
To:	Trevor Henry Facilities and Environmental Services County of Albemarle	From:	Alex Phillips Stantec
File:	DRAFT Stantec Program Analysis Report – County Office Building	Date:	November 1, 2017

Reference: DRAFT Stantec Program Analysis Report – County Office Building

Executive Summary

Stantec and Greystone completed a space planning exercise for the County of Albemarle's administrative office spaces. The goal of this analysis is to determine whether there is a compelling rationale, including the order of magnitude of potential cost savings, for the County in relocating certain departments to a new facility to be built in the County. The study sought to understand how county departments utilize their spaces, and compared current space utilization of departments in the McIntire and 5th Street Buildings to space needs in a hypothetical new office building both current and for projected growth. We defined and studied two fundamental scenarios against the Current Space Utilization: 1) Current Needs under New Standards; and 2) Future Needs under New Standards. This study delves into space use and cost considerations.

Our methodology involved conducting surveys of employees and interviews with 16 county department heads to glean details on headcount, work space utilization, nature of work, public interaction, specialized space needs, and other relevant factors. We calculated square footage of current spaces in McIntire and 5th Street, and applied office space allocation guidelines based on industry standards. The analysis also uses industry standards to compute the difference between usable, rentable, and gross square feet. Finally, we estimated annual and capital costs associated with each scenario.

The surveys and calculations allow us to compare apples to apples between the scenarios. The outcome of the analysis can be summarized as follows:

	Current COB & Share of 5 th St.	Current Need	Future Need
Gross SF	190,470 SF	124,891 SF	132,910 SF
% Space Savings vs. Current	-	34%	30%
Annual OpEx	\$864,000	\$702,000*	\$747,000*
Est. Capital Costs	\$3.15M	\$48.9M - \$56.9M**	\$52.0M - \$60.5M**

*Assumes County owns its office space.

** These figures represent an order of magnitude of anticipated costs. Land acquisition and parking cost estimates are included.

Additional details regarding Operating and Capital Expense calculations are available in the accompanying analysis in Excel.

Reference: Albemarle County Office Building Program Analysis

We made the following conclusions:

The COB has potentially 60,000+ GSF more space than it requires based on industry standards for office space use due to myriad partitions and uneconomical use of a building not designed as office. Designed as a high school, the building has overly-wide hallways. Throughout the buildings, former classrooms have been partitioned to create inefficient office suites.

The County's operating expenses could be reduced by over \$100,000 annually, but a large capital investment must be made to achieve this. This represents the difference between the current annual operating expenses at about \$864,000, provided by the County, and projected \$702,000-\$747,000, based on comparable office properties.

Inputs from this, and the separate Courts analysis will be provided for a Fiscal Impact Model, which will assess the impacts of these investments on the County.

Albemarle County Office Building (COB) Space Planning Report

Stantec and Greystone have undertaken a space planning exercise for the County of Albemarle Municipal Office Building. The County Office Building (COB) is located at 401 McIntire Rd. in Charlottesville, VA. The analysis aims to understand the existing space utilization of County office functions in their current facilities – both the COB, and in portions of the 5th Street Building – and to analyze the space needs of County administrative departments based on best practices for office space allocations. The goal of this analysis is to determine whether there is a compelling rationale, including the order of magnitude of potential cost savings, for the County in relocating certain departments to a new facility to be built in the County.

Our methodology and findings follow.

Methodology

Survey

As an initial step to this analysis, a survey was distributed to all county departments. These surveys contained questions on departmental information, personal spaces, collaboration spaces, and special considerations. The aim of the survey was to understand how the various departments utilize their space today, and how their space needs might change in the future. Types of items the questionnaire sought to understand included:

- Current staff counts and future expected headcounts;
- Breakdown of current work stations between cubicles, standard offices, and large offices;
- The nature of current workflow and future workflow trends, including the impacts of technology, hoteling¹, and working remotely;

¹ Hoteling is generally defined as the sharing of office or desk space according to availability and need by those persons utilizing those spaces on a given day rather than assigning specific seats or office space to individual staff.

Reference: Albemarle County Office Building Program Analysis

- Adjacency requirements to other County departments;
- Requirements for collaborative spaces, both in terms of smaller internal meeting spaces as well as the overall conference needs of the departments;
- Frequency of interaction with the public;
- Frequency of sensitive or confidential conversations; and
- Number and types of specialty spaces or items including but not limited to storage, large scale printing, service desks, job centers, or other specialty equipment needs.

The departments that were included in the study were Board of Supervisors, Community Development, County Attorney, County Executive/Community Relations, Economic Development, Facilities and Environmental Services, Finance, Housing, Human Resources, IT, OMB, Parks & Recreation, School Division – Central Office, Social Services, Special Education, and Voter Registration & Elections. Public Safety was not included in this study. Beyond the surveys themselves, our methodology included involvement and review by the department heads, including detailed interview sessions with each.

Staffing

The analysis sought to determine not only the number of employees in each department, but also information regarding the breakdown of type of work space (see next section), whether staff interacts with the public and by what mode (website, email, telephone, in person), teleworking or flexible schedules, commuting, and more. In most cases, staff works at the COB full time, although in certain cases, such as with the Department of Special Education, certain employees are located off-site. Other specific staffing considerations include:

- Many Schools Department staff currently work offsite due to a lack of space at the current COB. In a future COB, increased schools administrative staff, including staff currently assigned to other locations will be co-located. At the time of this report we were unable to confirm future headcount for Schools department staff to be located at the COB.
- FES maintenance staff are frequently in the field, and FES has a building attendant. Therefore, hoteling may be appropriate for this department.
- Community Development states that hoteling can be accommodated as some of their inspectors are in the field full time.
- IT states that some staff may work from home.

Each of these specifications is important to the space planning exercise.

Surveys also requested projected staffing headcounts two and five years in the future, including anticipated interns (such as in Community Development Department). Using the number of people working in the departments allows for a more accurate accounting of space needs. The projected 5-year increase in staff totaled 67 Full Time Equivalents, a 15% increase, primarily in Community

Reference: Albemarle County Office Building Program Analysis

Development, Facilities and Environmental Services, and Finance departments. Many departments are anticipating no growth. While the Housing Department is expecting to decrease their headcount by one FTE, this is due to a reallocation of an employee to CDD rather than an overall decrease.

Work Spaces

The number and composition of staff work stations is crucial to identifying future space needs. We identified industry standards for square footages per typical cubicle, standard office, and large office, and applied these standards as the foundation of the measurements for both current and future space needs. For traditional professional office use, office work spaces have been shrinking, particularly as large, personal offices are becoming less common, and companies are favoring open floor plans.

However, not all organizations are able to utilize open floor plans due to the sensitivity of their work or conversations. This need for confidentiality is particularly prevalent for many County departments. Finance requires private offices for discussions with citizens on matters involving tax bills, ability to repay, and income verification. While these conversations might be conducted by lower level staff, they nonetheless require private offices. The Department of Social Services also requires private offices for nearly all staff due to the sensitive nature of casework involving families and children. Still, office and cubicle sizes can be reduced and made more efficient. Current industry standards allow for 85 SF per cubicle, 130 SF for standard office and 250 SF for large office.

Support Spaces

In addition to employee work spaces, the analysis considers support spaces that are required for each department. These spaces include intake areas such as departmental lobbies or waiting areas, as well as dedicated meeting spaces that are required beyond the general shared conference spaces allotted. The specific departments for which we have identified these types of support spaces include:

- Finance – Service windows for receiving the public for various matters including taxes and real estate assessments
- Community Development – Require a waiting room as well as a service desk for the many interactions they have with the public each day, including for matters such as zoning, building approvals, and permitting.
- County Executive and/or Board of Supervisors – there is a need for a reception area to manage access to the executive team.
- Department of Social Services / Housing – There is a need for a service desk, a waiting room, and a computer and career center (again, these latter ones might be shifted to the next section below) in order to handle the many citizens that interact with this department daily.
- Schools – Due to the size of this department, there is a need for an intake space to manage visitors.

Reference: Albemarle County Office Building Program Analysis

- Facilities and Environmental Services has been provided two dedicated conference spaces.
- IT and Economic Development have also been provided with Intake Areas.

Specialized Spaces

Certain specialized spaces may also be required. Some specialized spaces are specific to a certain department, such as the Elections storage facility, and others are general spaces that may be used by various departments or by the public, such as the auditorium. The auditorium and elections storage area represent the largest of the specialized spaces, occupying 8,440 SF and 3,000 SF respectively, other spaces are smaller 200-400 SF spaces, but are crucial to the functionality of their department. Some of these spaces do not have industry standard square footages which can be applied, so they were estimated based on need. The total estimated need for all specialized spaces was 18,445 NSF. This compared to 19,725 NSF in the existing COB/5th Street Buildings. The specialized spaces include the following:

<u>Space</u>	<u>Projected NSF</u>	<u>Comments</u>
Auditorium	6,200 SF	General Public and BOS Meeting Space; approximately 500-seats
FES Tool Room	1,300 SF	Small tool and equipment room for FES, also includes washing machines and bathroom facilities
Cash Vault	250 SF	Finance department special space in the Revenue Admin/Collections Unit
Copy Room	1,643 SF	General copy center for local government and schools and the entire COB, also includes the mail center for the building
Copy Room Loading Dock	252 SF	Receiving area for copy supplies
IT/HR Training Room	400 SF	Room with numerous computer stations for employee training
IT Loading Dock	250 SF	Receiving area for computers, servers, routers, and other general IT supplies – projected need

Reference: Albemarle County Office Building Program Analysis

DSS/Housing Vault	300 SF	Secure area for storage of case files. Currently in 5 th Street Building; Commonwealth requirement to keep records in fireproof facility
DSS/Housing Career Center	600 SF	Computer and print resource center for the community
Phone Room/Computer Center	300 SF	A phone center to allow for private conversations per DSS operations
Huddle Rooms	260 SF	Ad hoc spaces to be utilized by staff in open work spaces (2 spaces of 130 sf each)
Elections Storage Facility & Voting Room	3,300 SF	Storage area for all elections equipment, including voting machines, computers, signage, and other materials related to elections
Parks & Rec Activity Space	800 SF	Storage area for all arts & crafts, sports, and other activity equipment used at the community and park centers. Projected need – doubled from current use
IT Data Room	450 SF	Server space and other dedicated IT equipment necessary for operations. Will be a space reduction from current use for obsolete equipment
Community Development Imaging	200 SF	Room with dedicated imaging equipment necessary for CD operations
Community Development GIS	150 SF	Room with dedicated GIS equipment necessary for CD operations
Board Vault	250 SF	Fireproof vault dedicated to the storage of all BOS meeting minutes, as mandated by County law
Shared Conference Rooms	2,580 SF	Additional conference rooms to be usable by all departments

Reference: Albemarle County Office Building Program Analysis

Constraints

At the time of this analysis, no specific site was being considered for future occupancy. This study addresses space utilization and conceptual programming for a theoretical new office building in a location that has not been identified. In some ways, this allows the study a certain degree of flexibility: a future office building could be constructed exactly to the specifications of the required square footages, office and cubicle composition, and specialized spaces, creating the most efficient layout for the space needed. Conversely, because there is not a specified site, it is uncertain if such a building will fit, orient, and align on an actual site to result in this most efficient layout. It is difficult to estimate how parking can be accommodated with a specific site.

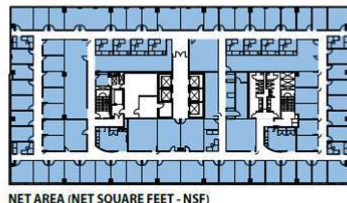
The operating cost information for a new office building in the greater Charlottesville-Albemarle market is constrained because there have not been many newly constructed office buildings. The information from CBRE (referenced later) is limited to two benchmark properties and may not provide a sufficiently large sample size or comparable property.

Gross Up Factors

Building measurements are looked at in terms of Net, Usable, Rentable, and Gross Square Feet for different purposes. These categories are distinguished based on what elements are included in their measurements, and are important for determining cost considerations. For example, construction costs are typically quoted per Gross Square Foot, while Operating Expenses are based on Rentable Square Foot. The following diagram illustrates what spaces are included in each category.

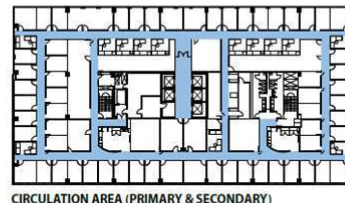
DEFINING

A common language about office space.



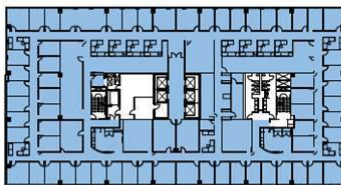
NET AREA (NET SQUARE FEET - NSF)

The area of each identified program space. For example, the Net Area of an 8' x 8' workstation is 64 NSF. It includes individual workspaces, dedicated and shared support spaces, and special mission-critical spaces.



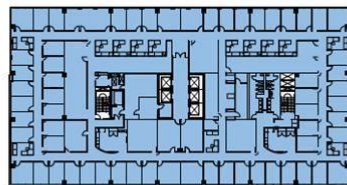
CIRCULATION AREA (PRIMARY & SECONDARY)

Primary circulation is the main circulation route connecting to the building core and common spaces, such as elevators and exit stairs. Secondary circulation includes the aisles between individual spaces, such as offices and cubicles, and support spaces.



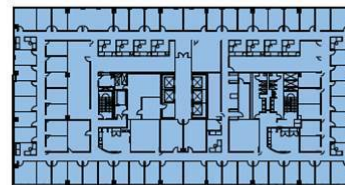
USABLE AREA (USABLE SQUARE FEET - USF)*

Area of a floor occupiable by a tenant where personnel or furniture are normally housed.



RENTABLE AREA (RENTABLE SQUARE FEET - RSF)*

Total Usable Area plus a prorated allocation of the floor and building common areas within a building.



GROSS AREA (GROSS SQUARE FEET - GSF)*

Total area of a building enclosed by the exterior face of the perimeter walls, calculated on a floor-by-floor basis.

* Definitions per ANSI/BOMA Z65.1 - 1996, "Standard Method for Measuring Floor Area in Office Buildings"

Reference: Albemarle County Office Building Program Analysis

There are industry standard factors for “grossing up” from one category to the next, but the actual difference will differ depending on the specific design and layout of a building. In this analysis, we took two approaches – one for the current buildings, and another for the hypothetical new building.

COB GSF:

For the current building, we had the Net Square Footages of the departmental spaces and certain common areas based on measurements from Moseley Architects. We also had the overall footprint for Gross Square Footage provided by the county. We were unable to accurately distinguish between Net and Usable SF for the current building, and used the industry standard of 15% to calculate the Rentable SF, which accounts for spaces such as lavatories, lobbies, and building support spaces. We then had to derive the gross up factor based on the difference of that RSF and the County-provided GSF. That gross up factor was determined to be 30%. We used these same factors to gross up the spaces in the 5th Street Building. (Refer to attached Excel file accompanying this report for further details.)

New GSF:

For the hypothetical building, the square footage calculated by applying industry standards to the various space uses (cubicles, offices, intake spaces, and dedicated conference rooms), are Net Square Feet. In order to account for circulation, shared spaces such as restrooms and storage, the thickness of walls, and other elements, we applied industry standard gross up factors. An explanation of the calculations follows:

1. Total Department Space = (# of Cubicles x 85sf) + (# of Standard Offices x 130sf) +
(# of Large Offices x 250sf) + (# of Intake Spaces x 200sf) +
(# of Dedicated Spaces x 300sf)
2. Total Net Area = Total Departmental Space + Specialized Spaces
3. Total Usable SF = Total Net Area + 35% Usable Gross Up Factor
4. Total Rentable SF = Total Usable SF + 15% Rentable Gross Up Factor =
5. COB Est. Bldg. Gross SF = Total Rentable SF + 20% Building Gross Up Factor =

The Gross SF is the size of a building that would be required to house all functions of the COB.

Other

A hypothetical new building could be constructed to more closely meet the precise space needs of each department rather than by building interim partitions or by fitting in additional cubicles to an existing building that may be inefficient for the space needs. As noted above, this hypothetical building would be dependent upon the ultimate design and site configuration.

Reference: Albemarle County Office Building Program Analysis*Cost Considerations*

Once existing space use and required space needs were determined, the next steps of this analysis were to apply financial implications to the square footage assumptions. One of the questions this study aims to answer is whether a new, more efficient space could provide operating expense savings to the County. Because industry square footage standards and a hypothetical new building can allow departments to be more efficient in their space use, it is expected that operating expenses will be reduced from what they are currently. Current operating numbers include payroll, which represents maintenance, custodial, and contracts, which would be included in a full-service, privately managed building. The figures we have used for current operating expenses were provided by the County.

We will be applying market standard operating expenses for new office product to identify anticipated annual costs to the County. However, because the information from CBRE contains limited data points, we could recommend a further survey of local property managers for more comprehensive operating expense information. Further, the data from operating expenses from the CBRE report are for a tenant building, and include taxes, insurance, and maintenance fees. The Cost Consideration sections of the two scenarios below describe what the County's expenses would be as a tenant (including taxes and insurance), and as an owner occupant (net of taxes and insurance).

This analysis is intended to provide an understanding of general square foot needs, rather than a specific design. Final costs will depend on such factors as site layout, number of stories, adjacencies of departments, and the ability of the architect to develop an efficient building layout. Because a site has not been selected, this analysis has made assumptions about the specific additional cost of structured parking. The cost of parking as well as site acquisition are included in what is described for the scenarios below.

COB*Current Conditions*

The building was designed as a high school, with wide primary corridors, circulation spaces, and large classrooms. With the repurposing of the building for office use, internal walls were erected to create new offices and workspaces. Secondary circulation is like a maze, weaving in and out of some departments. These physical walls may create real barriers to communication and human interaction.

While our assignment did not include a survey of employee sentiment about their physical work environment or a productivity survey, we aimed to address the question of whether the physical layout is conducive to collaboration, communication, productivity and privacy, or to the particular needs of each department. The survey therefore asked not only quantitative questions about square footage needs, but also about the nature of the departments' work. This included questions about interactions with other departments as well as the public, the need for a more open or collaborative environment, as well as the need for more private spaces in certain cases. The survey also asked about the changing nature of the workspace in terms of worker preferences and

Reference: Albemarle County Office Building Program Analysis

technology improvements. The workplace environment was also considered in terms of workplace habits, both current and future, including possibilities for telework and hoteling.

The COB also contains certain specialized spaces, the largest of which is the auditorium. The auditorium is a nearly 10,000 square foot space that contains nearly 500 seats for the public as well as a stage which accommodates the Board of Supervisors during public hearings. While many of the public meetings do not require this amount of space, there are times when this space is needed, and the general consensus of the County leadership was that in a future COB there would need to be a similar provision of space. The public seating is divided into three main areas, including the main auditorium, the rear auditorium, and the balcony. The balcony and the rear auditorium are kept closed except in the event of need. A future design might consider segmented space that can be similarly opened as needed, but perhaps used for other purposes as well.

The analysis calls out Dedicated Meeting spaces for the County Executive, Community Relations, and Board of Supervisors' conference rooms. We have accounted for the remainder of the conference rooms throughout the COB and included that space as "Shared Conference Rooms" under Specialized Spaces. This includes conference room spaces as requested for specific departments. Some of these spaces will be shared between departments, while others may be dedicated. At this stage, we have not defined such a layout. A new COB should incorporate design considerations with regards to both ensuring adequate shared space as well as functional accessibility. Two huddle spaces and a phone room have also been included for ad hoc use by employees in open work stations.

While there is a lunch room on the main floor, it is highly underutilized due to its relatively remote location in the building. Floors 2-4 in particular find it more convenient to find a meeting, conference, or desk space on their own floor for lunch, rather than using the staircase or elevator and making the walk to the lunch room. A future COB might consider a more centralized or accessible area for such a space. There is an outdoor seating area that is utilized, and even though it might be equally remote for some employees, it still serves as an amenity since outdoor dining options are few. A future COB should consider the provision of such green or outdoor meeting spaces as well to encourage employee interaction and promote quality of life.

Current Space Utilization*Space Utilization (COB & 5th Street)*

In total, 16 departments were surveyed, 15 of which utilize space in the McIntire Building, and three are housed in the 5th Street Building (Voter Registration and Elections currently has space in both buildings). We relied on departmental surveys and conversations with key staff to identify existing headcounts and workspaces. Current Net Square Footage totals in the COB were measured by Moseley architects. The County provided Net Square Footages of the spaces in the 5th Street Building. For clarity, for Current Space Utilization, the analysis keeps the COB and the 5th Street Building measurements separate but combines them to facilitate an apples-to-apples comparison against the new facility scenarios.

These departments currently use 71,434 NSF in McIntire and 37,880 NSF in 5th Street. However, there are additional common spaces that exist in each of those buildings that need to be included in the

Reference: Albemarle County Office Building Program Analysis

total. In the COB, these spaces include the auditorium, certain shared conference rooms, the copy room, the HR training room and the IT data room. These spaces are approximately 14,500 NSF. In 5th Street, the common spaces include the DSS/Housing Vault and Career Center, a Phone Room/Computer Center, and the Elections Storage Facility and Voting Room, which are an estimated 4,350 NSF. Using the gross up factors described above, the COB contains approximately 98,335 Rentable SF and 127,336 Gross SF (as provided by the County). The Social Services, Housing and Voter Registration/Elections departments that are currently housed in the 5th Street Building occupy approximately 48,565 RSF, or 63,134 GSF, of that building's 125,464 GSF. Combined, the departments that would be co-located in a new COB currently occupy an estimated 190,470 GSF.

Cost Considerations²

For the County to occupy its space in both McIntire and 5th Street, it is costing approximately \$1.02 per GSF for Operating Expenses plus approximately \$0.22 per GSF in Utilities Expenditure. Annual operating expenses for current space use are \$236,183. Capital Improvements to the COB, according to the County's plan, are anticipated to be \$3.15 M over the next four years, which includes \$637,648 in baseline improvements, a window replacement plan of \$2.2 M, plus approximately \$300,000 for parking lot renovations.

COB Current Space Needs with New Standards*Space Needs*

Based on the number of cubicles, standard, and larger offices defined by the departments, and the applied industry standard square footages for those spaces, plus the support spaces required, a new COB for those 16 departments would need to include 60,960 NSF of departmental space, plus 19,485 NSF to account for the specialized spaces. This 80,445 NSF is equivalent to 108,601 Usable SF, 124,891 Rentable SF, and 148,869 GSF. A building of this size would accommodate the current space needs, but not allow for future growth. This space will serve 446.5 Full Time Employees in 64 cubicles, 299 standard offices and 55 large offices.

Cost Considerations

This analysis hopes to provide an order of magnitude to construct a new building to house the COB functions. We estimated Hard Costs, Soft Costs as well as contingencies, Fit Out and Relocation Costs for both a high and low price scenario. Estimated project costs for a new 150,000 SF building to satisfy current departmental needs range from \$38.1 million to \$44.9 million before land acquisition and parking. Land acquisition for a five-acre site is estimated to be between \$1.75 M and \$3 M. Structured parking at three spaces per 1,000 SF and \$20,000 per space would be approximately \$9.0M.

Annual operating costs for a new building were calculated based on a figure of \$7.00/Rentable SF, as provided by the CBRE Charlottesville Office *Operating Cost Benchmarking Report, 2017*. At

² All present Operating Expense data has been provided by the County.

Reference: Albemarle County Office Building Program Analysis

123,644 RSF, annual operating expenses would be an estimated \$874,000. If the county were to take more space to allow for expansion, annual operating expenses would increase. We are applying this \$7 as a proxy for owner costs in a newer building. Approximately \$1.38 of the \$7.00 represents taxes and insurance. If the County were to lease their space, \$7.00/RSF in Operating Expenses would be expected. In owned space, the Operating Expenses net of taxes and insurance would equal \$5.62/sf, or \$702,000 annually.

We will account for the potential proceeds of selling the COB building if they were to relocate the COB in our separate fiscal impact analysis.

COB Future Space Needs with New Standards*Space Needs*

In addition to calculating current space needs with industry square footage standards, this analysis also considered future needs based on anticipated headcount in 5 years as provided by the departments. Anticipated space needs for departmental and support spaces, plus specialized spaces are 85,610 NSF. This is equivalent to 115,574 USF, 132,910 RSF, and finally 159,491 GSF. The future headcount is an estimated 513.5 Full Time Employees, who will be using 99 cubicles, 312 standard offices, and 57 large offices.

Financial Implications

A similar analysis was completed for a building which would accommodate future growth of the COB departments. The estimated project costs for this larger building would be between approximately \$40.6 million and \$47.9 million before land acquisition and parking. Land acquisition for a five-acre site is estimated to be between \$1.75 M and \$3 M. Structured parking at three spaces per 1,000 SF and \$20,000 per space would be approximately \$9.0 M.

The analysis uses the same figures of \$7.00/Rentable SF to calculate operating expenses, which total approximately \$930,000 per year in leased space, inclusive of taxes and insurance. In owned space net of taxes and insurance, Operating Expenses at \$5.62/sf equal around \$746,000 annually.

Construction costs were escalated for 2020 dollars, and Operating costs are all in 2017 dollars.

Conclusions

The County Office Building Space Planning analysis delved into issues of both space use and costs for existing conditions and two alternative scenarios. First, we surveyed departments located in the McIntire and 5th Street Buildings to determine not only their staffing and workspace needs, but also how they use their space to interact with one another and with the public to identify what specialized spaces they require. We also considered the annual operating costs of the current COB and share of 5th Street, as well as the anticipated capital improvement costs. In their current arrangement, County departments employ 447 employees and occupy nearly 190,500 Gross

Reference: Albemarle County Office Building Program Analysis

Square Feet. Annual operating costs are approximately \$864,000, with \$3.15 M of Capital Improvements costs to the COB expected in the next nine years.

The first scenario was to identify space needs of these same departments based on industry space use standards for efficient office space. The same 447 employees would require only about 123,000 GSF, a 34% space reduction from existing facilities. Annual operating expenses for leased space would be about \$874,000. If the County were to construct their own space, project costs may be around \$52.9, with annual operating expenses reduced to \$702,000.

The second scenario looks ahead to allow for anticipated growth over the next five years. With 513.5 FTEs requiring 160,000 GSF, there is a potential 30% space savings from the current plan. In a leased building, annual operating expenses may be around \$930,000. Project costs for a new building would be approximately \$56.2 M with annual operating expenses at \$747,000.

In both scenarios, the concept of leasing a building has not be fully explored. Rental cost would also have to be considered in lieu of capital costs of constructing a new building. Leased space is only mentioned to account for the baseline operating expenses as provided by CBRE.

The intention is that there would be some value in selling the McIntire building that would offset construction costs of a new facility. The value of this sale will be incorporated into the separate Fiscal Impact Analysis. Currently, the assessed value of the COB property by the City of Charlottesville is \$10.2m in land value and \$14.2m in improved value. Sale value of the COB has not been included in this analysis. A surplus building study to estimate the value of the COB is also being undertaken, and will be included in the separate Fiscal Impact analysis.

For a detailed summary of space needs and costs, please see the attached Program Analysis Summary.

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Attachment: COB Program Analysis Executive Summary

c.c. Maixuan Phan; Matt Hunt; Drew Leff

Reference: Albemarle County Office Building Program Analysis

Appendix A – COB Annotated Floor Plans³

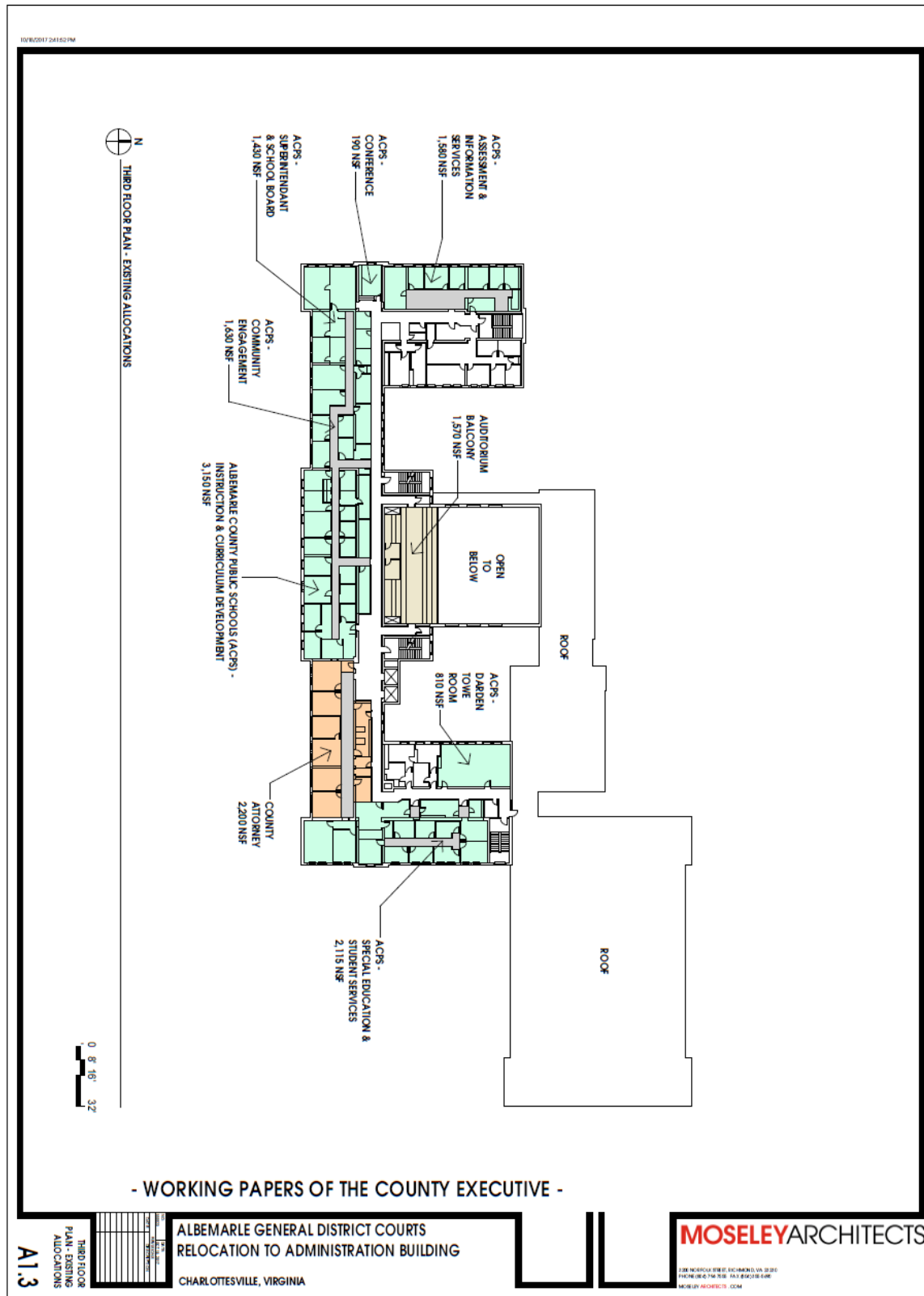


³ 5th Street square footages were provided by the County and not surveyed for this analysis. The basement was also not surveyed for this report.

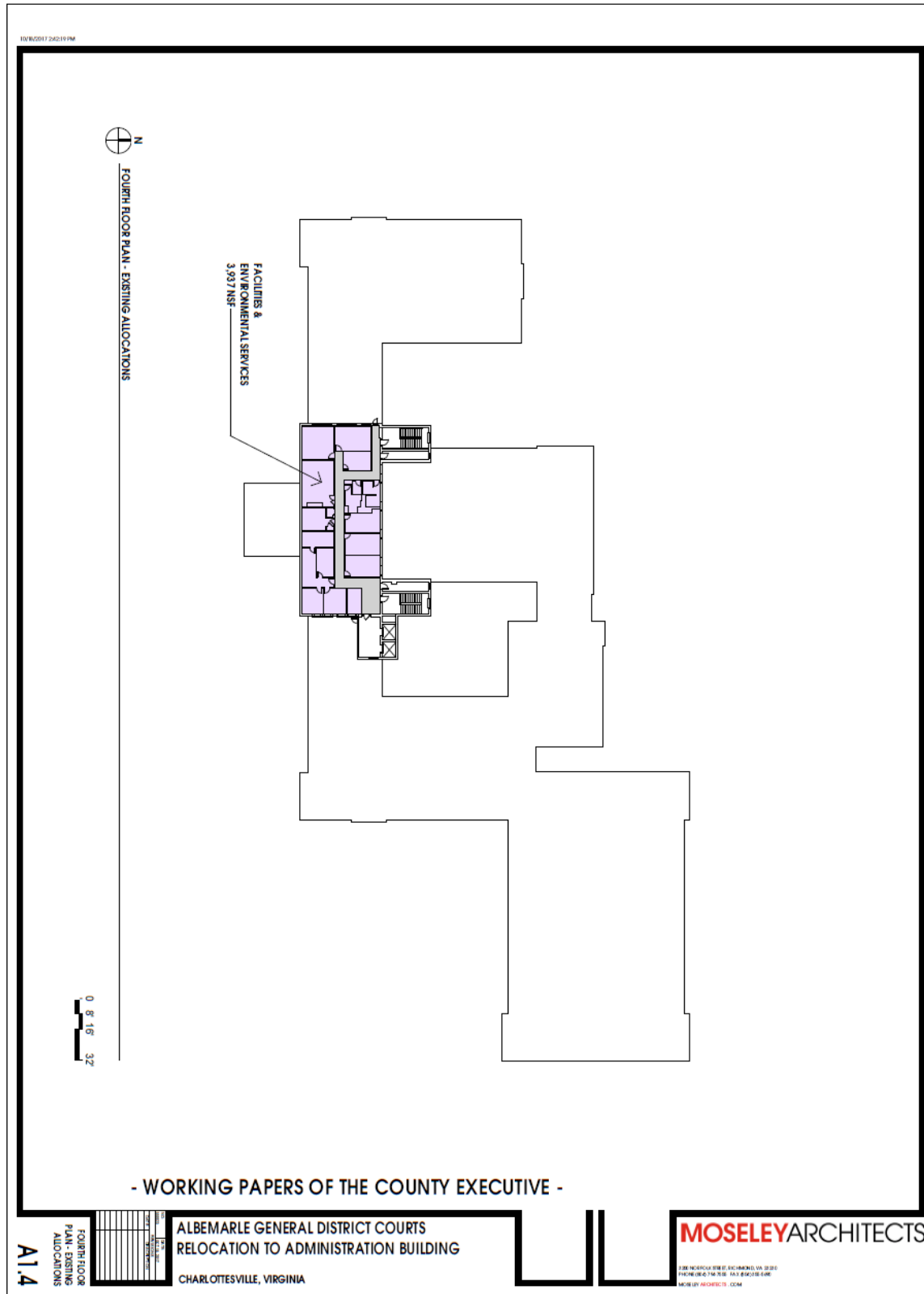
Reference: Albemarle County Office Building Program Analysis



Reference: Albemarle County Office Building Program Analysis



Reference: Albemarle County Office Building Program Analysis



COB Executive Summary

DRAFT

Space Needs

	Current	Current with New Standards	Projected with New Standards
Current Headcount	446.5	446.5	513.5
Total Net SF	85,949 NSF	80,445 NSF	85,610 NSF
Usable SF	85,949 USF	108,601 USF	115,574 USF
Rentable SF	98,841 RSF	124,891 RSF	132,910 RSF
Estimated COB Gross Building Area	127,336 GSF	149,869 GSF	159,491 GSF
<u>Space Use in 5th Street Building</u>			
Current Headcount	137.0		
Total Net SF	42,230 NSF		
Rentable SF	48,565 RSF		
Estimated Share of 5th Ave Gross Building Area	50% of 5th Ave GSF	63,134 GSF	
Combined Headcount	583.5		
TOTAL SPACE UTILIZATION NSF	128,179 NSF	80,445 NSF	85,610 NSF
TOTAL SPACE UTILIZATION RSF	147,406 RSF	108,601 RSF	115,574 RSF
TOTAL SPACE UTILIZATION GSF	190,470 GSF	124,891 GSF	132,910 GSF
		34% GSF Reduction	30% GSF Reduction

Capital Costs

	Cost Assumptions	Current	Current with New Standards	Projected with New Standards
New Building GBA		190,000 NSF	150,000 NSF	160,000 NSF
Acquisition Cost/Land			not included	not included
Estimated Hard Costs (assumes surface parking) - Low (incl. General Conditions, Overhead, and Contingency)^	\$187 Per SF	-	\$ 28,000,875	\$ 29,867,600
Estimated Hard Costs (assumes surface parking) - High (incl. General Conditions, Overhead, and Contingency)^^	\$213 Per SF	-	\$ 32,001,000	\$ 34,134,400
Estimated Fit Out/FF&E Costs	\$25 Per SF	-	\$ 3,750,000	\$ 4,000,000
Estimated Relocation Costs	\$5 Per SF	-	\$ 750,000	\$ 800,000
Estimated Soft Costs - Low	20%	-	\$ 5,600,175	\$ 5,973,520
Estimated Soft Costs - High	30%	-	\$ 8,400,263	\$ 8,960,280
Estimated Project Costs - Low			\$ 38,101,050	\$ 40,641,120
Estimated Project Costs - High			\$ 44,901,263	\$ 47,894,680
Project Cost Per GSF	\$ 254.01			
Project Cost Per GSF	\$ 299.34			
Order of Magnitude Project Cost			\$ 41,501,156	\$ 44,267,900
Additional Cost				
Potential Site Acquisition Cost	\$350,000 /acre	\$600,000 /acre	\$ 1,750,000	\$ 3,000,000
Structured Parking (3 spaces/1000 SF)	\$20,000/space		\$ 9,000,000	\$ 9,600,000
Estimated Project Costs w/ Add'l - Low			\$ 48,851,050	\$ 51,991,120
Estimated Project Costs w/ Add'l - High			\$ 56,901,263	\$ 60,494,680
Order of Magnitude Project Cost w/Additional Costs			\$ 52,876,156	\$ 56,242,900
Capital Improvements (Aggregate of 9-year 2018-2026 CIP, no PV)		\$ 3,152,431		

Operating Costs

Current Operating Costs for COB (plus share of 5th Street) ¹	\$1.02 Per GSF	\$ 194,279	-	-
Estimated Utilities Expenditure for COB (plus share of 5th Street) ²	\$0.22 Per GSF	\$ 41,903		
Facilities Custodial and Grounds Maintenance (incl. Contracts)	Variable	\$ 628,000		
Annual Operating Costs - Current		\$ 864,183		
Operating Costs Per Year (Assume Leased Space) ³	\$7.00 Per RSF	-	\$ 874,236	\$ 930,367
Operating Costs Per Year (Assume Owned Space) ⁴	\$5.62 Per RSF		\$ 701,887	\$ 746,952

^Low end HCs at \$175/sf escalated by 6.67%

^High end HCs at \$200/sf, an average of many data points provided by the County, escalated by 6.67%

1 Source: County of Albemarle, Excludes payroll and utilities

2 Source: County of Albemarle, Based on 2016 Annual Utility Cost per GSF

3 Source: CBRE Charlottesville Office Operating Cost Benchmarking Report, 2017

4 Operating Costs in a County-owned building would not include Taxes or Mgmt Fee