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City of Alexandria, Virginia

New Lease at Tavern Square

Office spaces at Tavern Square, 400 Block of King Street



Background



- The City has multiple leases at Tavern Square set to expire November 30, 2015
- During FY 2015, a new City Office Space Standard was created to review workplace requirements
- Alternative sites assessed with the assistance from Alexandria Economic Development Partnership (AEDP) including moving to the space off of Beauregard.

Factors for Staying at Tavern Square



- Proximity to City Hall
- Flexibility for future swing space for the City Hall renovation
- Minimizes staff travel time to City Hall for meetings, public hearings, and City Council Legislative meetings
- Emergency generator capacity currently exists at Tavern Square from the City Hall generator
- Access to multiple and more convenient modes of transit, including DASH, Metro, VRE, the free Old Town Trolley and Bike Share.
- More local amenities in Old Town including restaurants, retail and convenient stores which would attract potential employees and increase retention of existing employees

Overview



- The new lease essentially consolidates the multiple current leases at Tavern Square
- The new lease has less square footage AND less \$ per square foot

	Current Leases	New Lease
Square Footage	62,340	52,847
Average \$ per Sq. Ft.	\$32.17	\$27.00

Key Points



- The new City Office Space Standard consolidated the number of office types as well as reduced overall square footage requirements to meet workplace needs
- The new lease contains \$2.1M in Tenant Improvement (TI) allowances
- The new lease allows 6 months “free rent” over 3 years
- Requires City Council approval for a lease greater than 5 years. Docketing for end of October/ early November.

Fiscal Impact



- Over the 10.5 year lease, the new lease will save more than \$7M
- A one-time capital investment of \$1.3M is needed to implement new space standards, move, and renovate in order to achieve the \$7M in savings
- Annually, the new lease will save between \$700-900K in the operating budget

Questions?



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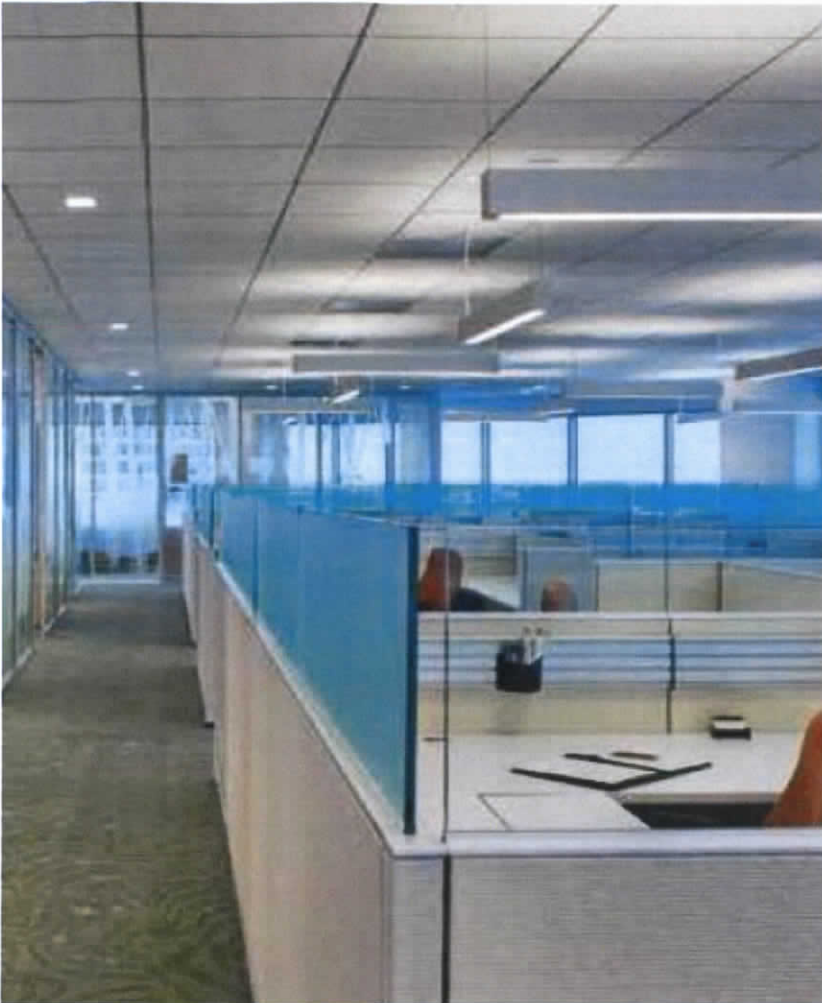
City of Alexandria Workplace Guidelines

Department of General Services

Workplace Trends

- Collaboration
- Right-size meeting spaces
- Openness
- Wellness
- Identity

Workplace Best Practices



Low Panel Work Stations

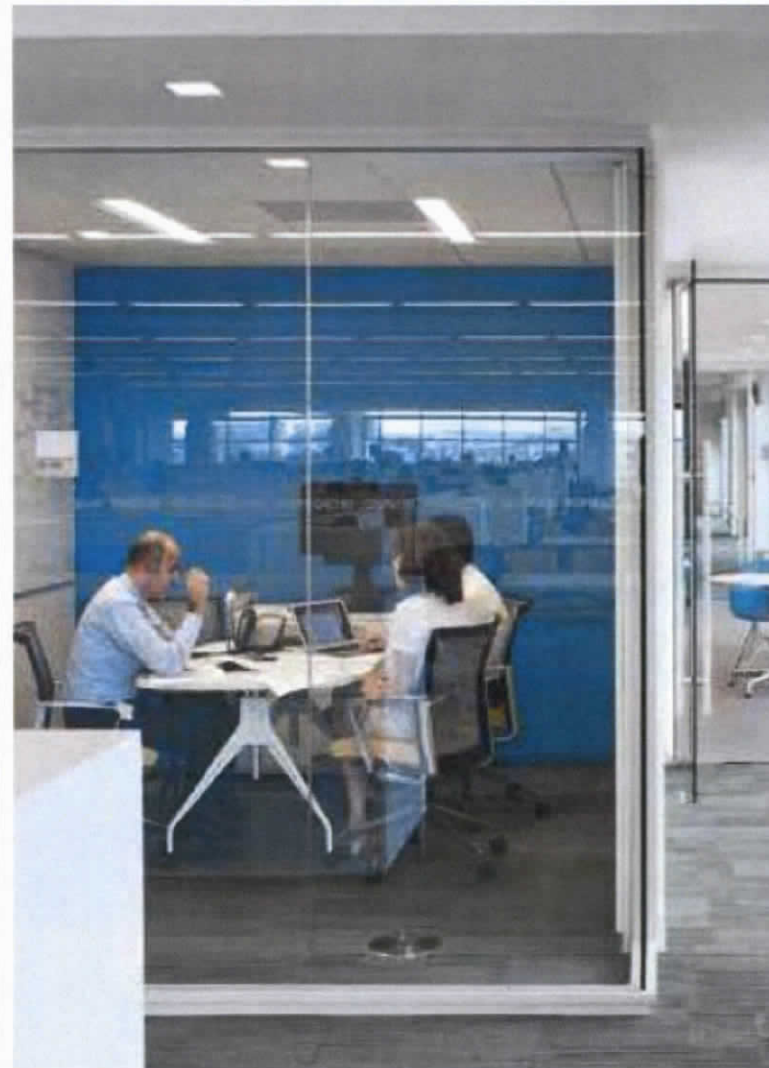


High Panel Workstations: Alexandria City Hall Existing Office Space

Workplace Best Practices

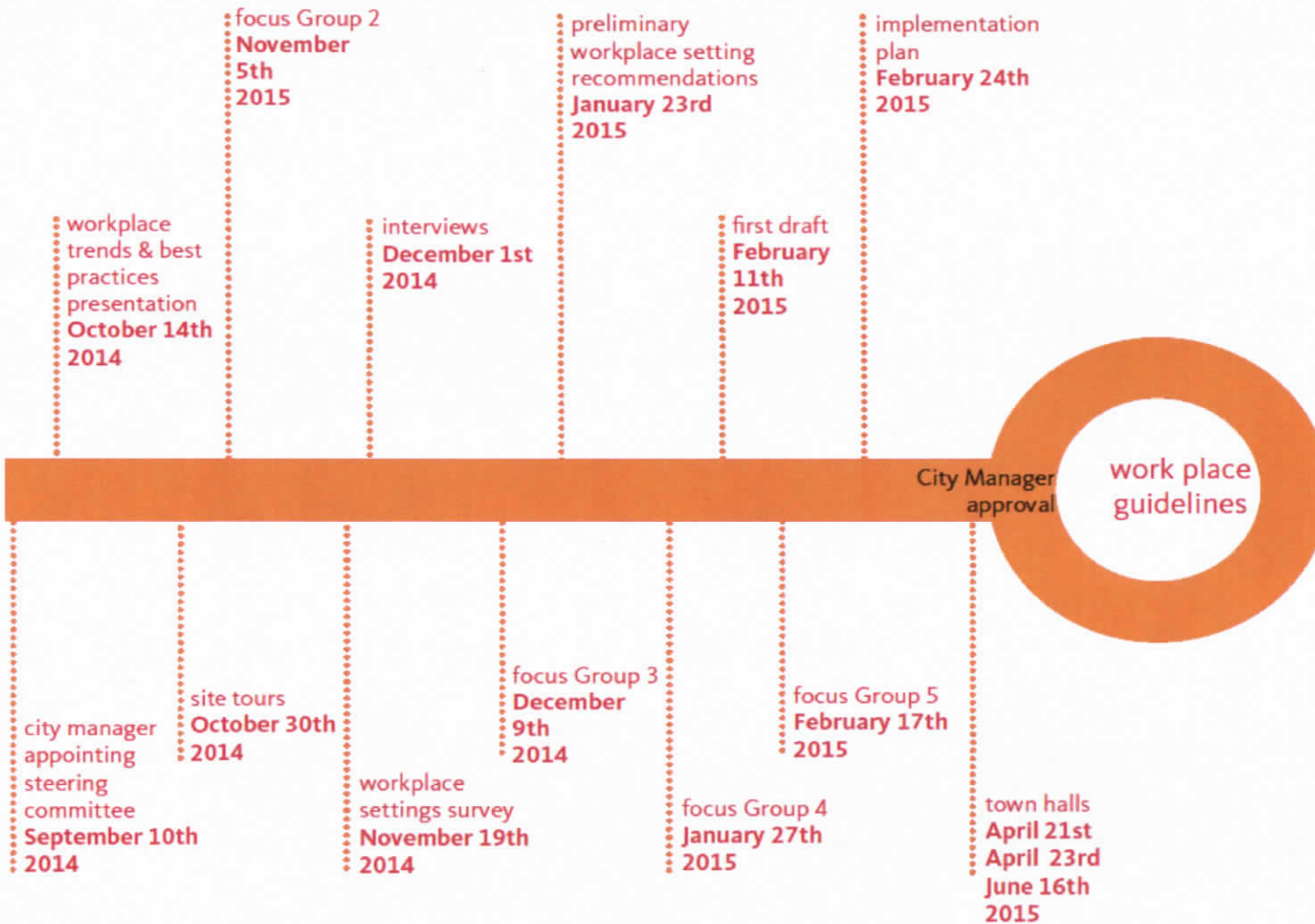


Break-out Space



Team Room

Creating Workplace Guidelines



Goals and Guiding Principles

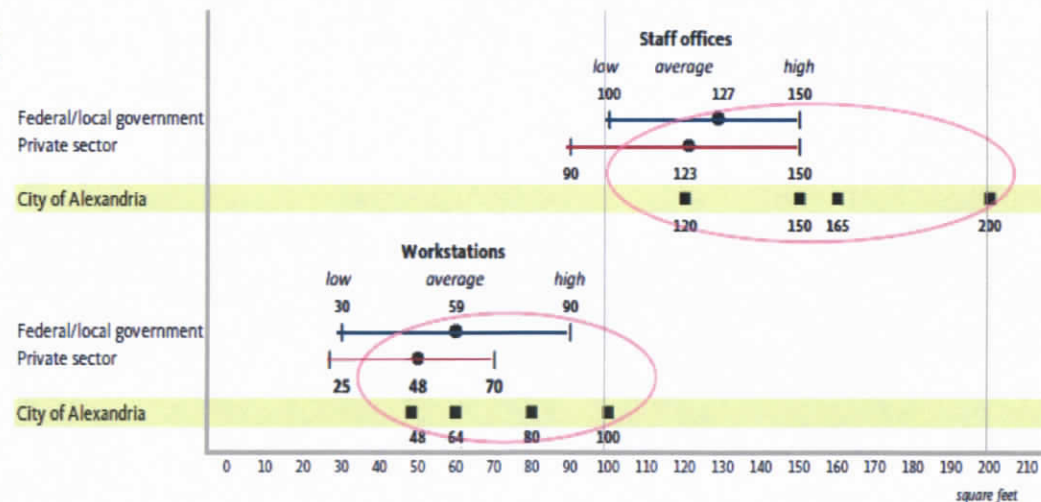
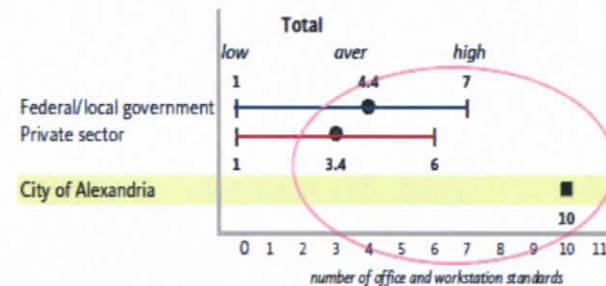
- Providing a workplace that is welcoming, engaging and hospitable to staff and visitors.
- Providing a choice of work setting in the workplace.
- Providing access to daylight and outside views.
- Promoting innovation through collaboration. Integrating office technology.
- Retaining the concept of a specifically assigned seat for those who routinely work in the office.
- Ensuring that space assignment is as uniform and equitable as possible across departments and across City facilities.
- Encouraging sharing of collaboration spaces.
- Reducing the time and expense required to respond to organization change.
- Providing a safe and secure environment for employees and visitors.

Work Standards

- Open collaboration spaces and work spaces
- Band of closed offices and team rooms.
- High acoustical panels/partitions act as a buffer between neighborhoods to mitigate sound transmission and implementation of "white noise".
- Shared filing areas within neighborhoods areas.
- Individual storage at workstations.
- Other support spaces beyond: copy/print, break room, additional staff storage, mother's/breast-feeding room, showers and lockers.

Office and Workstation Sizes

- Relative to other organizations, the current City of Alexandria standards have large footprints and many size options.
- Reducing the number of standards improves flexibility
- Reducing the footprint economizes on space





Workplace Guidelines Impact

Implementation Example: Department of General Services changes under new workplace guidelines

	Current 2014 Tavern Square Occupancy	Future 2016 Occupancy	% change
Headcount	21	25	19%
Square footage	6696	5761	-14%
RSF/Person	319	230	-28%
	Current Rent Rates	Current Rent Cost	
Rent at 110 N. Royal	\$ 32.20	\$ 215,611	
Total 2014 Rent		\$ 215,611	
		Reduced Rent Cost Due to Reduced SF	
New rent at Tavern Square assuming current rates	\$	185,504	-14.0%



Questions?