EXHIBIT NINE. Medical School Space Bank

PROBLEM STATEMENT:
There is a need for departments to give up space they cannot use productively. However, department heads have been discouraged by their inability to find “buyers” for excess space. Improving the school’s overall space utilization requires the Dean’s Office to act as an intermediary in buying and repurposing excess space. Departments have come forward with proposals to give up ~15,000 asf. This is probably a low estimate. Additional excess lab space will be created as faculty relocate to the Biomedical Discovery District and, while we do not currently have metrics for utilization of office and conference space, there is a sense that greater efficiencies are possible.

PLAN:
1. The Dean’s Office will act as a space bank. It will need budgetary resources to cover the cost of space it has acquired, but not yet reassigned. $150,000-250,000 recurring for at least the next 3-5 years would give the Medical School the capacity to bank 6,000-10,000 asf. Transfer of financial responsibility for space assumed by the Dean’s Office will be phased in to reduce the initial burden on the Dean’s Office. The releasing department will continue to bear costs for at least six months or until the space is re-leased, whichever comes sooner.

2. Departments will be given a window of time each fall to offer space for buy-back. Buy-back decisions will be made based on criteria (e.g., amount and location of space that is useful for high priority programs, reasonable quality, validation that the space is not required by the current department for the foreseeable future, etc.). The Dean’s Office would not buy all space offered. Buy-back decisions will be made early in the annual budget process.

3. The AHC facilities planning group and SOS data base will be instrumental in developing tools and information the departments can use to assess their space utilization.

4. Departments will be responsible for the cost of moving out of space they sell back to the Dean’s Office and removing all materials, including chemicals.

5. To repurpose space, particularly to develop additional high quality office space, the Medical School must secure ~$2 million for capital improvements. This capital investment has a positive net present value of $1M assuming a $2M initial outlay to avoid 15 years of rent payments for non-University office space at a rate of $250K/10,000 asf plus 3% inflation and a 5% discount rate.

6. A subset of the space departments would like to shed is usable only as storage and would not be a priority for renovation. If spaces are deemed to be unusable, they should be removed from the inventory used to allocate cost pools. This could be done internal to the Medical School if the AHC and University do not agree to reduce the official inventory. This approach would spread the cost of unusable space over all occupants rather than leaving it as a permanent responsibility of the Dean’s Office.