

# CWU Building Transition Plan

May 13, 2025

## Why we are here

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- **Central Washington University (CWU) is terminating their lease at 120 228th Ave NE**
- **City will take control of the building on July 1, 2025**
- **Council direction needed on transition plan for the building**

# About the Building

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- This facility was originally constructed in 2008 and purchased by the City in 2015 for \$6.1 million.
- The building measures roughly 30,807 SF and the two parcels of land collectively measure 22.65 acres.
- Major amenities
  - Gym with stage, potential for kitchen
  - 5 offices
  - 6 classrooms
  - 2 large open areas



## Historical Use by CWU

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- The City purchased the building with the goal of attracting a higher education partner to Sammamish.
- The City did not intend to retain long-term ownership of the facility.
- The lease was structured to support CWU's operations as they established operations while incentivizing them to purchase the property.
- Citing financial constraints, CWU could no longer afford to continue leasing the building, and the City could not sustain the level of subsidy required for them to remain.

## Permitted Uses

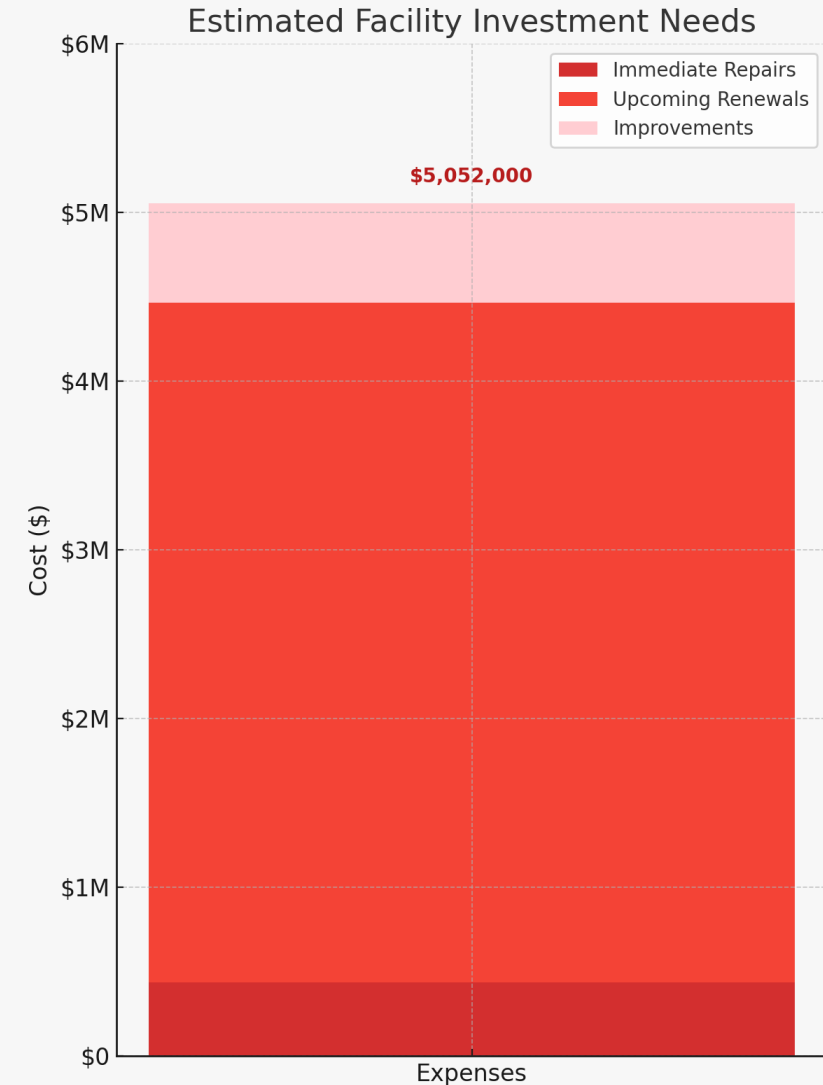
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- **Lot zoned as residential, R-6**
- **Granted a Conditional Use Permit (CUP)** in 2017 for operations as a College/University
- **Community/Cultural Center is not a permitted use** under current zoning
- **With CWU's departure the building use will be non-conforming** and can continue for a period of twelve months upon which time it will be considered as abandoned
- **Re-zoning or another CUP will be needed** for continued use

# 2022 Facility Condition Assessment Overview

The facility was rated in “**Good Condition**” using the industry-standard **Facility Condition Index**. However, the \$5 million in estimated needs reflects only baseline investments to maintain current operations over the next 15 years.

- **These projections are based on 2022 costs** and do not account for inflation or unforeseen maintenance needs.
- **Transition-related expenses** and upgrades required to open or program the building **are not included**.
- **Additional deficiencies are likely to emerge** as the City takes full ownership and begins active management.



# Options for the Facility

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## Rent the facility to another primary user.

**Continue generating revenue through rental, but the City retains responsibility for:**

- Staffing to manage tenant agreement
- Capital improvements, such as those noted in the Facility Conditions Assessment

**Success depends on securing a tenant** willing to pay market-rate rent

## Sell the property.

- **Eliminate future operational and capital costs** by divesting the asset
- Requires engaging a real estate professional
- Appraisal will be needed to understand market value
- **Development potential and buyer interest currently unknown**

## Take over operations.

- Rezone and repurpose building for potential civic, recreational, or community use
- **Highest level of City involvement and long-term cost**
- **Requires new funding** for operations, staffing, and capital investments
- Offers potential for direct alignment with public priorities and community needs

## Short-Term Use

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- **Maintain ownership and manage existing rentals of the building**, which would require one-time transition costs estimated between \$175,000 and \$275,000.
- **Continue ongoing facility operations** with an estimated annual cost of \$190,000, and plan for capital asset management costs of approximately \$350,000 per year over the next 15 years.
- **Evaluate the building for potential City uses**, such as converting one classroom for records storage, which would eliminate off-site storage costs at a one-time expense of \$10,000.
- **Continue existing subleases** to maintain community access and offset a portion of operational costs, generating ongoing revenue of \$168,000 annually
- **There is no staffing capacity or budget to open the building** for other uses, such as additional rentals or use by partner organizations

## Long-Term Use

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**This effort needs to be added to the City's work plan.**

- **Community engagement** will shape the long-term future of the facility. Staff will then be able to more accurately budget for this building around stated community desires.
- **Conduct a comprehensive evaluation of facility needs**, including space usage, capital improvements, and operational feasibility.
- **Rezoning of lot required** which needs to be incorporated into staff workplans.
- **Future operations would require substantial staffing and financial investment** beyond current City capacity. The facility could be included in the scope of a voter-approved Metropolitan Park District (MPD) to provide dedicated funding for ongoing operations, maintenance, staff, and potential upgrades.

# Council Ask

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- **How would Council like to proceed with the building?**
  - Find a new, sole renter
  - Sell the property
  - Maintain ownership and operations, including,
    - Continuing existing subleases
    - Preparing the facility for short-term use through building turnover, technology setup, and staffing
    - Returning to Council at a later date with cost estimates and next steps for long-term planning



# Thank You

