Best Practices in Space Planning & Relocation

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With a supporting cast of Employment Security Employees
The real estate and job markets are driving us to think differently about our office space, i.e. can we continue to stay in the buildings we currently occupy, what are the options, how do we manage a reconfiguration/relocation/consolidation and/or closure?
How do you start planning for a relocation?

- Does your company have a **Strategic Plan**?
- What is your business model?
- What type of work is done at your company?
- Does your company have **multiple offices** in one city?
- How do you decide which office is upgraded, reconfigured and/or closed?
What is a Strategic Plan?

Wikipedia definition: “Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people.”
Elements to include in a Facility Strategic Plan:

- Your company mission/vision statement
- An overview of current facilities – owned or leased including terms and conditions, location, parking, local services, etc.
- Identify the needs of your company, staff, and customers
- Background and recommendations to guide your company through the relocations, consolidations, downsizing processes.
- Budget overview and recommendations
- Overview of driving factors – economic, political, and budget
How many times have you heard “it’s all about location, location, location?”

- We are lucky to live in the Northwest for many reasons; access to public resources, low rental rates compared to other states, wide variety of transportation options, etc.
- At ESD we also consider a number of other strategic factors when considering a location; the labor workforce, business locations, medium household income, the poverty level, the unemployment rate, etc.
ESD State Wide Quality and Size
Budget – What is in your wallet?

- What does a reconfiguration, relocation, downsize or office closure cost?
- What are the Lease terms and conditions – do they allow you to get out of a lease, is there someone that can back fill your space, is it cheaper to cut your losses and move on?
Options to Explore

- **Remain**: Renew existing lease for 5 years firm at **5% per year**. Example – annual lease rate of $250,000 would increase to $323,089.

- **Reconfigure/Improve space utilization**: $15 to $20/sq. ft. depends on the extent of the modifications.

- **Relocate**: $30 to $40/sq. ft. also depends on the extent of the tenant improvements, IT related charges, moving and consulting charges, new furniture, etc.

- **Office Closure**: $8 to $10/sq. ft. also depends on the size of the office and if there is systems furniture that needs to be disassembled etc.
Before you consider moving, it’s important to do a costs benefit analysis.

<table>
<thead>
<tr>
<th>WorkSource Options Reviewed – Yakima WS</th>
<th>Sq Ft</th>
<th>Est. TI's w/o Major IT Changes</th>
<th>New Systems Furniture</th>
<th>Est. Moving Cost</th>
<th>Est. GA Fees</th>
<th>Total One-Time Total</th>
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<tbody>
<tr>
<td>OPTION 1</td>
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<td></td>
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<tr>
<td>Renew for 5 year firm, w/o TI's</td>
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Saving Money is Often the First Priority

But there are other reasons to relocate an office:

- The quality of space may not be acceptable, i.e. leaking roof, HVAC issues, lighting, lack of parking, layout of office, etc.
- Relocating to a new office may improve customer service
- Bring workgroups together may improve productivity and moral
After the decision to relocate has been made:

Questions to ask when developing your space needs:

- Do you have space planning guidelines?
- Do you have an est. for square footage per person?
- Do you consider what type of environment works best for staff and management? Is it an open office environment, team/collaborative space, private offices, etc.?
- What type of furniture are you using - free standing or systems?
- How many conference, storage, copy, etc. rooms are needed?
- Do you have special space needs; lab space, library, quiet rooms, etc.?
Layout and Design
Lakewood
Taxis Project with standard 8x8 cubes
Taxis project with quad workstations
Republic Bldg. – Conventional furniture
Republic Bldg. – Systems Furniture
8x8
Republic Bldg. – Systems Furniture
8x6
Spokane Telecenter
Spokane Telecenter w/25 additional workstations
605 Woodland Square – Conventional Furniture
605 Woodland Square – Systems Furniture
Items to Consider when remodeling, relocating and/or closing an office:

- Project Schedule: How much time do you have to implement the changes? What resources are needed? What type of lead time do you need for new furniture, data/voice systems?
- Budget
- Lease Terms and conditions for existing and new leases
- Sustainability – green products and design
- Energy consumption – energy cost can comprise up to 30% of our operating cost. You could see a $1/sq. ft. savings per year.
- Efficient use of space – can you make a simple change that would add additional workstations.
- Furniture Standards – color, manufacture, style, etc.
Cont.

- Annual Quality of Space assessment
- Security – concerns and requirements
- Customers – how does this change or impact your customers and the services you provide
- Communications: Rumor control, public notification of move,
- Service Contracts: Janitorial, maintenance, landscaping, security, copiers, bottled water, etc.
- Commute Trip Reduction - parking, public transportation, etc.
- Moving – Should this be done with in-house or contract staff. IT equipment and requirements - computers, phones, wiring, LAN, etc. Use of boxes vs. reusable plastic crates.
Alternative Work Strategies

Hoteling, Shared Workspaces, and/or Telecommuting

- Does your company have a policy?
- How do you handle Technology needs?
- How do you address limited interaction with others, team work, meetings, etc.?
- What is the risk – ergonomics and safety/health to you and your employees?