideal location to deliver early learning services, support existing service providers, and incubate emerging services and providers. An advisory board made up of Southeast Seattle families and community leaders has joined with faculty members from the UW College of Education to shepherd the effort. Together, they have met with elected officials, the city government's Office of Housing and the Department of Education and Early Learning, and many community groups to explore and co-design the proposed initiative.					
FINANCIALS:					
Proposed Project Budget			Proposed Funding		
Capital Acquisition	\$24,100,000		Donor Funding	100%	
Capital TI Cost (including FF&E)	\$11,000,000		NOTE: No University Debt will be incurred for this project.		
Legal Fees & Expenses at Commencement	\$75,000				
Total Estimated Upfront Costs	\$35,175,000				
Operating Expenses (15 years)*	\$15,100,000				
Mid Term Tenant Improvements/Renewal	\$625,850				
Total Estimated Ongoing Costs	\$15,725,850				
Total Estimated Upfront and Ongoing Costs	\$50,900,850				
* Operating expenses include a 3% per annum increase.					
METRICS & INDICATORS:					
	Current	Target		Current	Target
Net Assignable SF	TBD	-	Construction Cost/GSF	\$947	-
Gross Square Feet	35,023	-	Project Cost/GSF	\$1,004	-
Efficiency (NASF/GSF)	TBD	-			
SCHEDULE:					
The City of Seattle is driving the schedule for this development. The city is on track to complete its developer selection process in June 2024, which will be followed by predevelopment. It is currently anticipated that predevelopment will take 12-18 months, followed by a construction duration of 18-24 months. UW would sign a separate agreement with the developer for construction of the Early Learning Center.					

PROJECT SUMMARY			Demand Area: Renewal Type: Active Capital		
ASUW Shell House Restoration					
REGENTS ACTIONS:					
September 2023	<ul style="list-style-type: none"><li>Approved the Full Project Budget of \$15.5 million; and</li><li>Delegated authority to the President or her designee to execute contracts required to deliver the project.</li></ul>				
OBJECTIVES:					
<ul style="list-style-type: none"><li>Integrate the Shell House into the UW student experience.</li><li>Honor the site's former use as a portage by Indigenous peoples.</li><li>Create a premier venue for conversations and collaborations between local community leaders and the University.</li><li>Catalyze and activate the UW's 2.1 miles of waterfront.</li></ul> Build local and national visibility for the Shell House and its history.					
DESCRIPTION: The existing building on the Montlake Cut was constructed in 1918 and was originally occupied as a US Navy seaplane hangar. Transfer of ownership to the UW revised the occupancy to construction and storing of rowing shells and for training UW rowers. The building is now largely vacant and used for gathering events and historical oversight of the UW rowing legacy.					
The scope of the project addresses code-related improvements required by a change of occupancy from a storage facility to assembly occupancy and program-related enhancements. Code-required upgrades include structural stabilization, site work, accessibility improvements, utility infrastructure, building envelope thermal insulation, heating and ventilation, fire and life safety, restrooms, and stabilizing the existing hangar doors and filling the void with a glass curtain wall. Program-related improvements include the restoration of the Pocock boat building workshop, creating an Innovation Lab and active learning spaces, building and event support elements with AV and lighting, creating spaces for an interactive exhibit displaying the building's rich history, and the creation of an exterior deck as an extension of the interior space on the South side of the building.					
This is a Budget Driven project, and scope prioritization will be part of the design/build process.					
FINANCIALS:					
Approved Project Budget			Current Funding		
Construction Cost	\$10,976,062	59.3%	Donor Funding	\$13,509,937	73.0%
Consultant Services	\$2,607,850	14.1%	WA Dept. of Commerce	\$3,000,000	16.2%
Equipment & Furnishings	\$259,088	1.4%	King Country Appropriation	\$750,000	4.1%
Other Costs	\$921,036	5.0%	Murdoch Foundation Grant	\$700,000	3.8%
Project Management	\$735,964	4.0%	National Parks Grant	\$399,980	2.2%
Maintenance & Operations	\$3,000,000	16.2%	King County 4Culture	\$100,000	0.5%
Total Project Costs	\$18,500,000	100%	Remaining M&O Endowment	\$40,083	0.2%
			Total Funding	\$18,500,000	100%
BENCHMARKS:					
UW Clark Hall Renovation (2010)			\$935 Project Cost/GSF		
UW Denny Hall Renovation (2016)			\$813 Project Cost/GSF		
Parrington Hall Renovation (2020)			\$410 Project Cost/GSF		
Kincaid Hall Renovation (2021)			\$542 Project Cost/GSF		
METRICS & INDICATORS:					
	Current	Target		Current	Target
Net Assignable SF	12,340	-	Construction Cost/GSF	\$824	-
Gross Square Feet	13,302	-	Project Cost/GSF	\$1,165	-
Efficiency (NASF/GSF)	92.8%	-			

SCHEDULE:

2018 - 2022				2023				2024				2025				2026			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FUNDRAISING																			
						DB TEAM													
								DESIGN											
										PERMITTING									
												CONSTRUCTION							
																		MOVE	

## PROJECT SUMMARY

### Demand Area: Renewal

**Type:** Active Capital

**School of Dentistry – D1 Renovation (Digital Simulation Center)**

**REGENTS ACTIONS:**

TBD

- Reporting of action(s) taken under Delegated Authority.

### GOALS:

1. Increase student capacity
2. Increase the number of clinical operations through better space optimization.
3. Create substantial positive impact on clinical revenue and fee-based program income.

**OBJECTIVES:**

1. Increase Doctor of Dental Surgery (DDS) program student enrollment by 18 FTS. This is a 20% increase for the program.
2. Integrate new digital dentistry technology and equipment to meet expanding accreditation requirements.
3. Bring current simulation facilities up to the expectations of a "top five" school so that the university can attract new students and increase the diversity of the student body.

**DESCRIPTION:** This is a scope driven project. Construction will take place over the summer term 2024 for minimal disruption to students and to meet the impending Commission on Dental Accreditation (CODA) accreditation audit starting in September 2024. Project includes selective demolition of three (3) rooms, adding additional student capacity (18 new bench stations + power/data), reconfiguration of the grading room, creating a digital dentistry work area, and refreshing finishes throughout the space if feasible (flooring, ceiling tile, paint, station surfaces).

**FINANCIALS:**

Approved Project Budget			Approved Funding		
Construction Cost	\$500,000	25.0%	School of Dentistry	\$1,000,000	50.0%
Consultant Services	\$153,778	7.7%	Central Equity (Provost - FY22) <sup>1</sup>	\$500,000	25.0%
Equipment and Furniture	\$1,170,105	58.5%	Central Equity (Provost - FY23) <sup>1</sup>	\$500,000	25.0%
Other Costs	\$48,550	2.4%	<b>Total Funding</b>	<b>\$2,000,000</b>	<b>100%</b>
Project Management	\$127,567	6.4%			
<b>Total Project Costs</b>	<b>\$2,000,000</b>	<b>100%</b>			

<sup>1</sup> Programmatic Renewal funding.

## BENCHMARKS:

School of Dentistry B350 Renovation (2023)

\$423 Project Cost/GSF

### METRICS & INDICATORS:

	Current	Target		Current	Target
Net Assignable SF	900	900	Construction Cost/GSF	\$556	\$556
Gross Square Feet	900	900	Project Cost/GSF	\$2,222	\$2,222
Efficiency (NASF/GSF)	100%	100%			

**SCHEDULE:**

[illegible]

## PROJECT SUMMARY

**Demand Area:** Strategic

**Type:** Active Capital

## ***UW Tacoma – Land Acquisition***

**REGENTS ACTIONS:**

TBD

- Reporting of action(s) taken under Delegated Authority.

### OBJECTIVES:

- The sites that will be acquired with land acquisition funding will eventually be used to implement elements of the UW Tacoma Master Plan, primarily campus housing, community/student life, and playfields/open space. Acquisition from current private owners will prevent development by those owners into facilities that do not support UW Tacoma.

**DESCRIPTION:** Funding was requested to acquire private and public owned properties within the existing established boundaries of the University of Washington - Tacoma Campus. Acquisition of privately owned properties from the current owners will prevent development by those owners into facilities that do not support the mission of the UW Tacoma Campus. Acquisition of public right-of-way will allow for development of student housing and food service consistent with the Campus Master plan. In addition, if the properties are privately developed, they will be far more expensive to acquire at a later date to support campus needs.

## FINANCIALS:

## Approved Project Budget

Acquisition	\$7,700,000	100.0%
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<b>Total Project Costs</b>	<b>\$7,700,000</b>	<b>100%</b>
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### Approved Funding

State Bldg/Const. Account 23-25	\$7,700,000	100.0%
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<b>Total Funding</b>	<b>\$7,700,000</b>	<b>100%</b>
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## BENCHMARKS:

Land w/ Commercial Building (23XX Tacoma Ave S.)

\$8.5M Cost/Acre

Vacant Land (15XX Tacoma Ave. S.)

\$4.0 Cost/Acre

**METRICS & INDICATORS: N/A**

**SCHEDULE:**

2022			2023				2024				2025				
Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	PLANNING														
				NEGOTIATIONS											
							ACQUISITION								



**PROJECT SUMMARY****Demand Area:** Renewal**Type:** Active Capital***Housing & Food Services – McMahon Hall*****REGENTS ACTIONS:**

TBD • TBD

**OBJECTIVES:** • McMahon Hall was constructed in 1967. Building assessments over the last 25 years indicate that a substantial renovation is required to maintain the building in a least cost model.

**DESCRIPTION:** Housing and Food Services is planning to engage a construction and design team in 2026-2028 to begin the renovation process. McMahon will close in 2027 and the students who live in McMahon Hall would be able to move into the newly opened Haggett Hall in 2027. The building would likely remain empty for 1-2 years before renovation begins. A renovated McMahon would open sometime between 2030-32.

**FINANCIALS:**

Proposed Project Budget

Proposed Funding

**Projected Total Project Costs**    **\$190,000,000**    **100%**    **HFS Equity (Land Lease Revenues)**    **\$190,000,000**    **100%**

**BENCHMARKS:**

Oak Hall (2020)	\$551 Project Cost/GSF
Willow Hall (2018)	\$485 Project Cost/GSF
Madrona Hall (2018)	\$487 Project Cost/GSF
McCarty Hall (2018)	\$415 Project Cost/GSF

**SCHEDULE:**

Project is estimated to span FY28-32, opening to residents in Autumn 2032.

2026				2027				2028				2029				2030				2031				2032				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
INITIAL DESIGN TEAM ENGAGEMENT																												
				McMAHON CLOSES																								
								McMAHON HALL REMAINS EMPTY																				
												RENOVATIONS																
																RENOVATED FACILITY OPENS TO STUDENTS												

## PROJECT SUMMARY

**Demand Area:** Strategic

**Type:** Active Capital

## Clean Energy Testbeds

**REGENTS ACTIONS:**

TBD

- Reporting of action(s) taken under Delegated Authority.

### OBJECTIVES:

- Construction of a new, relocatable battery fabrication lab at the current Clean Energy Institute location in the Bowman Building.
- Primary expenditures are on equipment that can be relocated during Clean Energy Institute's planned move to Brightwork in two to three years.

**DESCRIPTION:** Highly specialized lab space for battery research and design. UW and industry partners will use this space to develop new battery technologies and improved energy storage systems to enhance electricity grid storage capacity and options. This lab is designed to develop and test prototypes that can be scaled up and mass produced in a manufacturing environment.

## FINANCIALS:

Approved Project Budget			Approved Funding		
Construction Cost	\$4,113,565	54.8%	Climate Commitment Acct. 23-25	\$7,500,000	100.0%
Consultant Services	\$364,536	4.9%	<b>Total Funding</b>	<b>\$7,500,000</b>	<b>100%</b>
Equipment & Furnishings	\$2,795,023	37.3%			
Other Costs	\$18,000	0.2%			
Project Management	\$208,876	2.8%			
<b>Total Project Costs</b>	<b>\$7,500,000</b>	<b>100%</b>			

**METRICS & INDICATORS: N/A**

**SCHEDULE:**

2022				2023				2024				2025			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		DEFINITION & DESIGN													
								CONSTRUCTION							
													MOVE		

## CORE CAPITAL

PROJECT SUMMARY		Demand Area: Renewal Type: Core Capital	
<b>Asset Preservation &amp; Program Renewal</b>			
<b>REGENTS ACTIONS:</b>			
N/A	<ul style="list-style-type: none"><li>No specific Regents actions are associated with these projects.</li></ul>		
<b>OBJECTIVES:</b>	<ul style="list-style-type: none"><li>Renew existing facilities and infrastructure as life cycles end.</li><li>Reduce ongoing maintenance and utility costs.</li><li>Address facilities issues that hinder programmatic priorities.</li></ul>		
<b>DESCRIPTION:</b>			
<p><b>Asset Preservation (Minor Works):</b> RCW 43.88.030(5)(d) requires agencies to develop a strategic plan for reducing their maintenance backlogs and completing repair projects. This plan must be included in the capital budget submittal. One way to reduce maintenance backlogs is through minor works projects, which are a consolidation of small capital projects each valued at less than \$2M. Minor works projects should be completed within the biennium of the funding allocation. This category of projects also includes some accessibility improvements. Projects are identified and prioritized by Bothell and Tacoma for their respective campuses and by UWF Asset Management and Operations for the Seattle Campus. Projects are typically delivered by in-house trades staff and the Project Delivery Group.</p> <p><b>Programmatic Renewal (Classroom Modernization Effort):</b> These projects are developed from information collected by UWF Account Managers, scored against the Board of Deans, and prioritized by the Campus Stewardship Committee and approved by the Space Advisory Committee. These projects are also filtered with the list of Asset Preservation projects to look for synergies between the funding sources. The list of recommended projects is provided for final approval by the Provost and the Senior Vice President and Chief Financial Officer of Finance, Planning &amp; Budgeting.</p>			
<b>FINANCIALS (FY25-FY29):</b>			
Asset Preservation (Minor Works)	\$141,505,000	UW Building Account	100%
Programmatic Renewal (Classroom Modernization)	\$21,800,000	Central Equity (Provost)	100%

PROJECT SUMMARY			Demand Area: Renewal
			Type: Core Capital
<b>Accessibility Improvements</b>			
<b>REGENTS ACTIONS:</b> N/A <ul style="list-style-type: none"> <li>No specific Regents actions are associated with these projects.</li> </ul>			
<b>OBJECTIVES:</b> <ul style="list-style-type: none"> <li>Ensure access to institutional programs, services, and activities.</li> <li>Address both site related (external) and facility related (internal) access issues</li> </ul>			
<b>DESCRIPTION:</b> These projects are part of the capital strategy to help ensure ADA compliant access to programs, services, and activities throughout the institution. This work aligns with the University's vision to educate a diverse student body and its values of integrity, diversity, inclusion, excellence, collaboration, innovation, and respect. To achieve accessibility for students, staff, faculty, and visitors with disabilities across all institutional facilities, the University of Washington expects the built environment to be designed and constructed to meet the 2010 ADA Standards for Accessible Design. In addition, the University has recently prepared ADA Transition Plans for all three campuses that will help guide this effort. These detailed documents summarize self-evaluations, which include an accessibility assessment of pedestrian facilities as well as practices and procedures which relate to them. They also contain specific transition plans, which identify a strategy for the removal of barriers and identifies how the University will address requests for accommodations.			
<b>FINANCIAL OVERVIEW:</b> Funding sources for these projects vary depending on project type but typically include support from Central Equity (Provost Reinvestment Funds), Unit Equity (Facilities) and the UW 064 Building Account (typically captured in Asset Preservation (Minor Works) projects).			
<b>FINANCIALS (FY25-FY29):</b>			
Accessibility Improvements	\$2,550,000	Central Equity (Provost)	100%

PROJECT SUMMARY				Demand Area: Renewal Type: Core Capital	
Seismic Improvements					
REGENTS ACTIONS:					
May 2018	• Approved Phase 1 project budget of \$17.6 million; and				
	• Delegation of Award of Design Build Contract.				
May 2024	• Information item.				
June 2024	• Seeking Phase 5 approval and delegated authority to the President or her designee to execute contracts required to deliver the project.				
OBJECTIVES:					
	• Improve life safety by reducing the risk of injury from the collapse of unreinforced masonry.				
	• Reduce adverse effects on university operations in the event of an earthquake.				
	• Connect UW with resources by which departments can increase their own seismic resilience.				
	• Preserve integrity of the historical structures.				
DESCRIPTION: This ongoing project improves seismic preparedness in unreinforced masonry (URM) buildings on the Seattle Campus. Twenty-five buildings were initially identified to be repaired over an eight-year period. Due to increased project costs, the program now includes nine phases executed over a period of 18 years. We have completed the first three phases, progressing towards completion of the fourth, and initiating the fifth. The work reinforces URM bearing and non-bearing walls and reinforces parapet and façade elements to reduce the risk of collapse of buildings and masonry falling from buildings.					
FINANCIALS:					
Proposed Project Budget			Proposed Funding		
Construction Cost	\$97,913,000	89.5%	UW Building Account 17-19	\$17,500,000	16.0%
Consultant Services	\$2,953,800	2.7%	UW Building Account 19-21	\$15,000,000	13.7%
Equipment & Furnishings	\$765,800	0.7%	UW Building Account 21-23	\$8,000,000	7.3%
Other Costs	\$2,625,600	2.4%	State Bldg/Const. Account 21-23	\$2,000,000	1.9%
Project Management	\$5,141,800	4.7%	UW Building Account 23-25	\$14,300,000	13.1%
Total Project Costs	\$109,400,000	100%	UW Building Acct. Req. 25-27	\$10,300,000	9.4%
			UW Building Acct. Req. 27-29	\$12,300,000	11.2%
			UW Building Acct. Req. 29-31	\$11,500,000	10.5%
			UW Building Acct. Req. 31-33	\$8,100,000	7.4%
			UW Building Acct. Req. 33-35	\$10,400,000	9.5%
			Total Funding	\$109,400,000	100%
SCHEDULE (PHASING):					
Completed – Phase 1:		Completed – Phase 3:		Phase 7 (29-31):	
Communications		Johnson Hall		Raitt Hall	
Gowen Hall		Mary Gates Hall		Plant Operations	
Lewis Hall		Portage Bay Building			
Music Building		Power Plant		Phase 8 (31-33):	
Savery Hall				Hall Health	
Smith Hall		Current - Phase 4 (23-25):		Harris Hydraulics	
Thomson Hall		Hutchinson Hall		Jacobsen Observatory	
Completed – Phase 2:		Phase 5 (25-27):		Phase 9 (33-35):	
Eagleson Hall		Suzzallo Library		Oceanography Bldg.	
		Phase 6 (27-29):		Miller Hall	
		Art Building			
		Hec Edmundson			

## PROJECT SUMMARY

**Demand Area:** Renewal  
**Type:** Core Capital

### Infrastructure Renewal 23-25

#### REGENTS ACTIONS:

TBD • Reporting of action(s) taken under Delegated Authority.

**OBJECTIVES:** The University of Washington requested \$35 million from the Building Account to support a variety of infrastructure renewal projects across the Seattle Campus. Most of the funding for these projects also help the University begin to address the Clean Buildings Performance Standard (CBPS). In addition, the University has a substantial backlog of deferred maintenance/renewal issues and with increasing costs and the complexity of these projects, these infrastructure projects now typically exceed the ceiling for Minor Works projects (\$2 million or less) and therefore continue to be deferred due to funding constraints. This Infrastructure Renewal request would enable us to help solve major deficiencies that cannot be solved via the Minor Works Program. The intent is that this program will continue for the next several biennia if funding is available.

**DESCRIPTION:** The list of projects submitted for consideration is outlined below. Some are large stand-alone projects, others will be a combination of multiple, smaller projects that will be bundled for contracting purposes.

- **CBPS: Energy Modernization**
  - ✓ Utility Metering Equipment
  - ✓ Building Control System Upgrades (Equipment & Software)
  - ✓ Mechanical Equipment Replacement
- **CBPS: Power Plant Chiller #5**
- **Fire/Life Safety**
  - ✓ Fire Alarm Panel/Device Installation
- **Equity & Inclusion**
  - ✓ Skagit & King Lanes
- **Classroom Infrastructure**
  - ✓ Academic Technologies - Smith Hall Classroom Updates

#### FINANCIALS:

##### Proposed Project Budget

Construction Cost	\$17,919,821	72.0%
Consultant Services	\$3,484,410	14.0%
Equipment & Furnishings	\$497,773	2.0%
Other Costs	\$1,244,432	5.0%
Project Management	\$1,742,205	7.0%
<b>Total Project Costs</b>	<b>\$24,888,641</b>	<b>100%</b>

##### Proposed Funding

Climate Commitment Acct. 23-25	\$15,000,000	60.2%
UW Building Account 23-25	\$9,175,000	36.9%
<b>Unit Equity (Facilities)</b>	<b>\$713,641</b>	<b>2.9%</b>
<b>Total Funding</b>	<b>\$24,888,641</b>	<b>100%</b>

#### SCHEDULE:

2022				2023				2024				2025				2026			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

PLANNING

DESIGN

CONSTRUCTION

## PROJECT SUMMARY

**Demand Area:** Renewal/Strategic

**Type:** Core Capital

## Clean Energy Strategy

**REGENTS ACTIONS:**

N/A

- No specific Regents actions are associated with this project.

**OBJECTIVES:**

The Seattle campus energy system has served the campus well for over 100 years, but its age and dependence on fossil fuels no longer align with the mission of the University. Maintaining the status quo puts the UW in substantial financial, operational, and reputational risk. UW's Clean Energy Transformation Strategy will meet the following objectives:

- Maintain a level of service worthy of a world-class research institution
- Model solutions to environmental and financial challenges
- Remain flexible to future technologies
- Serve as a living lab
- Exceed City and State requirements
- Minimize total cost of ownership

**DESCRIPTION:** With the overall technical strategy in place, the University would utilize this funding appropriation to retain an energy services partner to conduct the detailed engineering analysis necessary to refine the elements (Five Part Strategy) outlined below. This will include timelines of the various energy service proposals, refined cost estimates and overall coordination to turn this strategy into an implementation plan that is aligned with other university strategic initiatives.

1. **Energy Efficiency:** Information from expanded metering and data analytics will provide the insights we need to optimize energy use and meet State and City building performance mandates.
2. **Lower Temperature:** A first step to shift off fossil fuels is to transition from a high-temperature steam system to a lower temperature hot water system. This sets us up for part four of the strategy.
3. **Transform Cooling:** Cooling is energy intensive: a more efficient system will free up electrical capacity for decarbonizing. We will transform cooling by replacing inefficient, aging building chillers with cooling capacity from the Central Plant, add chilled water storage and potentially use deep-lake cooling to create a 'win-win' for improving migration barriers for salmon and enhancing UW's climate adaptation for longer, hotter summers.
4. **Electrify Heating:** We can electrify the system by installing heat pumps to recover waste heat from multiple sources including cooling towers, sewer lines, and Lake Washington.
5. **Final Push (Full Decarbonization):** To fully reduce dependence on fossil fuels, we will need an alternate way to produce the steam needed to sterilize research and medical equipment.

The University of Washington operates one of the largest district heating systems in the state. This is an opportunity to partner with other agencies, universities, hospitals, and cities to show what is possible when decarbonizing a heating system.

## FINANCIALS:

Proposed Project Budget			Proposed Funding		
Consultant Services	\$2,750,000	91.7%	Climate Commitment Acct. 23-25	\$3,000,000	100.0%
FMC Support/Other	\$150,000	5.0%	<b>Total Funding</b>	<b>\$3,000,000</b>	<b>100%</b>
Project Management	\$100,000	3.3%			
<b>Total Project Costs</b>	<b>\$3,000,000</b>	<b>100%</b>			

**SCHEDULE:**

2022				2023				2024			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		PLANNING									
						ENGINEERING ANALYSIS					



## PROJECT SUMMARY

Demand Area: Renewal

Type: Core Capital

**Energy Renewal FY24****REGENTS ACTIONS:**

TBD

- Reporting of actions taken under Delegated Authority.

**OBJECTIVES:** The UW was appropriated \$38.9 million in contingent funding (available in January 2025) from the Climate Commitment Account 26-C in the FY24 Supplemental Budget Session to support our ongoing institutional wide decarbonization efforts. The five funded projects support all three campuses and several UW Medical Center facilities. The Seattle Campus – Centralized Chilled Water Capacity improvements is a foundational piece of the University's Clean Energy Strategy to fully decarbonize the Seattle campus energy system and the other four projects address energy consumption and decarbonization efforts across our entire facility portfolio. These projects will help modernize the UW's energy infrastructure and better align the University's sustainability values with daily campus operations.

Some of the overarching program benefits are:

- Reduces energy consumption and Greenhouse Gas (GHG) Emissions
- Enhances compliance efforts with recently enacted Clean Buildings Standard legislation
- Addresses aging infrastructure and deferred maintenance
- Leverages funding from the Climate Commitment Act - Carbon Auction proceeds to directly reduce greenhouse gas emissions
- Utilizes the Seattle Campus as a living lab to show what can be achieved at the district (centralized) system level

**DESCRIPTION:** The list of funded projects is detailed below:

- Bothell Campus – Central Plant Optimization & Gas Boiler Replacements - \$6.5M
- Seattle Campus – Centralized Chilled Water Capacity Improvements - \$14M
- Tacoma Campus - Gas Boiler Replacements - \$8.4M
- UWMC Montlake Campus - HVAC Systems Renewal - \$8M
- UWMC NWH Campus - Central Utility Plant Planning - \$2M

**FINANCIALS:**Proposed Project Budget <sup>1</sup>

Construction Cost	\$28,300,000	72.7%
Consultant Services	\$2,600,000	6.7%
Equipment & Furnishings	\$3,500,000	9.0%
Other Costs	\$2,300,000	5.9%
Project Management	\$2,200,000	5.7%

**Total Project Costs**      **\$38,900,000**    **100%**

Proposed Funding <sup>2</sup>

Climate Commitment Acct. FY25	\$38,900,000	100.0%
<b>Total Funding</b>	<b>\$38,900,000</b>	<b>100%</b>

<sup>1</sup> Estimated budget breakdown for the entire program.

<sup>2</sup> Funding contingent upon Initiative 2117 (the repeal of the Climate Commitment Act) being rejected by the voters in the 2024 General Election.

**SCHEDULE:**

2023				2024				2025				2026			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		PLANNING													
			FUNDING REQUEST												
								FUNDING							

CONSTRUCTION/PROJECT DELIVERY

## CLINICAL CAPITAL

PROJECT SUMMARY

Demand Area: Renewal  
Type: Clinical Capital

UW Medical Center - Montlake Campus Membrane Repair & Landscape

REGENTS ACTIONS:

November 2020

March 2022

May 2022

- Delegated authority to award Design Build contract for initial project definition work.
- Information item.
- Approved project budget of \$51.252 million;
- Use of the Internal Lending Program (ILP) to fund up to \$36.252 million (including financing costs); and
- Delegated authority to the President or her designee to execute contract amendments for construction contracts.

OBJECTIVES:

- Provide a complete and long-term solution to the ongoing threat of water infiltration underneath the Northwest and Main Entry Courts of UWMC Montlake Campus, while providing for improved ADA accessibility and accommodating increased pedestrian and bicycle movement in a manner which minimizes conflicts, congestion, and optimizes the use of valuable campus open space for a diversity of uses.

DESCRIPTION:

The existing waterproofing membrane underneath the Northwest and Main Entry Courts is beyond its service life and failures have been an ongoing challenge to operations, equipment, and patient care for UWMC. The scope of this project includes demolition of existing hardscape, excavation to expose existing waterproofing, and complete replacement of the existing waterproofing membrane, flashings, and associated systems. The existing waterproofing includes the horizontal waterproofing on the Level 3 structural deck (primarily), the Level 2 structural deck and below-grade walls at these locations, the waterproofing at horizontal and vertical seismic joints, and the transitions where the waterproofing turns up onto the above-grade walls or down onto the below-grade walls of the existing Medical Center.

The project scope also includes new landscape and hardscape improvements that are appropriate for significant open spaces at the leading hospital in the region, will enhance the visitor, patient, and staff experience, and are visually pleasing when viewed from above. Developing safe, effective, and attractive solutions for a dense interface of pedestrians, cyclists, cars, and transit is a key aspect of the project. The project requires a multi-phased approach to allow for continuous 24/7 access to the Medical Center, and the design-builder is responsible for developing a design and construction phasing plan.

The project is nearing completion of Phase 2 of an anticipated four phase construction sequence.

FINANCIALS:

Revised Project Budget

Construction Cost	\$45,742,774	80.7%
Consultant Services	\$7,724,575	13.6%
Equipment and Furniture	\$86,258	0.2%
Other Costs	\$1,105,479	1.9%
Project Management	\$1,805,623	3.2%
Loan Issuance	\$252,000	0.4%
Total Project Costs	\$56,716,709	100%

Revised Funding

ILP Debt Funds	\$36,252,000	63.9%
Central Equity	\$14,600,000	25.7%
UWMC Equity	\$5,023,709	8.9%
UW Transportation Services	\$441,000	0.8%
School of Medicine Equity	\$400,000	0.7%
Total Funding	\$56,716,709	100%

SCHEDULE:

2020		2021			2022				2023				2024				2025				2026			
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
		DB																						
			PROJECT DEFINITION/DESIGN																					
							CONSTRUCTION (SEPTEMBER 2022 - DECEMBER 2025)																	
																					CLOSEOUT			

## PROJECT SUMMARY

Demand Area: Renewal

Type: Clinical Capital

***UW Medical Center - Plaza Café Remodel*****REGENTS ACTIONS:**

TBD

• TBD

**OBJECTIVES:** The existing kitchen/dining area of the Plaza Café needs an update to provide modernized food service needs for UWMC inpatients, visitors/families, staff, and student populations. This project hopes to refresh the dining experience to once again provide that warm and welcoming environment for its patrons.

Being at the heart of the campus, it is crucial that the UWMC Plaza Cafe remain operational to serve the inpatient population for the duration of this project. It is with this intent that the project takes on a rigorous multi-phased approach to achieve final build-out. Given that there is little opportunity for lateral expansion for program growth needs, this project proposes an exterior expansion to the existing Plaza Cafe courtyard along with a vertical expansion above.

It is anticipated that the project team will need to work with the Department of Health to provide a path forward through the phased process to ensure that the 'essential kitchen' can provide for the inpatient population for the duration.

**DESCRIPTION:** The project will update and replace UWMC's kitchen, server, and dining areas to meet the increased food service and dining needs for patients, hospital visitors, staff, and the School of Medicine. The existing facility has not had any significant updates in 40 years. Two Medical Center buildings have been added during that time. The project will include a complete renovation of the kitchen and supporting electrical, mechanical, and plumbing systems, as well as a renovation and expansion of the server and dining areas to meet current and future program needs and service expectations. Construction costs include fixed equipment for the kitchen. UWMC to procure moveable furnishings for dining separate from the project.

**FINANCIALS:**

## Proposed Project Budget

Construction Cost	\$68,797,532	84.8%
Consultant Services	\$8,475,531	10.5%
Other Costs	\$1,277,500	1.6%
Project Management	\$2,528,340	3.1%
<b>Total Project Costs</b>	<b>\$81,078,903</b>	<b>100%</b>

## Proposed Funding

<b>Unit Equity</b>	\$81,078,903	100%
<b>Total Funding</b>	<b>\$81,078,903</b>	<b>100%</b>

**SCHEDULE:**

2022				2023				2024				2025				2026				2027			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

FEASIBILITY STUDY

APPROVAL

TEAM

DESIGN/PERMITTING

CONSTRUCTION

PROJECT SUMMARY			Demand Area: Clinical/Renewal/Strategic Type: Clinical Capital			
UW Medical Center – Other Clinical Capital Projects						
REGENTS ACTIONS:						
Dates TBD		<ul style="list-style-type: none"><li>Major projects (&gt; \$15M) will be brought to the Regents via the normal major project process for review and approval.</li><li>Smaller projects (&lt; \$15M) are reviewed and approved as part of the annual UW Medicine Debt-Funded Small Works Budget item which defines the amount of Internal Lending Program (ILP) debt funding available for this work in FY25. To implement all the projects captured below, UW Medicine equity will also be leveraged. These projects will be executed under delegated authority.</li></ul>				
OBJECTIVES:		<ul style="list-style-type: none"><li>Capital projects in the clinical enterprise support ongoing operations and strategic initiatives for each of the UW Medical Centers and clinics in keeping with the Strategic Refresh.</li></ul>				
DESCRIPTION:						
<b>Core Capital Construction (\$83M):</b> Placeholder for FY25-29 TBD core capital construction projects at both the UWMC Montlake and Northwest campuses.						
<b>Deferred Maintenance (\$274M):</b> The projects included are to ensure our current facilities continue to operate to provide safe and efficient patient care to our community.						
<b>End of Life Equipment (\$201M):</b> The projects included are to ensure our current equipment continues to operate to provide safe and efficient patient care to our community.						
<b>Montlake OR Expansion (\$19M):</b> Creating two new ORs at the Montlake campus to accommodate increased volumes and add capacity and revenue generation. Projected opening January 2025						
<b>NWH Campus Reconfiguration/Backfill (\$29M):</b> Reconfiguration/backfilling of the UWMC Northwest Campus. Projects include remodeling of the existing kitchen for clinical support services, renovating A-Wing 4-5 floor patient care floors and relocating WISH from Montlake to Northwest (to accommodate ML OR Expansion).						
<b>NWH OR Expansion (\$25M):</b> Create four new ORs at OPMC at the Northwest campus which will accommodate increased volumes and add capacity and revenue generation.						
<b>Strategic Specialty Care and Service Line Expansion (\$207M):</b> SSCSLE includes expansion of the Digestive Health Clinic which is a part of our strategic service line plans to support growth in endoscopy services.						
<ul style="list-style-type: none"><li>Creating a large unit acute IP unit consisting of 12-18 IP beds (TBD, depending on design study) by relocating transplant administrative offices which will increase capacity and provide revenue generation.</li><li>Relocating and updating space for Gamma knife treatment at UWMC NW from HMC will provide UW Medicine an opportunity to provide the full spectrum of IP and OP oncology services at UWMC. This will increase capacity and revenue generation.</li><li>With the opening of UWMC Center for Behavioral Health and Learning, the current medical surgical E-wing unit will move to the new building. This will provide an opportunity for UWMC to backfill the 43 IP bed unit with Oncology which will provide approximately 29 beds/single IP rooms. This will increase oncology capacity and provide revenue generation.</li><li>Also, included is UWMC NW MIMP (Major Institution Master Plan) which is required by the City of Seattle and will help us envision how to accommodate our region’s growing population’s healthcare needs. It will also allow for replacing aging campus facilities with more energy efficient, lower maintenance and appropriate systems for a modern healthcare campus.</li></ul>						
FINANCIALS: Costs are finalized on a project-by-project basis and planning work for this work is ongoing.						
Proposed Project Budget			Proposed Funding			
Total Project Costs		\$837,250,000	100%	ILP Debt Funds	\$348,200,000	41.6%
				Unit Equity	\$489,050,000	58.4%
				Total Funding	\$837,250,000	100%
SCHEDULE:						
Individual project schedules in development.						

# SUPPLEMENTAL INFORMATION

## CAPITAL BUDGET PROCESS OVERVIEW

While the Long-Term Capital Plan strategies focus on broad demand drivers and fund sources, the Annual Capital Budget translates these broad principles into specific individual capital investments that will build the University's future, as outlined below.

### STEP 1 - IDENTIFICATION OF POTENTIAL INVESTMENTS

The capital budget process begins with the visions of the President and Provost, and an alignment of the needs assessment of the Chancellors in Bothell and Tacoma, the Deans of each school and college, the Clinical Enterprise leadership, and auxiliaries' leadership. UW Facilities account managers work closely with the leadership of these units to identify priorities and look for opportunities where facility conditions can be improved, as well as fund sources leveraged to achieve programmatic goals. With ongoing counsel from CPAT, projects are created with specific objectives, budgets, and funding strategies, and then funding feasibility is evaluated with Advancement; Government Relations; and Finance, Planning & Budgeting. Each project is scored based on a multi-criteria scoring process that allows projects to be ranked while adjusting as external conditions change.

The process for identifying clinical investments is similar and is based on UW Medicine's capital planning efforts, which the UW Medicine Advisory Board regularly reviews. As specific investments are identified, each is scoped and scored using a similar multi-criteria prioritization system, with fine-tuning to match the needs of the Clinical Enterprise.

To be considered for the Annual Capital Budget, all projects must meet firm criteria to move forward realistically within the next five years. Project goals must be well established, in addition to a defined project scope, a target budget based on selected benchmarks, a feasible funding plan, and an identified source for ongoing maintenance, operations, and renewal costs.

### STEP 2 - TESTING & REFINEMENT

After CPAT scores and ranks individual projects, the University's overall priorities and capacities are considered to construct a comprehensive and integrated capital budget. Funding assumptions are fine-tuned to align with the total available capacity. This iterative process includes reviews by CPAT; UW Facilities; Finance, Planning & Budgeting; UW Executive Office; deans; and faculty governing entities.

### STEP 3 - APPROVAL OF THE ANNUAL CAPITAL BUDGET

The UW Board of Regents reviews the Annual Capital Budget in conjunction with the annual review of the University's Annual Operating Budget. Their response, continued feedback from the UW Executive Office and faculty governing entities, and a financial assessment of the University's capacity shape the final Annual Capital Budget presented for approval to the Regents in June.

### STEP 4 - APPROVAL OF INDIVIDUAL PROJECTS

The Board of Regents approves capital projects in two stages. The first is **conditional approval** for inclusion in the Annual Capital Budget, and the second is **full approval** before beginning the design phase for projects

estimated at over \$15 million or those executed under Delegated Authority. Since institutional needs, funding, and opportunities can vary from year to year, any project not considered Active Capital needs to be resubmitted for the annual CPAT review and prioritization process.

After each project over \$15 million is fully formed and funding commitments are confirmed, the Board of Regents must provide **full approval** before beginning the design phase. This approval includes debt commitments from either the [Internal Lending Program](#) or the [Bridge Program](#) (which addresses the timing gap between project expenditures and the receipt of gift funds to accelerate project construction). Projects in the \$5 million to \$15 million range are executed under delegated authority to the Vice President of Facilities and reported to the Board as actions taken and as part of the monthly Capital Project Report. Small Works projects related to the clinical enterprise are grouped for review and approval by the Regents every year in conjunction with the larger Annual Capital Budget. This process allows the Regents to respond to changing priorities and external constraints.

## CAPITAL FUNDING GUIDELINES

Continuous investment is required to properly steward the University's buildings, grounds, and infrastructure. The three main campuses are constantly evolving, and UW recognizes that additions and modifications to their fabric can strain resources if not planned, prioritized, and funded appropriately. The following guidelines connect funding commitments to the approval of capital projects.

### CAPITAL FUNDING COMMITMENTS

The full range of potential fund sources is explored and evaluated for each capital project. For projects requiring state funding, for example, the default intent is to broaden the reach of state dollars by supporting a minimum of one-third of the total project budget from local equity or donor funds. Similarly, projects should have at most 80% of the total cost funded by debt. This requirement ensures that limited debt capacity is available to the broadest range of projects. The proposed funding mix for each project is outlined in its Project Summary and approved by the Regents as part of the overall approval of the Annual Capital Budget.

Before full approval of any individual project, all funds must be committed, and a detailed cash flow plan must be developed and validated, ensuring that sufficient receipt of funds precedes anticipated expenditures by at least three months throughout the life of a project. Failure to meet this cash flow standard may result in a work stoppage.

- For state appropriations, design funding must be in hand, and future construction funding must be included in the legislative capital appropriation language
- For loans from the Internal Lending Program, financial due diligence must be completed by Treasury
- For donor funding, fully executed pledges must be in place, 10% of the gifts received, and the availability of bridge loan financing must be confirmed
- A separately identifiable budget must be established for local funds with the fully committed amount deposited. Including any necessary commitments for maintenance, operations, and renewal

## PROJECTS REQUIRING PRIVATE GIFTS

The University follows a lead-gift-first strategy consistent with best practices for donor-funded projects. Namely, half of the private gift portion of the project should come from one to three donors via written pledges. Lead gift commitments (along with other sources of project revenue) should be secured before broad-based fundraising begins to ensure confidence and success.

Advancement may require an independent analysis of the fundraising potential using standard industry benchmarks. If required, Advancement will split the analysis cost with the unit. For all other projects, Advancement will partner with the unit to analyze the fundraising potential before broad-based fundraising begins.

## PLEDGE REQUIREMENTS

Written commitments must be in place for 100% of the donor pledges for a project to seek Regent approval to move on to the execution phase. In addition, a minimum of 10% of the donor funding must be in hand.

Pledges should ideally convert to cash within four years of the pledge date to manage the timing of gifts for capital projects. If necessary, pledges paid over a maximum of five years are acceptable. Exceptions require the approval of the Vice President of Advancement and the Vice President of UW Facilities.

To match project cash flow needs with gift flow during the construction project, a bridge loan may be established by Treasury (FPB) to manage project funding/gift realization timing differences for up to 25% of the total pledges (gift realization must align with Bridge Policy guidelines to qualify). Any bridge funding must be evaluated by Treasury (FPB) and approved by the Board of Regents, depending on project size. All pledge agreements for capital projects shall include the signature of the Vice President of UW Facilities.

## FUNDING FOR MAINTENANCE & OPERATIONS + RENEWAL

Since almost every capital project influences the University's Annual Operating Budget in some fashion, the Board's practice since 2020 has been to concurrently review and approve both the Annual Operating and the Annual Capital Budgets to ensure appropriate congruency exists between the two. However, since this process was not a cornerstone of the capital planning strategy until recently, one of the biggest challenges we continue to face is the deferred maintenance backlog.

If new incremental (net-new) space is added to the tri-campus facility inventory, overall maintenance, operation, and renewal costs (M&O+R) increase accordingly. As mentioned earlier, these costs are estimated during the planning process, and fund sources must be committed before final project approval. Multiple fund sources may be utilized to provide this funding (e.g., state funds, unit funds, operating revenue, building endowments, etc.).

Since state support is not guaranteed, the Capital Funding Guidelines now require that full funding for annual M&O+R be committed before beginning any new building project. Projects anticipating utilizing state funding to satisfy these requirements must provide a secondary funding source or "backstop" commitment before approval. In some cases, this has included incremental funding from individual units.



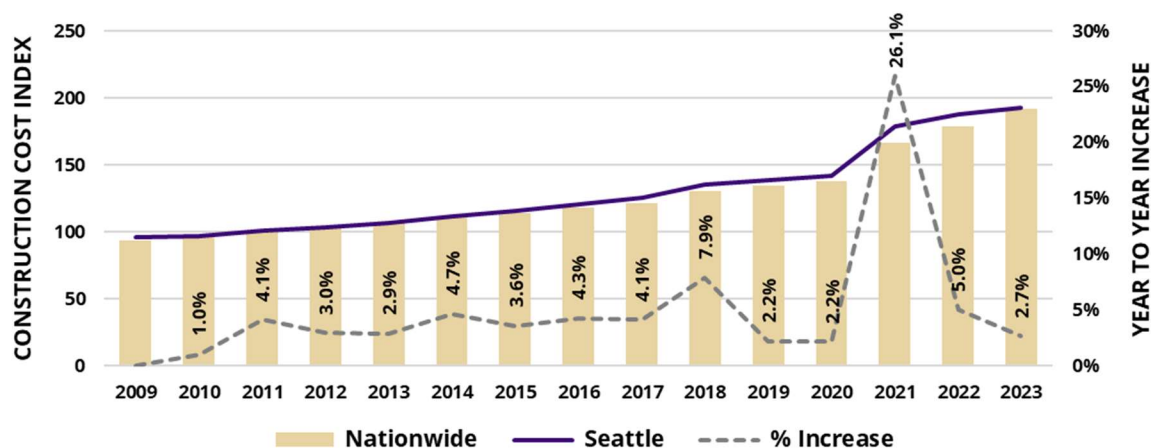
## PROJECT COST ESCALATION

According to the regional markets tracked by Mortenson Construction, the yearly escalation percentage in construction costs averaged 2.2% for 2023 (calendar year) nationwide, with the Seattle market seeing a slightly higher number of 2.7%.

Recent bid results have confirmed that the market has begun to stabilize, returning nearer the typical year-to-year escalation rates that we had grown accustomed to pre-pandemic (see chart below). Unfortunately, even though the annual escalation rates are leveling off, overall project costs will not decrease in a commensurate fashion as labor and materials costs are not declining but rather just stabilizing.

As mentioned last year, the project formation process needs to continue monitoring these issues so that proposed project budgets are accurate and reasonable based on informed forecasts of future costs.

### HISTORICAL CONSTRUCTION COST ESCALATION



## CAPITAL FUNDING SOURCES

As the University looks to build upon the number of funding sources available to address the growing number of institutional needs and risks, reviewing the historical and potential (new) sources available to help fully address these issues is helpful.

The current LTCP incorporates the "historical" funding sources as part of its allocation strategies to address the four demand areas but understandably has not considered some of the recent sources identified more discretely over the past several years. Looking forward, there is an excellent opportunity to better incorporate these more recent sources into the University's long-term strategies.

### HISTORICAL SOURCES

#### State Capital Bond Account (Fund 057) ≈ \$52 million per annum

State Capital Bond Account funding represents an appropriation of funds for specific projects due to specific capital budget requests or legislative priorities (i.e., Behavioral Health). Funding acquired from this account is competitive, and detailed project proposals must be prepared to be considered for this fund source. Since the State Constitution limits debt service for the Bond Account to a maximum of 8.25 percent of the six-year average of general state revenues, this source rarely increases dramatically.

For the FY25 Annual Capital Budget, the assumption is that the University will lobby for and receive proceeds from the State Capital Bond Account over the next decade at higher than historical growth rates (approximately \$10 million per biennia).

**UW Building Account (Fund 064) ≈ \$94 million per annum** *(forecast 2% growth per fiscal year)*

State-appropriated funding source comprised mainly of student building fees, DNR timber revenues, and Metropolitan Tract proceeds. Although the University collects the revenue, the State legislature appropriates the funding. The funding from this account is generally used to pay debt service on outstanding bonds, supplement preventive maintenance for facilities in Seattle (via an operating budget transfer of \$25.825 million), and fund asset preservation projects on all three campuses. In the recent past, it has been used to support major capital projects as well. Over time, this shift in usage, combined with the operating budget transfer, has directly impacted the UW's ability to fund ongoing renewal work, contributing to the accumulated deferred maintenance backlog.

**Debt (clinical and non-clinical) ≈ \$125 million capacity per annum**

Debt is an external funding source repaid over time using University funds. It represents a commitment of future revenues to make debt payments (principal and interest). The University estimates debt capacity annually by projecting institutional growth and benchmarking to peers. The current five-year debt capacity (FY25-FY29) is \$625 million.

**Academy Equity ≈ \$41 million per annum** *(forecast 2% decrease per fiscal year)*

Academy Equity is an internal funding source that represents UW cash reserves.

**UW Medicine Equity ≈ \$50 million per annum** *(forecast 2% growth per fiscal year)*

In the past, the UW Medicine (Clinical) equity amount for capital was calculated as the difference in capital demand per year less \$50 million per year of debt. The equity target is now based upon a specific list of projects funded by a combination of debt and unit equity, with detailed due diligence around UWM's ability to service the debt (see *Capital for the Clinical Enterprise* on page 8).

**Philanthropy ≈ \$43 million per annum** *(forecast 2% growth per fiscal year)*

Donor support has been a vital funding source for capital over the years and will continue to be in the future. Gifts have traditionally been committed to fund academic, research, and sports facilities. The UW has been fortunate in the last number of years to receive significant gifts for important projects like the Hans Rosling Center, Haring Center Renovation, and the Interdisciplinary Engineering Building, to name a few. As facility renewal becomes the focus, identifying opportunities for donor support for these projects can be a vital component of the solution.

**Partnership Proceeds – TBD**

Public Private Partnerships (P3s) are a project delivery method that can reduce risk to the UW, leverage the expertise of the private sector, and preserve institutional capital. Each P3 model is reviewed regarding the risk of development and management, the control the University has over the process and the project, and the return the University can expect. The factors favoring a traditional approach versus favoring a partnership with the private sector (which

could cost more in the long term) will be reviewed to determine if a potential project will likely benefit from a public/private venture. The previously referenced *Public Private Partnerships Governance Framework* requires that a detailed financial analysis showing the cost-benefit of the P3 vs. self-financing is undertaken early to ensure the University makes a prudent choice.

## RECENT SOURCES

### **Climate Commitment Act Proceeds – TBD (\$25 million received in the 23-25 biennium)**

In 2021, the Legislature passed the governor-requested Climate Commitment Act (CCA). It requires Washington to reduce air pollution in overburdened communities and cap and continue reducing climate pollution going forward. The quarterly auctions that are the keystone of this cap-and-invest program will generate substantial revenue that must, by law, be invested in critical climate projects throughout the state. The CCA established three primary accounts and two sub-accounts to house cap-and-invest auction proceeds until they are appropriated for specific projects by the Legislature.

The University was successful in receiving 45% (\$25.65 million) of the total funding provided to all the state higher education institutions from the Climate Commitment Account (one of the three primary accounts mentioned above) in the 23-25 Capital Budget and an additional \$38.9 million in the FY24 Supplemental Capital Budget session. However, the appropriation received in the Supplemental Budget is contingent upon Initiative 2117 (the repeal of the Climate Commitment Act) not being approved by the voters in the 2024 General Election.

For the FY25 Annual Capital Budget, the assumption is that the Climate Commitment Act will not be repealed in the fall and that proceeds from the Climate Commitment Account will be able to fully fund the Energy Renewal Plan projects going forward.

### **Federal Inflation Reduction Act Proceeds (Reimbursement) – TBD**

The Inflation Reduction Act (IRA) allows a refundable tax credit for tax-exempt entities under Internal Revenue Code (IRC) Section 6417. Elective pay (sometimes referred to as Direct pay) allows applicable entities (as defined), including tax-exempt and governmental entities (such as a local government) that would otherwise be unable to claim these credits because they do not owe federal income tax, to benefit from some clean energy tax credits by treating the amount of the credit as a payment of tax. With elective pay, an applicable entity that qualifies for a clean energy credit can notify the IRS of its intent to claim the credit and file an annual tax return to claim elective pay for the total value of the credit. The IRS would then pay the applicable entity the value of the credit. For planning purposes, this source should be considered a reimbursement. Depending on how the initial project was financed (cash vs. debt), the tax credit might have some effect on our institutional debt capacity.

# GLOSSARY OF TERMS

**Active Capital:** Projects have received either conditional or full approval from the Board of Regents or are being executed under Delegated Authority (less than \$15M) and are in progress.

**Appropriation:** Legal authorization granted by the Washington state legislature to make expenditures and incur obligations for specific purposes.

**Asset Preservation:** Capital improvement projects that involve major repairs or rehabilitation of existing University facilities. This is a specific category of projects appropriated from the UW Building Account. It includes both Minor Works (projects below \$2 million) and Major Preservation (projects above \$2 million that are not subject to Minor Works restrictions).

**Benchmarks:** Similar past projects are used to help set expectations and budgets for planned projects.

**Bridge Program:** Gift-supported projects are based on pledges made to the University with specific stipulations about timing and payments. The Bridge Program is a short-term loan funded internally to accommodate timing differences between the expenditures and the pledge payments. Interest is charged but often at a different rate than long-term debt through the Internal Lending Program. Interest associated with a Bridge loan is funded by the unit (not by donor funding).

**Central Equity:** An internal fund source that represents the use of UW cash reserves.

**Climate Commitment Account:** To be used for programs, activities, and projects physically located in Washington state as outlined in chapter [70A.65 RCW](#) such as those that reduce and mitigate impacts from greenhouse gases and co-pollutants in overburdened communities; that deploy renewable energy resources; that increase energy efficiency or reduce greenhouse emissions of industrial facilities, the agricultural sector, or in new and existing buildings; that directly improve energy affordability.

**Clinical Capital:** Proposed future investments specifically for UW Medicine, which uses its own scoring system to rank its projects and ensure alignment with the highest priorities at an enterprise level.

**Clinical Enterprise:** This term is meant to differentiate the clinical enterprise which make up the UW Medicine Select Units which include UWMC Montlake and Northwest campuses, UW Primary Care Clinics, Airlift NW, UW Medicine IT and UW Medicine Shared Services.

**Core Capital:** Proposed future investments funded through recurring capital, primarily the UW Building Account which is appropriated by the state each biennium. These projects are grouped into categories and each line item represents many individual projects that are delivered as part of a program.

**Debt:** Long-term debt borrowed by units for a capital project from the Internal Lending Program. These funds are secured by general obligation bonds issued by the University. This does not include short-term borrowing from the Bridge Program to account for cash flow differences in pledge payments.

**Deferred Maintenance:** Refers to work on an asset that is near failure or past its overall life cycle (either planned or unplanned) that is postponed to a future budget cycle or indefinitely.

**Demand:** The four primary drivers of capital expenditures are clinical, growth (research or student FTEs), renewal of existing facilities, and strategic investments that have the potential to change the direction of the University. See detailed descriptions below:

**Clinical:** Projects that support and bolster the mission and strategic objectives of the Clinical Enterprise. Clinical demand also includes the three other demands that pertain to the institution. Therefore, Clinical demand accounts for all Clinical renewal, strategic, and growth. Examples of current projects include Destination One (Strategic) and Behavioral Health Teaching Hospital (growth).

**Growth:** Projects that are driven by growth in student enrollment, research, or additional capacity. This growth tracks in a fairly linear fashion to additional square footage. Growth projects expand on the University's mission and support increases in the overall reach of the institution.

**Renewal:** Reinvestment required across all three campuses in existing facilities is needed to keep up with the life cycle of the systems or with new safety or code requirements.

**Strategic:** Capital investments that take advantage of opportunities and/or projects that have the potential to send the University in new directions. Examples include Finance Transformation, the University District Station Building, the Medical School in Spokane, etc.

**Gross Square Feet (GSF):** The total number of square feet of a building, measuring from the outside of the exterior walls and including all floors, walls, shafts, etc.

**Gifts:** Philanthropic support has been a vital source of funding for capital over the years and will continue to be in the future. Capital gifts have been historically used to fund academic, research, and athletic projects.

**Life Cycle:** Every component of a building has a useful life that depends on its use and maintenance cycle. Life cycles vary from just a few years for IT and finishes to 30 years for major equipment and roofs to even longer for structural components. Replacement or renewal of components at the end of their useful life ensures the building can remain useful.

**Maintenance & Operations:** The ongoing annual cost of a building, including utilities, custodial, grounds, and maintenance. These costs are funded through the UW Facilities Operating Budget. Life cycle renewal is typically not included in this figure.

**Metrics:** When available these are included in each project summary, and they are meant to be measurements that can be used to quickly compare outcomes across projects — generally about space utilization and project costs.

**Net Assignable Square Feet (NASF):** The sum of all areas on all floors of a facility assigned to, or available for assignment to, an occupant, program, or specific use.

**Net New GSF:** This represents the increase in the overall facility footprint. It is the gross square footage of the new building minus buildings that were demolished or leased space that was vacated.

**Other (fund source):** This can be either a fund source such as the planned bond issue by King County or a yet-to-be-defined/finalized funding source.

**Preventive Maintenance:** A maintenance strategy where inspections are made or actions are taken on a scheduled basis to reduce service interruptions, reduce the premature failure of facilities, systems, and equipment, and continue efficient operations.

**Project Objectives:** These are meant to explain why we are doing the project. They are defined early in the process and used throughout the project as a reminder of the drivers behind the project.

**Public/Private Partnership (P3):** Public-private partnerships involve collaboration between the University and the private-sector that can be used to finance, build, and operate projects

**Renewal:** Broadly speaking, this refers to strategic reinvestment into a facilities portfolio. It includes the replacement of worn-out components as well as the updating of facilities to meet new missions, changed codes, and revised standards.

**State Capital Bond Account:** Sometimes referred to as Fund 057. The state building construction account established in the state treasury and used exclusively for the purposes of conducting the provisions of the capital appropriation acts. represents an appropriation of funds for specific capital budget requests or legislative priorities.

**Unit Equity:** An internal fund source that represents the use of UW cash reserves accumulated over time by an academic or central unit, and specifically includes the following fund sources: General Operating Funds, Designated Operating Funds, and Self-Sustaining Funds.

**UW Building Account:** Sometimes referred to as Fund 064. A state-appropriated fund source comprised mainly of student building fees, timber revenues, and Metropolitan Tract proceeds for the construction, completion, reconstruction, remodeling, rehabilitation, and improvement of buildings and facilities at the University of Washington. Although the revenue is collected locally, the state legislature appropriates the funding.