

UNIVERSAL SPACE STANDARDS

Senate Labor & Commerce and State Affairs

Joint Committee Meeting

October 17, 2013

Presentation by:

Deputy Commissioner Curtis Thayer



WHAT WE'LL COVER IN THIS PRESENTATION

1. Overview of executive branch space
2. Universal Space Standards (USS)
3. Funding
4. Cost savings
5. Current implementations
6. Future plans
7. Tour Atwood & Linny Pacillo Parking Garage (LPPG) spaces with committee

Any questions you may have – please ask at any time

Overview of Executive Branch Space



NUMBERS ON EXECUTIVE BRANCH SPACE

- The Department of Administration (DOA) manages 17 buildings (Public Building Fund (PBF) and Non-PBF) with 1,623,383 total sq. ft. at an annual cost of \$20,840,800.00.
- DOA also administers 255 leases representing 3,974,555 total sq. ft. at an annual cost of \$49,916,305.20.

** Multiple types of space including office, warehouse, parking lot, etc.*

DOA / DGS - REAL ESTATE PORTFOLIO

Updated 8/20/2013

BUILDING	LOCATION	AGENCY	S.F.
Linny Pacillo Parking Garage & Office	Anchorage	Multiple	369,000
Robert B. Atwood Building	Anchorage	Multiple	338,000
State Office Building & Parking Structure	Juneau	Multiple	287,850
Geological Materials Center Building	Anchorage	DNR	100,908
Fairbanks Regional Office Building	Fairbanks	Multiple	92,942
Palmer State Office Building	Palmer	Multiple	81,525
Dimond Courthouse Building	Juneau	LAW, Courts, DPS	77,000
Alaska Office Building	Juneau	H&SS	57,660
Douglas Island Building	Juneau	F&G, DOC	41,980
Court Plaza Building & Parking Structure	Juneau	Multiple	40,128
Alaska State Museum & Annex	Juneau	DEED	29,420
3rd Floor Capitol Building	Juneau	GOV	22,720
Community Building	Juneau	DCCED, H&SS	22,400
Public Safety Building	Juneau	DPS, H&SS, DOA	20,000
Nome State Office Building	Nome	Multiple	16,600
Governor's House	Juneau	GOV	14,400
Archives & Records Building	Juneau	DEED	10,850
TOTAL			1,623,383

Universal Space Standards



WHAT WE USE TO HAVE...

- Most of the larger buildings the state owns or leases were built with an “Open Office Concept”, as you can see in these circa 1970’s photos:



RECENT HISTORY OF LEASE COSTS

The state has experienced a steady increase in private lease costs as a result of the following factors:

- Local utility increases
- Commercial real estate supply and demand
- Property insurance increases
- Local property tax and downtown business improvement assessment increases
- Increases in services contracts, i.e., janitorial, elevator

	Total Square Footage	Total Annual Lease Cost
FY 2001	1,039,180	\$21,626,898
FY 2013	1,443,173	\$36,756,321
Growth	403,993	\$15,129,423

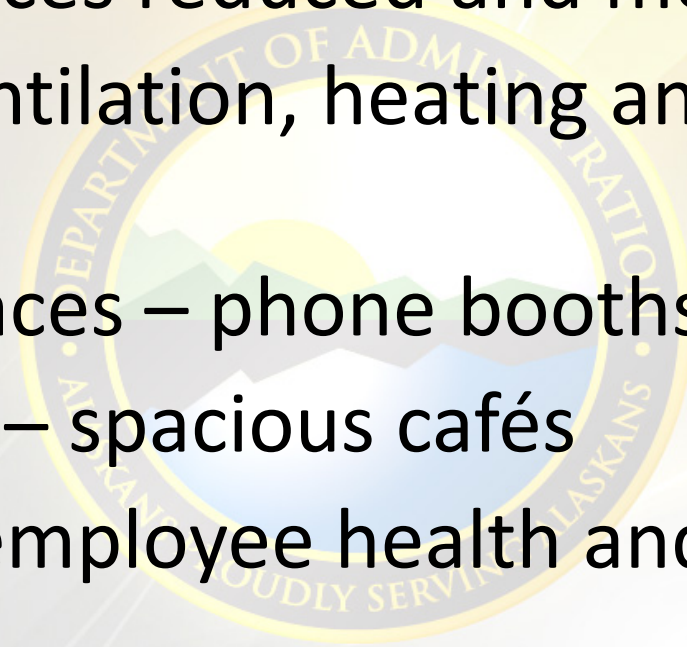
City	Private Lease			State Lease		
	Lease #	Dept.	Cost per sf	PBF Building	Dept.	Cost per sf
Juneau	2517	H&SS	\$2.86	SOB	Multiple	\$2.06
Anchorage	2637	DPS	\$3.75	Atwood LPPG	Multiple Multiple	\$1.56 0.33
Nome	2299	HSS	\$3.00	NSOB	Multiple	*\$2.50
Fairbanks	2658	LAW	\$2.63	FROB	Multiple	\$2.39

*rate includes leasehold amortization over the firm term

**projected FY 15 rate.*

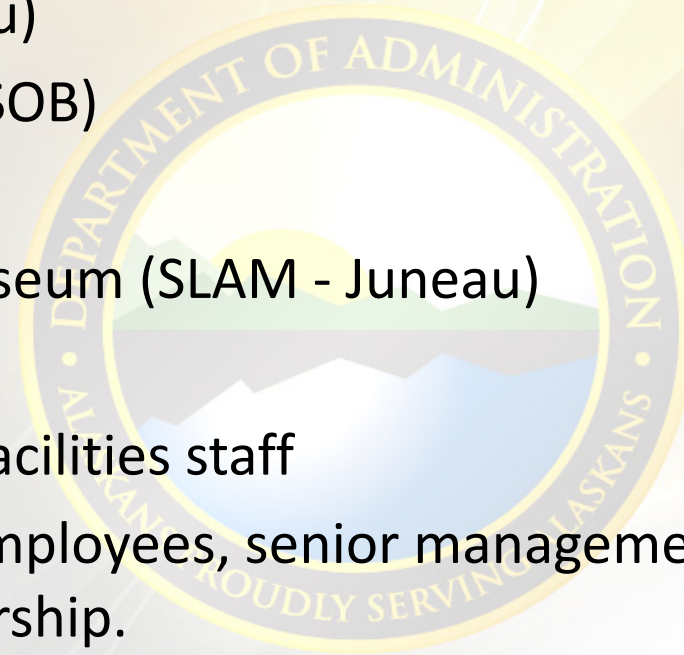
NEW SPACE STANDARDS

- Lease cost savings = operating budget savings
- Enhanced collaboration between teams
- “Right to Light” – access to natural light
- Equitable treatment of space needs for all employees – private offices reduced and moved
- Improved air quality, ventilation, heating and air conditioning
- Private conversation spaces – phone booths
- Functional break rooms – spacious cafés
- Ergonomic to enhance employee health and fitness



COMMUNICATION WITH STAKEHOLDERS

- December 2012 Governor's Office policy issued to agencies on new universal space standards
- Outreach and communications to agency leadership, administrative services directors, procurement staff and employees on new standards
- Planning and site visits with agency leadership and staff
(note: we are meeting with agency leadership on all projects)
 - Douglas Island Building (Juneau)
 - Nome State Office Building (NSOB)
 - Atwood Building (Anchorage)
 - State Library, Archives and Museum (SLAM - Juneau)
 - State Office Building (Juneau)
- Workshops for procurement and facilities staff
- Tours in redesigned spaces with employees, senior management, media, legislative and union leadership.



QUESTIONS ABOUT NEW SPACE STANDARDS

- **Noise/privacy of space and conversations?**
 - *Communicate respectfully like you do now, use private booths for personal phone calls and use headphones when needed*
- **What about confidential information?**
 - *All employees in area share confidentiality, offices considered and provided for special cases clean desk policy*
- **Can I configure my workstation?**
 - *There are several options available for agencies to pick from*
- **Are there restrictions on personalizing my space?**
 - *No, subject to your agencies approval*
- **Losing my private office?**
 - *We want to create a more collaborative work environment and provide equality among employees*

Funding



FUNDING

- Departmental operating funds
- Cost amortization within the monthly lease payment
- Savings realized in the reduction of leased space
- State line of credit at 3% over a 10 year term
- Major building renovation capital funding
- Federal funds (if applicable)

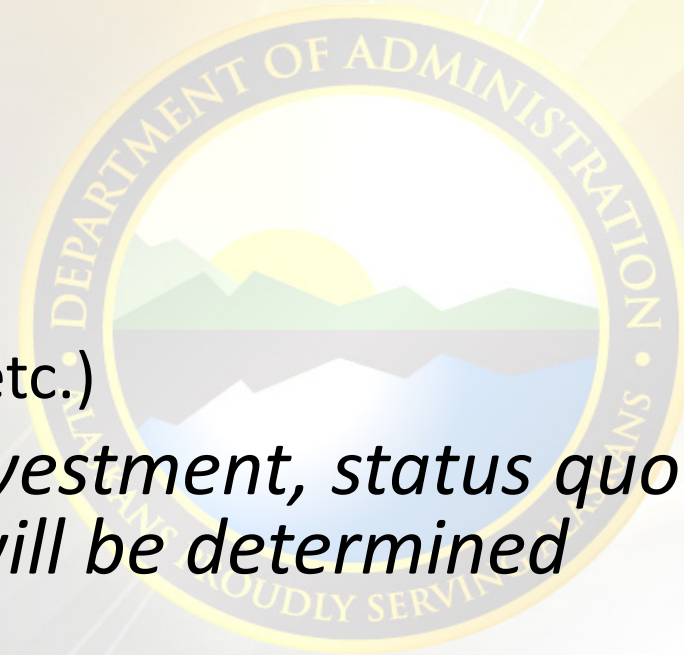


Cost Savings



EVALUATION OF AN EXISTING SPACE

- Potential impact of USS is reviewed through a rigorous analysis and managed on a case-by-case basis.
- DOA works with affected agencies on a fiscal analysis that looks for a return on investment of adopting the USS. Analysis includes:
 - Mission of agency
 - Public interface
 - Employee needs
 - Parking
 - Current lease terms (rate, etc.)
- *If there is no return on investment, status quo or partial implementation will be determined*



USS RETURN ON INVESTMENT

- DOA/DGS estimates a 10 year overall savings of \$50 million and a 20 year savings in excess of \$125 million with the implementation of USS.
- Example from “USS Return on Investment with CPI” sheet:

BUILDING	DEPT	PCN'S	NEW / CURRENT LEASE RATE	CURRENT USF	UNIVERSAL USF (160 usf per PCN)	UNIVERSAL non office usf	TOTAL UNIVERSAL USF	SAVINGS USF	CURRENT / PROJ ANNUAL RENT	UNIVERSAL ANNUAL RENT	ANNUAL SAVINGS RENT - YEAR 1	GENERAL FUND 10 YR LEASE SAVINGS	GENERAL FUND 20 YR LEASE SAVINGS	CAPITAL FIXTURES & CONSTRUCTION 1x cost @ \$80psf	TOTAL 10 YR SAVINGS (lease - capital)	TOTAL 20 YR SAVINGS (lease - capital)	Lease Expires	Status
Lease #2498C	DEC	37	2.00	9,640	5,920		5,920	3,720	\$231,360	\$142,080	\$89,280	\$928,787	\$1,942,119	\$473,600	\$455,187	\$1,468,519	5/31/2014	Under Evaluation
Lease #2468	DNR	5	3.10	3,819	800	300	1,100	2,719	\$142,067	\$19,272	\$122,795	\$1,277,444	\$2,671,170	\$88,000	\$1,189,444	\$2,583,170	2/28/14	Under Evaluation
Lease #2401	DEC	211	3.20	45,050	33,760	1,700	35,460	9,590	\$1,729,920	\$727,639	\$1,002,281	\$10,426,807	\$21,802,734	\$2,836,800	\$7,590,007	\$18,965,934		Under Evaluation
FRONTIER Lease #2505 & #2506	H&SS	528	3.75	125,626	84,480	2,000	86,480	39,146	\$5,653,170	\$3,891,600	\$1,761,570	\$18,325,753	\$38,319,643	\$6,918,400	\$11,407,353	\$31,401,243	6/30/19	Revisit evaluation 6/30/17
TOTAL		781		184,135	124,960	4000	128,960	55,175	\$7,756,517	\$4,780,591	\$2,975,926	\$30,958,791	\$64,735,666	\$10,316,800	\$20,641,991	\$54,418,866		

COST SAVINGS – OFFICE EFFICIENCIES

- Heating, cooling and ventilation is more efficient with fewer private offices and walls impeding air flow
- Reduction in personal appliances by providing common amenities in café rooms
 - Elimination of microwaves, refrigerators, George Foreman grills, etc. from individual workspaces will save the state from significant electrical consumption and potential liability costs
 - Elimination of most personal printers, fax machines and scanners and adoption of Multi-Functional Devices (MFD) will save money on equipment, service contracts, ink, toner and repair costs across the enterprise

EVERYTHING ADDS UP...

Anchorage Atwood appliance survey found:

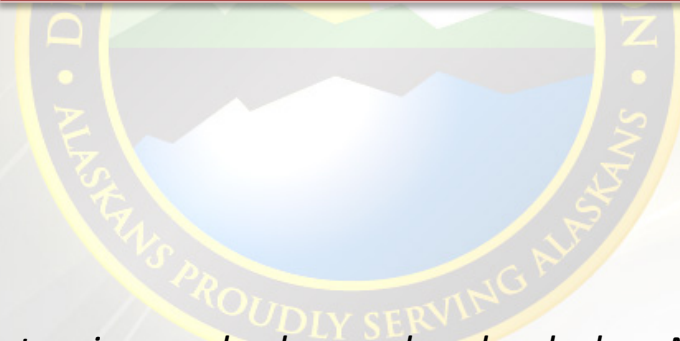
Allowed in workspace:

Fan	345
Personal Lamp	223
Coffee Maker	155
Radio	107
Space Heaters (by approval)	81
Air Purifier	61
Humidifier	22
Crock Pot (in break room only)	7
Holiday Lights	7

Restricted from workspace:

Medium Dorm Refrigerator	78
Microwaves	67
Small Cube Refrigerator	55
Full Size Refrigerator	13
UV Light	10
Toasters	3
George Foreman Grill	2

This survey did not account for power strips, UPS, and extension cords observed under desks. Many appeared to be overloaded, adding to electrical costs and liability.

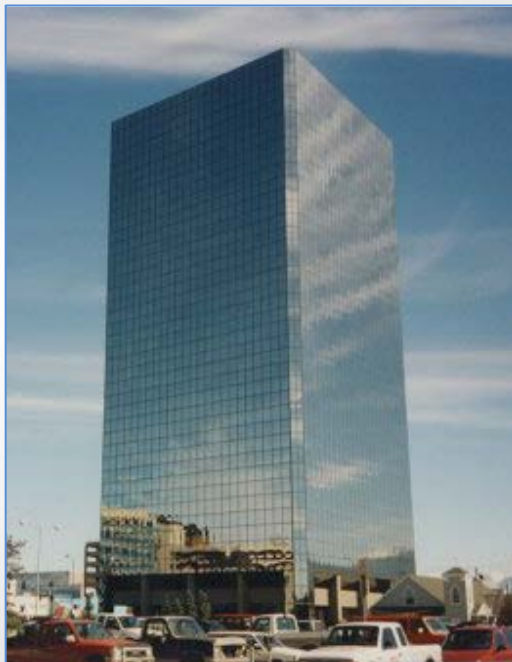


Current Implementations



EXAMPLE – ATWOOD 4TH FLOOR

- Replaced 30+ year old outdated systems furniture, worn carpet and paint.
- The new space provided four conference rooms, two storage rooms, two employee telephone booths, and a spacious café.
- Employees enjoy new access to natural light and the fully equipped café.



Project Start date	May 2013	Completed	September 2013
Workstations Before	97 2 - private offices 95 - stations 1 - mainframe printer room 1 - small break room 1 - copy / print room 1 - large training room 1 - small training room	After	97 97 – Stations 1 – Café 2 – phone rooms 1 – mainframe printer room 1 – small conference room 1 – large conference room 2 – storage rooms 3 – small meeting rooms
Special area allowances	Mainframe printer room		
Private offices: Before	2	After	0
Appliance count: Before	75	After	8 in cafe
Project funding source	Primarily federal funds		

BEFORE/AFTER – ATWOOD 4TH FLOOR



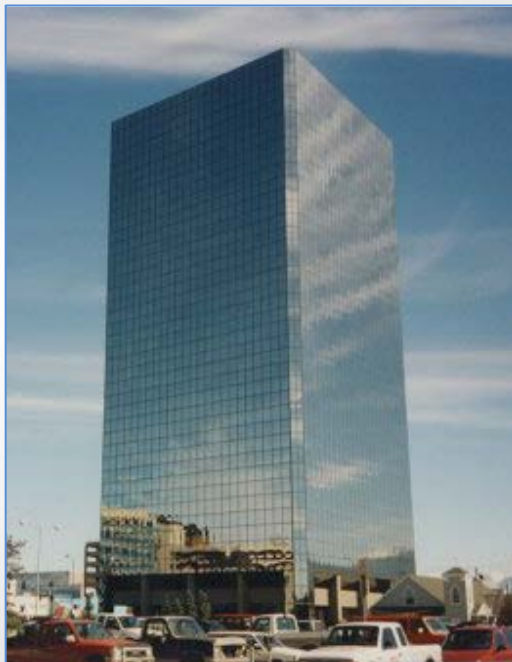
Before New Standards

After New Standards



EXAMPLE – ATWOOD 18TH FLOOR

- Consolidated from a private lease and three floors to single floor in Atwood
- The new space provided two conference rooms, one file room, centralized mail room, and employee telephone booths
- Employees enjoy new access to natural light



Project Start date	May 2013	Completed	September 2013
Workstations Before 47 19 private offices 23 – stations 2 – large conference rooms 1 – secured file room 1 – secured entry 1 – large, break, copy, file room		After 52 8 – private offices 43 – stations 1 – Café 2 – phone rooms 1 – small conference room 1 – large conference room 1 – secured entry 1 – secured file room 1 – mail room 1 – storage rooms	
Special area allowances	Secure entry; forensic file room; general office file room		
Private offices: Before	15	After	5
Appliance count: Before	37	After	0
Project funding source	Agency funds		

BEFORE/AFTER – ATWOOD 18TH FLOOR



Before New Standards

After New Standards



EXAMPLE – JUNEAU SOB 7TH FLOOR

- 30+ year old outdated systems furniture, carpet and paint
- BEFORE there were 12 windows only available to 4 staff, AFTER all 24 windows available to all 31 staff members
- Improved front desk customer service area is more inviting



Project Start date	June 2013	End date	August 2013
Workstations Before	28 5 Private Offices 23 Cubicles 1 Lg Conf Room 1 small break room	After	31 1 Private Offices 30 Cubicles 1 Lg Conf Room 1 Sm Conf Room 1 small break room
Special area allowances	Private phone booth, neighborhood meeting areas		
Private offices: Before	5	After	1
Appliance count: Before	4	After	0
Project funding source	Agency funds		

BEFORE/AFTER – JUNEAU SOB 7TH FLOOR



Before New Standards

After New Standards



Future Plans



FUTURE PLANS FOR IMPLEMENTATION

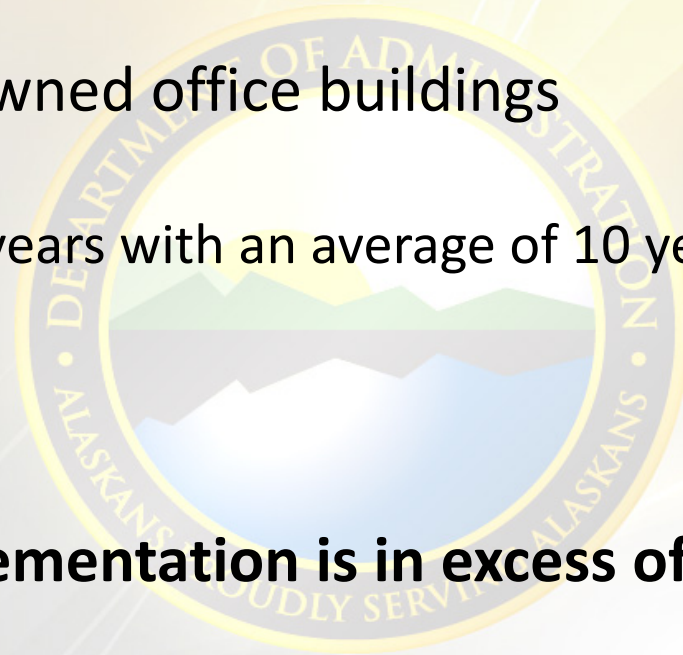
Near Term

- Atwood Building
- Douglas Island Building
- Nome State Office Building
- State Library, Archives and Museum – SLAM (under construction)
- Juneau State Office Building (7th and 8th floors)

Long Term

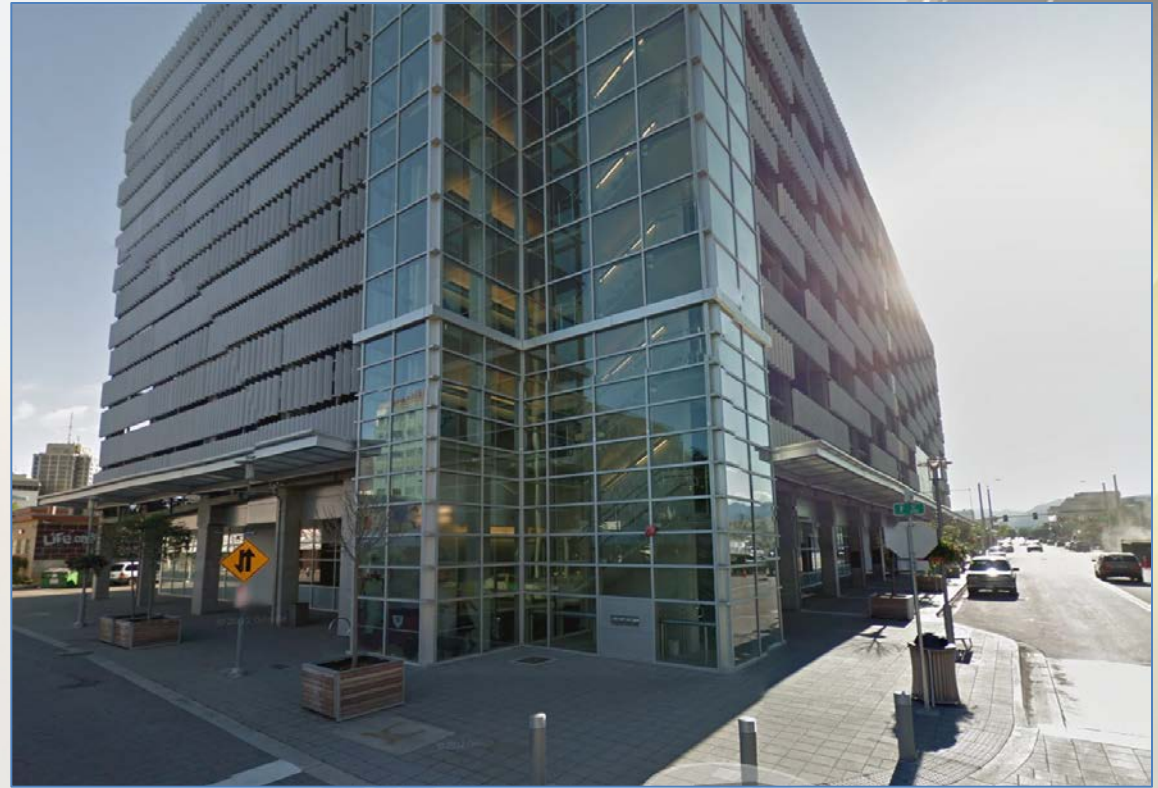
- Other PBF buildings and state owned office buildings
- Facilities with expiring leases
 - State leases range from 5 to 20 years with an average of 10 years
- Building remodels
- Agency needs

The general timeline for USS implementation is in excess of 10 years.



LPPG UPDATE

- Collocate high traffic customer service agencies into one location:
 - Div. of Motor Vehicles (DMV)
 - Permanent Fund Dividend (PFD)
 - Child Support Services Division (CSSD)
- Provide shared customer waiting area for PFD and CSSD
- Ease of customers and clients parked in the LPPG to conduct business in LPPG
- Provide shared resource rooms for PFD and CSSD. Employee restrooms and café
- Reduce traffic and use of elevators in Atwood “office” spaces



Project Start date	May 2013	End date	May 2014
SQ FT	15,458		
Cost/SQ FT	\$1.56		
Office Annual Cost	\$289,782		
Parking Annual Cost	\$49,693		
Workstations	67		

NOME SOB UPDATE



Schedule January 2014 construction starts
 April 2015 construction complete

Number of Agencies Before and After

Before - 6

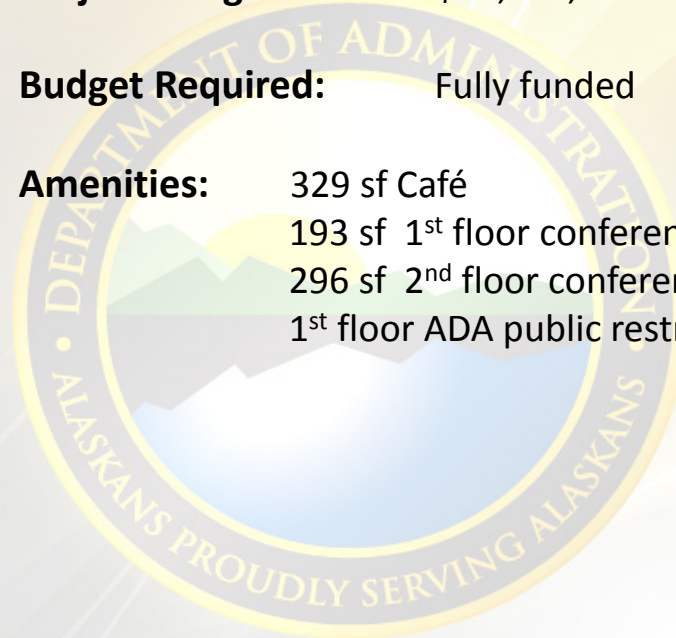
After - 8

(2 new agencies to be added)

Project Budget: \$11,623,145

Budget Required: Fully funded

Amenities: 329 sf Café
 193 sf 1st floor conference room
 296 sf 2nd floor conference room
 1st floor ADA public restroom



DOUGLAS ISLAND BUILDING UPDATE



Schedule

July 2013 Final funding (2 of 2) appropriated
 April 2014 construction starts
 August 2015 construction complete

Project Budget: \$18,200,000

Budget Required: Fully funded

Number of Agencies Before and After

Before - 2

After - 3

(1 new agency to be added)

Amenities: (2) Cafés
 (3) Conference rooms
 Negotiated increased parking

GEOLOGIC MATERIALS CENTER UPDATE



▲ Existing Sam's Club (above)

New GMC architectural rendering (below) ▼



Square Footage: 100,908

Project Budget: \$24,500,000

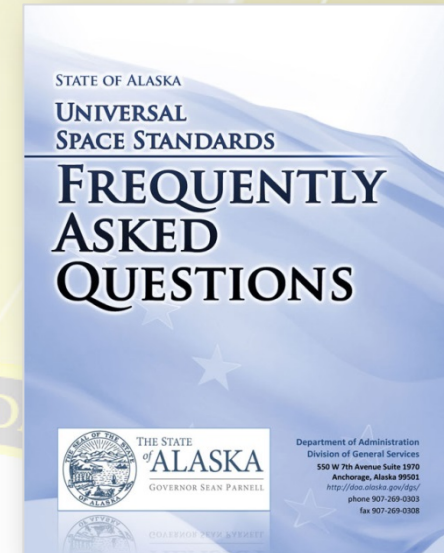
Schedule:	July 2013	Final funding (2 of 2) appropriated	Budget Required: Fully funded
	July 2013	Building purchased	
	November 2013	Construction starts	
	July 2014	Occupancy	

ADDITIONAL INFORMATION ONLINE

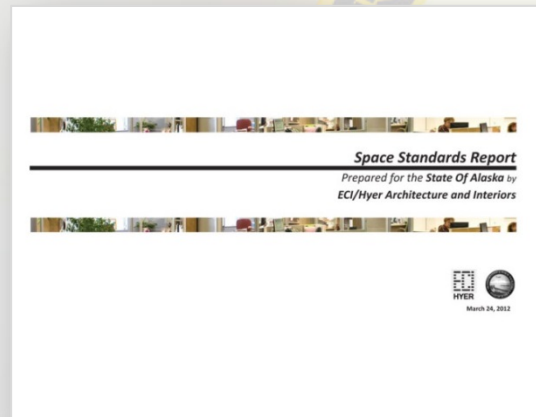
“Space Standards” page on www.doa.alaska.gov/dgs

**Space Standards
Quick Guide (PDF)**

**Space
Standards
Manual (PDF)**



**Space Standards
FAQ (PDF)**



**Space Standards
Analysis Report
(PDF)**

Thank you.
Start of Tour

