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Distributed @ 7/6/06 BFM mtg.



King County

King County Council

Analysis of need for the County to acquire the

1130 Rainier Building to support Elections and the ITS Data Center



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Study Background

Scope of Study

On June 21st the Staubach Company was retained as consultants by the King County Council staff to perform analysis and provide their opinion about the need, justification and risks associated with the due diligence for the proposed purchase of the 1130 Rainier building to house the needs of King County Elections and the ITS Data Center. As an alternative to the 1130 Rainier building, Council Staff further asked that Staubach consider whether they felt that the NCOB building could adequately suit the needs of Elections and/or the Data Center.

Preliminary Presentation of Findings

On June 29th after presenting a preliminary presentation of findings to Council in a meeting, the King County Council staff asked Staubach to do a more detailed analysis of the assumptions that Executive staff has used to develop the Useable Square Footage (USF) requirements for agencies proposed to occupy the NCOB. This request for further analysis was based on the following needs and issues:

- The Executive Staff said in the June 29th council meeting that it was important to consider the needs of Elections and the Data center as component pieces of a larger overall need to provide space for several agencies with "high priority space needs", such as the consolidation of the Regional Justice Center and overall future growth. Staubach had not considered these issues prior to June 29th. Consequently, it became important to further study the space available in the NCOB to consider whether NCOB, as currently programmed, contained any excess space that might be used to backfill other needs.



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Study Background

Preliminary Presentation of Findings (cont.)

- In their initial review of the space requirements for the proposed tenants of the NCOB, Staubach used as a baseline a per person Square Foot requirement ranging between 230 – 250 Rentable Square Feet (RSF) per staff, which is derived by dividing the number of staff by the total RSF they occupy. This is the number that had been represented to them in two meetings with Executive staff as the range used to develop the agency space requirements currently used for NCOB. In using this factor Staubach had come to the preliminary conclusion that there might be excess space available in NCOB, since the proposed floor design developed showed a RSF of around 200 RSF per staff, which is much lower than the RSF represented to Staubach in interviews with Executive staff. However, Executive staff said in the BFM committee meeting on June 29th that the actual factor used in developing SF requirements for the NCOB is 145 Useable Square feet (USF) per staff. Since very different assumptions go into computing RSF than USF, it became necessary for Staubach to re-consider the space needs using USF to ensure an “apples-to-apples” analysis.

Study Methodology – Data Inputs

Given the duration of Staubbach's study and the limited budget available, the analysis was performed using existing data and there was no time for independent verification. Specific description of a the analysis for each issue considered is contained in the report section for the issue. In general, the overall analysis consisted of the following:

- Review of existing programs, data, drawings, materials and analysis developed by Executive Staff and Council Staff
- Review of Council Meeting notes where relevant issues were discussed
- Review Independent reports provided to us by Council Staff
- Interviews with Executive Staff and their consultants
- Interviews with representatives of ITS regarding the Data Center requirements
- Tour of the 1130 Rainier building and the existing leased building for Mail Ballot Operations Satellite (MBOS)

Study Methodology – Framework and Approach

The study was conducted under the assumption that space acquisition decisions should be in response to well defined requirements for the space. Another way to consider this is that the need for space to house people and associated equipment is the **Demand** for space, and the space itself is the **Supply**. In an ideal world, an efficient use of space would be the optimum balance of supply and demand. Demand should always define and drive Supply needs and decisions. Well articulated Demand requirements should consider the following issues:

- Optimal size and functionality to support clearly defined needs for People and Equipment
- Future growth projections
- Anticipated changes in processes
- Flexibility
- Cost Issues
- Timing Issues

The more confidence an organization has in its Space Demand, as defined by the above criteria, the more it can minimize the risk in Space Supply (Acquisition) decisions. This is why good space programming is one of the most important investments any organization can make prior to acquiring space. A key consideration when evaluating lease versus own decisions in Real Estate should be the certainty and stability of Demand. The more certain and stable the need is over time, the safer it is to make a long term “buy” decision. The less certain the need is, the more risky it is to make a long term “buy” decision and leasing should be considered as a viable option, because it allows an organization to more easily adjust their Space requirements if Demand assumptions prove inaccurate.

Study Methodology – Framework and Approach

Using this conceptual framework of real estate Supply and Demand our analysis covered the following key issues:

Demand Issues

- What are the formulas and underlying assumptions used to develop the functional and square footage program requirements for Elections and Data Center?
- What are the formulas and underlying assumptions used in the program to support square footage projections for occupants currently planned of the NCOB building?

Supply Issues

- Do the space and functional needs of Elections and Data Center warrant the purchase of the 1130 building?
- Are there viable alternatives to this purchase that cost less to the county, and still address the primary needs of these organizations?
 - Elections moving to the NCOB or other space
 - Data center moving to the NCOB or other space
- Is there currently “excess space” held in the NCOB building in addition to that currently allocated to prospective tenants that could be used to house other agency requirements?
- Given overall Demand, if the County does not procure additional owned space (1130 Rainier or other) does it run the risk of continuing to exceed it’s 90/10 owned to leased space policy?



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Study Methodology – Framework and Approach

Policy Considerations

In addition to Demand and Supply considerations, this study also considered the following key policy decisions that could impact these issues:

- County policy to house downtown occupied functions in 10% or less leased space
- New space planning and as contained in Executive Proposed 2004 Space Program
- Council adopted LEED policy



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Analysis of Elections Space Requirements

Overview

Currently, the Elections function is housed in three separate locations

- Elections administration group is in 15,550 RSF in the Administration building
- Mail Ballot Processing is in 12,000 RSF of leased space on 1st Avenue S. This consists of 9,700 RSF of office space and 2,300 RSF of warehouse space
- Elections has 22,400 RSF of warehouse storage space in County owned space at 14th and Fir

The Elections “2005 Operational Overview” states: “A consolidated facility will provide more efficiency, and enhance the accountability of Elections product by increasing the frequency, quality and speed of communication between various work groups performing distinct but interrelated functions” This need for consolidation of key Elections functions, particularly related to ballot processing, is echoed in all reports Staubach was provided to review. This need for consolidation does not include the equipment storage of voting machines and other election related equipment and materials, which is located in the Fir building. The Executive has proposed to keep this storage in its current location.

Data Analyzed

- Elections 2005 Operational Plan
- Preliminary Space Program for Elections
- Citizens Election Oversight Committee 2004 Report and follow up report on implementation
- Toured the 1130 Rainier building
- Toured the Mail Ballot Operations Satellite building
- Interviewed Executive staff and their architect about the Space Program



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Analysis of Elections Space Requirements

Key Findings – Space Demand

- Currently, the portions of Elections programmed for consolidation occupy approximately 27,000 SF
 - Mail Ballot Operations Satellite
 - Elections Administration
 - Voter Registration
 - Elections Operations
 - Elections call center/data operations

- **New program anticipates a total need of 44,000 SF for consolidated functions. This anticipates 17,000 SF of growth that predominately occurs with ballot processing**
 - Assumes that the county has 100% mail-in ballots, or 1.2 million votes (last election was approximately 60% mail in ballot for approximately 900,000 votes)
 - **Assumes no efficiency gains from improved processes or equipment**
 - Anticipates a full consolidation of non-warehouse functions
 - Keep polling and miscellaneous storage at county owned 14th & Fir warehouse, all other functions to single facility
 - Currently plans on providing one seat per person at maximum anticipated levels of capacity.
 - Since processing is a cyclical activity that has peak demand at different times for each major process step (opening, verification, tabulation) it should be possible to share seats between functions and use less space.



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Analysis of Elections Space Requirements

Key Findings – Space Demand (cont.)

- **Current Facility Program acknowledges uncertainty in their space and staffing projections :**
 - “New equipment and handling processed should be examined to reduce staffing requirements. Current operations and facilities are functioning on a “make-do” basis and can be substantially streamlined through investment in process analysis, equipment”
 - “Until detailed analysis of process and technological efficiencies are completed, the space estimated indicated are projections, based on anticipated growth of total ballot load.”

- **Although it would be desirable to consolidate Elections Administration and Voter Registration with the rest of the Ballot processing functions, this was not a specific element of the CEOC recommendation**
 - Elections should “consolidate key parts of its elections operations” ... Specifically, all ballot processing should occur at a single facility” (June 2, 2005 letter from Executive to Council)



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Analysis of Elections Space Requirements

Key Findings – Space Supply

- **1130 Rainier building**
 - Provides more than enough space to support Elections functions proposed for consolidation
 - Provides space that well addresses most of the Elections functional requirements
 - Open space that lends itself to supporting assembly line operation
 - Would be easy to plan for reconfigurations
 - Space can be designed to accommodate observers
 - Can support storage and materials handling (high ceilings to support dense storage)
 - Loading dock and street access are adequate
 - Security not an issue
 - Has parking available to support fluctuating demand
 - May provide too much space for Elections excess unless other groups (in addition to the data center) could be targeted to back fill excess space if necessary.
 - May be a more inconvenient location for bus riders than a downtown location
 - Locks county into a long-term solution prior to thorough definition of the need



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Analysis of Elections Space Requirements

Key Findings – Space Supply (cont.)

- **NCOB Building**
 - Provides space that can address key functional requirements
 - Space can support assembly line operation
 - Space can be designed to accommodate observers and provide oversight by video cameras
 - Can be planned for easy reconfiguration
 - Security not an issue
 - Flex nature of organizational staffing may lend itself to synergies with Conference Center and Special projects applications.
 - May be problematic for transportation of materials during peak election periods
 - Cannot judge impact on groups currently proposed as tenants until the overall SF requirement is more accurately defined (27,000 SF – 44,000 SF??)



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Analysis of Elections Space Requirements

Conclusions

- The overall space requirements articulated in the Elections Space Program addresses the maximum possible space utilization scenario and it's highly likely that Elections does not need nearly this much space to function efficiently and effectively:
 - Assumes supporting highest headcount projections and a one-to-one seat basis
 - Does not consider impact of process improvements and new equipment
 - Does not consider layout efficiencies in new space
 - Assumes highest possible estimate for Mail in Balloting and 100% turnout of projected registered voters

- If Elections proves to have a smaller space requirement than currently programmed, the County runs the risk of purchasing a building that is underutilized unless there is a backfill plan to house another agency in 1130 Rainier

- It appears that the NCOB building could effectively house Elections, but there are some potential challenges that will require further evaluation of the following issues:
 - Transportation of materials to the building during peak elections cycles
 - Staging and transportation of materials to the Elections space from the loading dock
 - Cost and SF requirement of any infrastructure necessary to support ballots stored in Elections space
 - Identifying adjacency synergies that may exist with other proposed functions/tenants in the building that can make more efficient use of the space when election is not underway
 - Special Spaces and Conference Center, etc.

Analysis of Elections Space Requirements

Conclusions (cont.)

- If the 1130 building remains a viable option, further evaluate the purchase to consider:
 - Is it really the “dream deal”? Further financial analysis on the purchase costs and development structure
 - How does it financially compare to other alternatives?
 - Pressure on County debt thresholds and own/lease guideline?
 - Impact on revenues for services?



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Analysis of Data Center Space Requirements

Overview

Currently, the ITS Data Center is located in leased space in the Seattle Municipal Tower. ITS has developed a program of need to house the data center of between 6 – 8,000 SF. Data Centers require special space and equipment, which include among other things raised floor, specialty HVAC, specialty power and back up power. Staubach was asked to review the Program of Requirements for the Data Center and comment on the Programs overall strengths or weaknesses and whether the Data Center could be supported in either the 1130 Rainier Building or NCOB.

Data Reviewed

- Reviewed cost estimates for Data Center in 1130 Rainier and NCOB building
- Interviewed County staff and ITS staff about Data Center requirements
- Toured the 1130 Rainier building



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Analysis of Data Center Space Requirements

Space Demand Analysis

- Requirements for space seem reasonable
- Requirements for HVAC and power are consistent with Data Center best practices
- Data Center has no key adjacency
 - Could be anywhere as long as function, security and economics make sense
- Data Center requirements have not been reviewed or approved by the Council

Space Supply Analysis

- 1130 Rainier Building
 - 16,000 SF of Data Center space currently in 1130 Rainier, which is significantly more than required
 - If Elections needs the balance of the space, this appears to be a cost effective solution
 - Data Center should not drive the decision to purchase the building
- NCOB Building
 - Keeps adjacency with ITS
 - Can be a consolidated site supporting the Data needs of other building occupants
 - Secure site
 - May be a more costly solution than other alternatives



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Analysis of Data Center Space Requirements

Conclusions

- Data Center Space Program seems reasonable
- Data Center could be located anywhere that it makes the most economic sense for the County as long as the program's requirements are met.



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Analysis of NCOB Space Requirements

Overview

The New County Office Building (NCOB) is programmed to accommodate various county functions in a total of approximately 230,000 useable square feet (USF) of offices space. In a meeting with the Council on June 29th, 2005, Executive staff said that the building was programmed for high density and that there was little, if any, excess space to support additional tenants, without displacing a tenant currently planned for the space. Executive staff further asserted that the occupants were housed in an average of 145 USF per staff. Staubach was asked to investigate the assumptions behind these numbers and conclusions and provide independent verification.

Data Analyzed

- June 8th document entitled: New County Office Building: Prospective Tenants
- Proposed typical floor plan layout for NCOB
- Block and stack diagram for NCOB showing floor location, # of offices and workstations and SF requirements by proposed tenants
- Spreadsheet showing Rentable Square Foot (RSF) and Useable Square Foot (USF) calculations by floor in the NCOB
- Executive Proposed 2004 Space Plan
- Interviewed Executive staff and their architect about the Space Program
- Conducted a follow up interview with Executive staff on July 5, 2005



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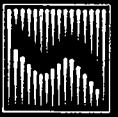
Analysis of NCOB Space Requirements

Key Findings – Space Demand

Building area summary prepared by Zimmer Gunsul and Frasca on May 5, 2005 provides a breakdown of building rentable square foot (RSF) and useable square foot (USF) calculations by floor. USF per person calculations are derived by dividing headcount by the total USF allocated to the tenant. Our analysis used the ZGF calculations and the FTE projections provided by the Executive. (see exhibits)

- **The Executive represented to BFM committee in the June 29th, 2005 that occupants in the building were calculated 145 USF per person at the 2007 headcount projects by agency**
 - The proposed “special project team” spaces are allocated to accommodate proposed headcount through 2014
 - The space requirements for NCOB used the “high” growth estimates from agencies. Spectrum provided for “low, mid and high” growth estimates.,

- **Staubach analysis shows that using the assumptions listed above the USF range for proposed agencies the NCOB range from a low of 147 - 168 USF (DCHS, Public Health, ITS) to a high of 273 USF (County Executive, OMB, DES Admin, BRED, OIRM)**
 - The groups with the lower range of space utilization occupy floors 2 – 11
 - The groups with the higher range of space utilization occupy floors 12 & 13



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Analysis of NCOB Space Requirements

Key Findings – Space Demand (cont.)

- **Currently, most prospective agencies use significantly more USF than has been programmed for them at the NCOB.** Getting the proposed tenants to fit in this reduced standard will require:
 - Tenants purchase new, efficiently designed furniture to accommodate the layout concept developed by FMD
 - Tenants are required to conform to the ratio's proposed of 11:1 workstations to offices.
 - Tenants do not have significant special space needs (storage, extra conferencing, special equipment, etc) that require additional space beyond the typical floor plan model

- **Detailed programming of needs for proposed occupants of the NCOB is not scheduled to start until July 14, 2005**

Analysis of NCOB Space Requirements

Conclusions

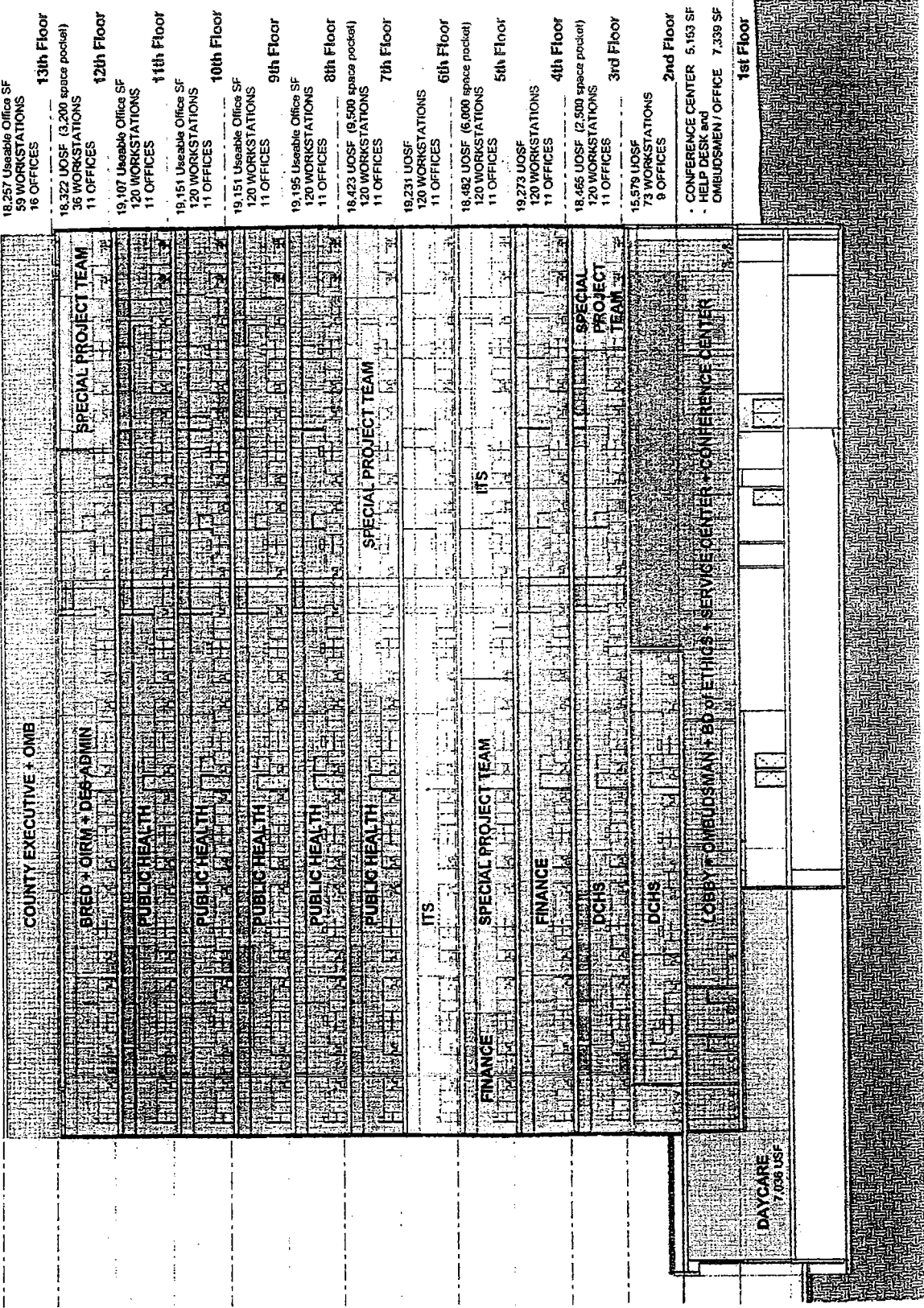
- With the exception of the County Executive and other functions programmed for the 12th and 13th floors, the space utilization factors used for all other occupants are highly aggressive and it's likely that they will not be able to fully realize this planned density. Therefore, other than on the 12 and 13th floor, it would not be prudent to assume that there is any additional space in the NCOB to house other groups without displacing a group currently planned for the space.
- It is likely that Elections could be housed on 2 floors of the NCOB building once a detailed program was developed for the group. However, to do this a similar size of occupants currently programmed for the NCOB would have to be located elsewhere.
- If Elections or the Data Center are located in NCOB it will require some additional investment in structural upgrades to handle the equipment loads for part of the organizations.

Analysis of Space Utilization by Proposed Occupants of the NCOB

Agency	Current Location	Current RSF	NCOB RSF	Current USF	NCOB USF	FTE 2007	2007 USF/person	FTE 2014 (High-end)	2014 USF/person	Notes
County Executive/OMB	BOAT	10,923	21,545	not provided	18,257	73	250	73		
BRED/OIRM/DES Admin	BOAT	11,843	12,492	not provided	15,422	56	270	56		3,200 USF space pocket on 13th floor
Public Health	Wells Fargo (98K) Boren (7,200)	98,017	85,527	not provided	55,571	64	177	677		9,500 USF space pocket on 7th floor
ITS	Seattle Municipal Tower	48,446	28,472	not provided	22,402	17	16	218		6,000 USF space pocket on 5th floor
Finance	Exchange	38,341	22,514	not provided	22,500	164	131	164		6,000 USF space pocket on 5th floor
DCHS	Exchange/ Walthew	48,446	31,544	not provided	31,500	15	15	201		2,500 USF space pocket on 3rd floor



2,748 Building Common Space
 Mech.
 18,257 Useable Office SF
 59 WORKSTATIONS
 16 OFFICES
 13th Floor
 18,322 UOSF (3,200 space pocket)
 36 WORKSTATIONS
 11 OFFICES
 12th Floor
 19,107 Useable Office SF
 120 WORKSTATIONS
 11 OFFICES
 11th Floor
 19,151 Useable Office SF
 120 WORKSTATIONS
 11 OFFICES
 10th Floor
 19,151 Useable Office SF
 120 WORKSTATIONS
 11 OFFICES
 9th Floor
 19,196 Useable Office SF
 120 WORKSTATIONS
 11 OFFICES
 8th Floor
 18,423 UOSF (9,500 space pocket)
 120 WORKSTATIONS
 11 OFFICES
 7th Floor
 19,231 UOSF
 120 WORKSTATIONS
 11 OFFICES
 6th Floor
 18,482 UOSF (6,000 space pocket)
 120 WORKSTATIONS
 11 OFFICES
 5th Floor
 19,273 UOSF
 120 WORKSTATIONS
 11 OFFICES
 4th Floor
 18,466 UOSF (2,500 space pocket)
 120 WORKSTATIONS
 11 OFFICES
 3rd Floor
 15,579 UOSF
 73 WORKSTATIONS
 9 OFFICES
 2nd Floor
 CONFERENCE CENTER 5,153 SF
 HELP DESK and
 OMBUDSMAN / OFFICE 7,339 SF
 1st Floor



SECTION

Date	5/17/16
Jan No.	1122411
Drawn By	W
Checked By	W
Quantity No.	

Building Section
 STAIRS
 GENERAL
 DIAGRAM

King County
 NOB

DRAFT

BUILDING AREA SUMMARY IN SQUARE FEET									
27-May-05									
Zimmer Gunsul Frasca									
Useable Area Breakdown									
FLOOR LEVEL	Gross Measured Area	Vertical Penetrations	Floor Rentable	Building Common	Floor Common	Office Area	Retail Area		
Roof	0								
Penthouse	3,159	411	2,748	2,748	0	0	0		
13	21,545	1,451	20,094	0	1,837	18,257	0		
12	21,608	1,449	20,159	0	1,837	18,322	0		
11	21,608	1,449	20,159	0	1,052	19,107	0		
10	21,608	1,405	20,203	0	1,052	19,151	0		
9	21,608	1,405	20,203	0	1,052	19,151	0		
8	21,608	1,361	20,247	0	1,052	19,195	0		
7	21,608	1,348	20,260	0	1,837	18,423	0		
6	21,608	1,325	20,283	0	1,052	19,231	0		
5	21,608	1,289	20,319	0	1,837	18,482	0		
4	21,608	1,283	20,325	0	1,052	19,273	0		
3	21,608	1,306	20,302	0	1,837	18,465	0		
2	18,517	1,635	16,882	108	1,195	15,579	0		
1	20,810	1,484	19,326	8,501	1,049	7,339	2,437		
A	15,492	1,810	13,682	6,212	0	434	7,036		
Subtotal	295,603	20,411	275,192	17,569	17,741	230,409	9,473		
Loading-B	14,173	1,524	12,649	9,735	103	2,811			
Parking-C	3,508	1,011	2,497	1,572		925			
TOTALS	313,284	22,946	290,338	28,876	17,844	234,145	9,473		
prepared by Brian Iverson									