

UNIVERSITY OF WASHINGTON
REPORT ON
METROPOLITAN TRACT

Full Report 00-2, Click Here

BRIEFING REPORT
(REPORT 00-2)

JANUARY 6, 2000



STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

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University of Washington Report on Metropolitan Tract

OVERVIEW. *In its 1999 session, the Legislature directed the University of Washington to report to JLARC, every other year, on management of its Metropolitan Tract in downtown Seattle. JLARC reviewed the University's 1999 report on January 6, 2000; it is attached for your information (Attachment A). JLARC staff analyzed the financial context of this management, drawing attention to some of the factors associated with the current return on investment picture for the Tract (Attachment B). JLARC is distributing this information with the recommendation that the University not renew its leasing arrangements for the Metropolitan Tract under the current terms and conditions.*

Background. ESHB 1991 (C 346 L 99), enacted in the 1999 Legislative Session, authorizes the Board of Regents to lease the Metropolitan Tract for up to 80 years and gives the Board full control to manage, operate, lease, borrow funds, and incur indebtedness as with any other UW property. A new nonappropriated bond retirement account was created, and the net proceeds from leases on the Metropolitan Tract will be deposited in this account. In turn, funds in this account in excess of debt services needs must be transferred to the UW Building Account.

JLARC Responsibility. Under the legislation enacted in 1999, the UW Board of Regents will be reporting on all leases and transactions of, or any improvements to, the Metropolitan Tract to JLARC during odd-numbered years. In October 1999, Senator Gardner, JLARC's Chair, outlined seven topics to be addressed in their 1999 report in a letter to the University. The University responded to those seven topics in their attached report.

If you have questions or concerns regarding JLARC's role in this reporting effort, please get in touch with me at 360.786.5175.