



Six-Year Facilities Planning Overview

**Fiscal Management
Advisory Committee**

January 23, 2014

Overview

As of June 2012, the state spent approximately \$257.8 million annually for approximately 12.8 million square feet of office and warehouse facilities. To oversee the state's investment in facilities, OFM develops a Six-Year Facilities Plan for submission to the Legislature biennially.

The next Six-Year Facilities Plan is due to the Legislature on January 1, 2015.

Requirement

[RCW 43.82.055](#) directs OFM to work with DES and all other state agencies to determine the long-term facility needs of state government and to submit a six-year facilities plan every two years. The Six-Year Facilities Plan must:

- (1) Identify long-term state agency space requirements; and
- (2) Document other pertinent data necessary for cost-effective facility planning.

Legislative intent emphasizes the need to conduct facilities analysis and portfolio management effectively.

Purpose

The Six-Year Facilities Plan is a tool to improve the oversight, management, and financial analysis related to facilities that house state agencies. The planning approach positions the state to more comprehensively manage these resources within and across state agencies.

The *Six-Year Facilities Plan* will (1) identify the **square footage** and **cost** expected for each agency's portfolio of facilities and (2) document the facilities actions necessary to meet these targets within the six-year period.

State Goals for Facilities

The State Facilities Oversight Program, in cooperation with state agencies, has outlined four goals for the state related to facilities. These include leasing and owning facilities that:

- Provide space that supports the business needs of state agencies.
- Provide space that is healthy, safe, and sustainable.
- Use the state's facilities efficiently.
- Use the state's fund sources effectively.

State Space Use

In June 2012, state agency housing averaged 300 square feet per FTE. By close of 2019, state agency housing is expected to average 283 square feet per FTE.

Industry reports indicate that private and public office space currently averages 250 square feet per employee and is expected to decline to 150 square feet per employee by 2022.

OFM will continue to work with agencies through the planning process to improve the efficiency of the workspace.

Audience

The audience for the Six-Year Facilities Plan includes:

- **Legislature**
 - For consideration along with budget recommendations
- **State Agencies and Department of Enterprise Services**
 - For implementation of timely renewals and projects
 - To monitor facilities performance outcomes against the plan.
- **OFM Facilities Oversight**
 - For alignment with the budget
 - To respond timeline to upcoming project approvals

Scope

AGENCIES INVOLVED

- All state agencies except for agricultural commodity commissions and four-year higher education institutions. Legislative and judicial agencies chose not to participate.

TYPE OF SPACE INCLUDED

- Leased and owned offices, hearings rooms, and conference rooms
- Leased laboratories
- Leased and owned support space including: information technology support, communications support, storage and warehouse

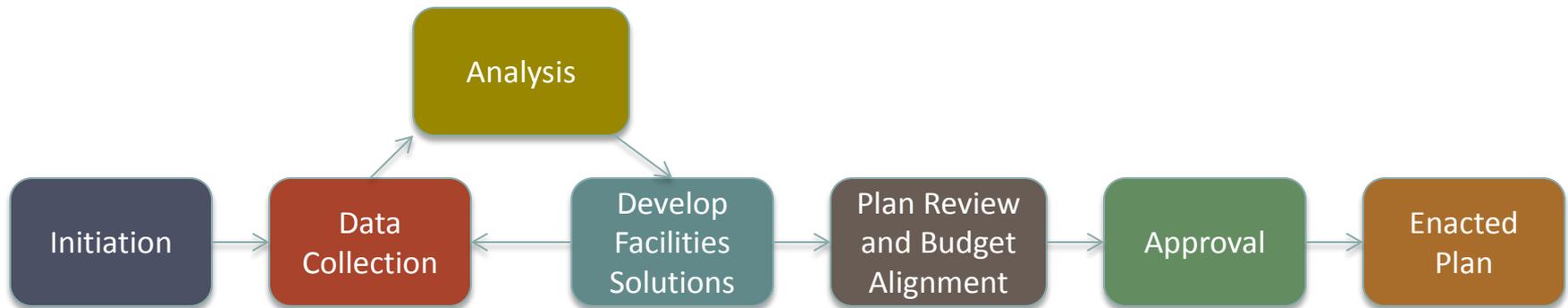
Approach For Facilities Planning

In the planning process, the state has the ability to think differently about its future needs related to facilities. This will be done through:

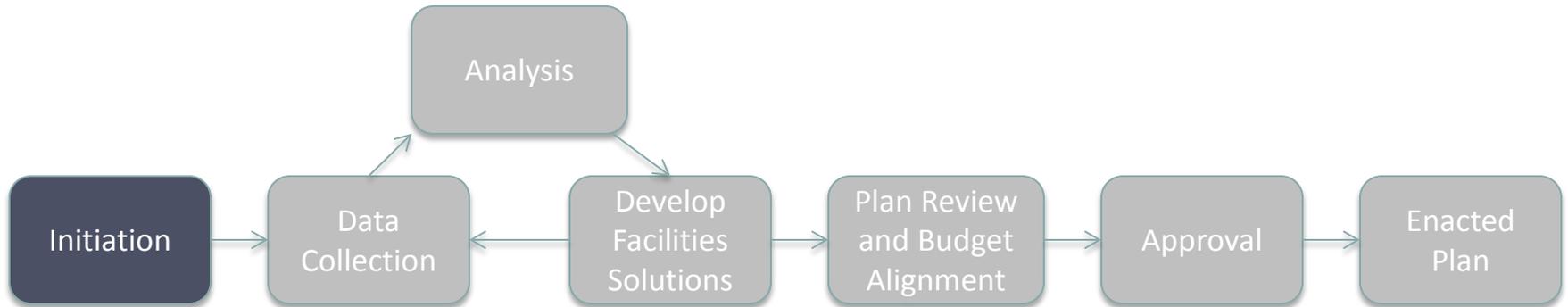
- Defining and understanding agencies' business and facilities requirements and seeking opportunities to remove barriers to employing alternative workplace strategies.
- Aligning long-range facilities planning with agency strategic plans and budgets.
- Emphasizing cross-agency coordination and collaboration.
- Elevating the issue of space management and educating the community on best practices for space use.
- Fostering a repeatable process.

Planning Process

The process used to develop the *Six-Year Facilities Plan* is an iterative approach, as illustrated and described below.



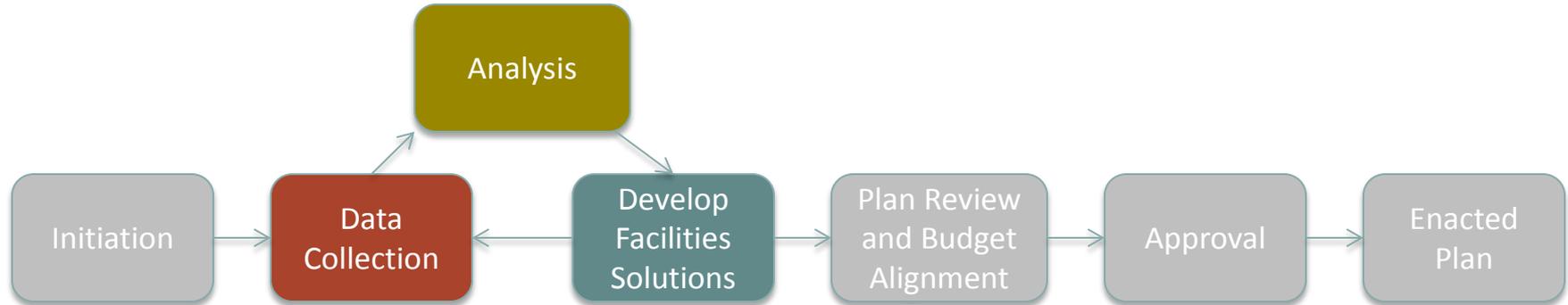
Initiation



The initiation phase is the start-up phase of the planning effort. During this phase, the planning process is updated to reflect the lessons learned from the previous planning cycle. An implementation approach, instructions, and data collection tools are developed during this phase.

Phase completed Early Spring 2014.

Iterative Plan Development



The iterative plan development phase includes three components: data collection, analysis, and development of facilities solutions.

Phase completed Fall 2012.

Iterative Plan Development

The core work in these phases include:

- Reviewing current facilities data and prior six-year facilities plans,
- Discussing and documenting business needs and related facilities strategies with state agencies,
- Researching and documenting FTE and program trends,
- Conducting research and exploring potential facilities solutions-including geospatial research,
- Conducting analysis,
- Identifying pilot locations for new workplace strategies,
- Facilitating cross-agency collaboration,
- Drafting facilities solutions (including action, scope, budget, and timeline),
- Gathering feedback.

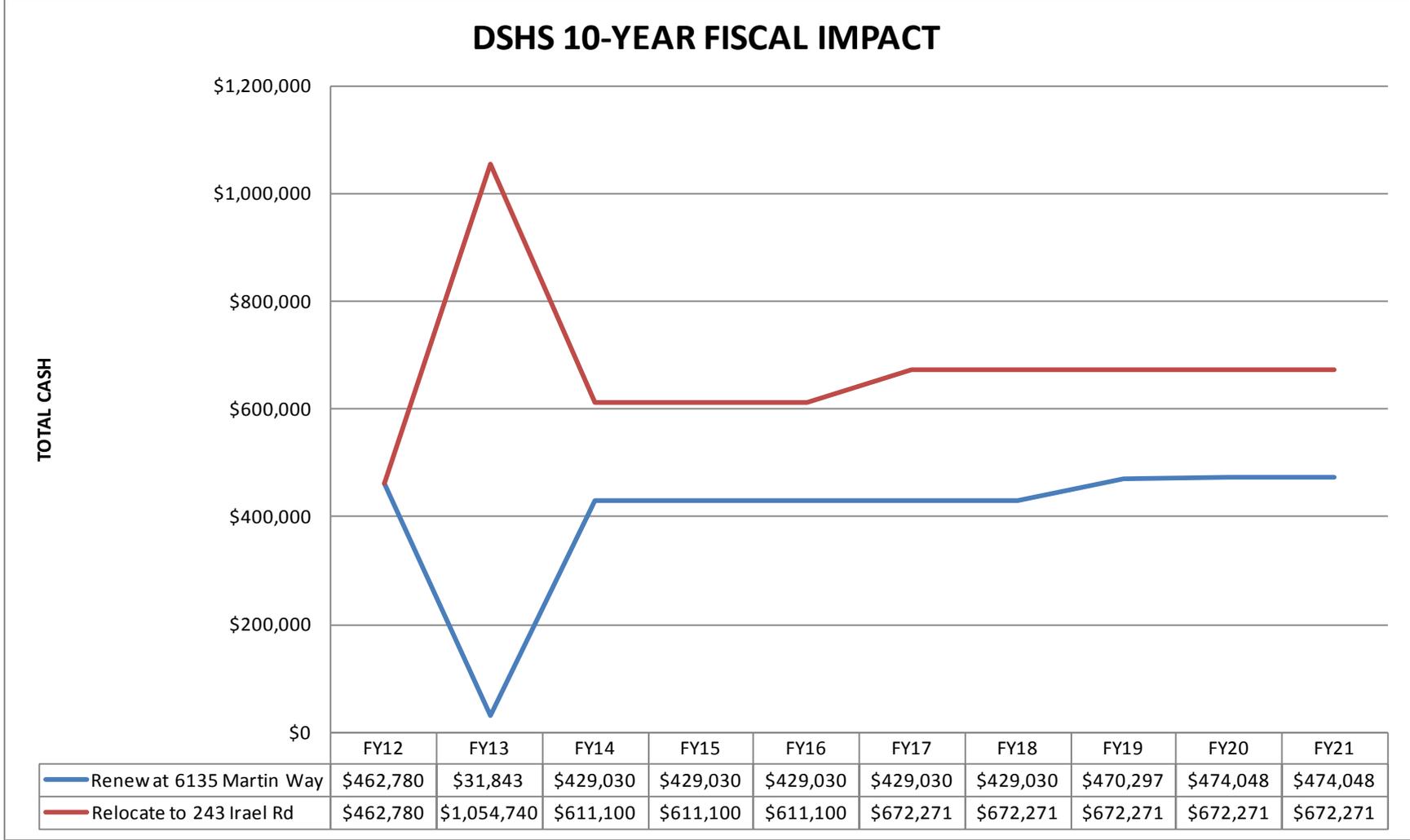
Facilities Solutions

Alternative analysis includes:

- Square footage change,
- Total cost and delta,
- Timelines,
- Pros and cons,
- Risks,
- Leasing strategy (where necessary)

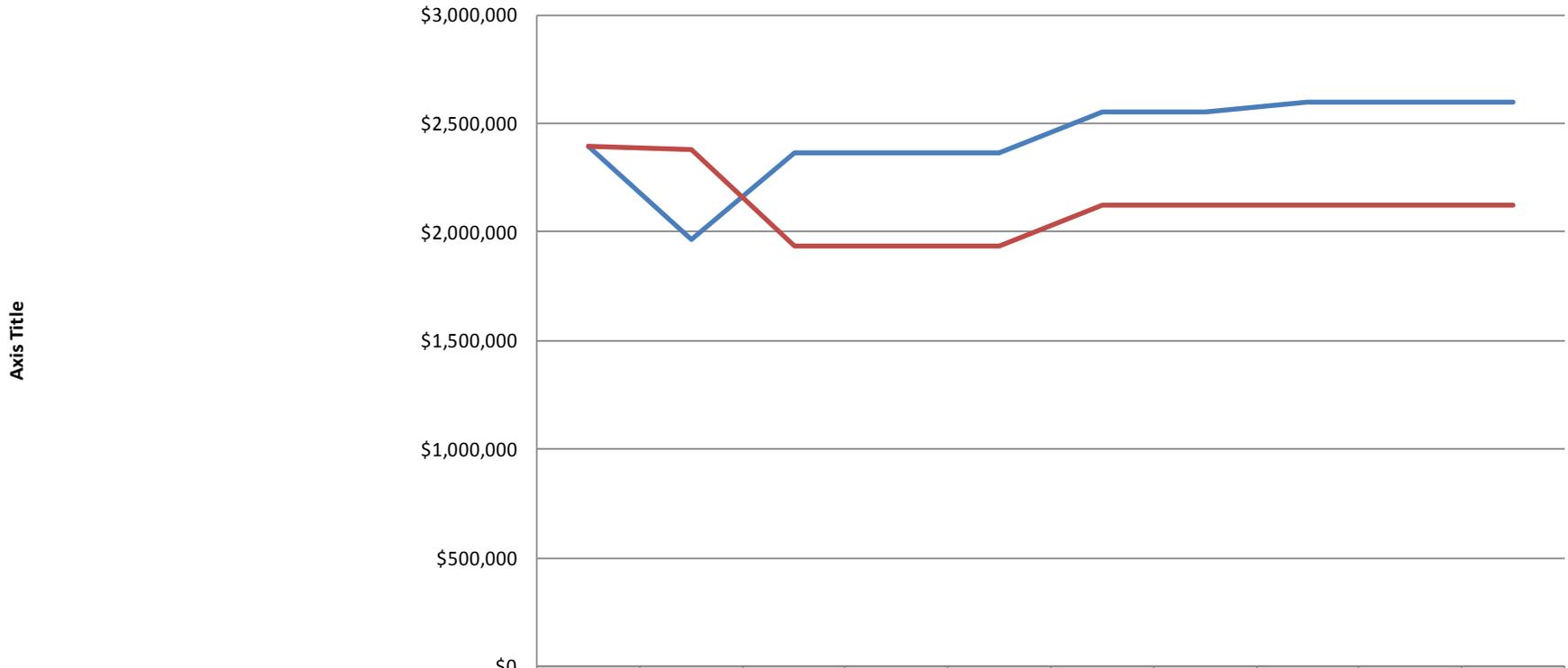
Where possible, we seek solutions that benefit the state as a whole as well as individual agencies.

Sample: Agency 10-Year Fiscal Impact



Sample: Statewide 10-Year Fiscal Impact

STATEWIDE 10-YEAR FISCAL IMPACT



	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
— Renew DSHS at 6135 Martin Way, DOH lease obligation at 243 Israel Rd	\$2,396,871	\$1,965,933	\$2,363,121	\$2,363,121	\$2,363,121	\$2,556,723	\$2,556,723	\$2,597,990	\$2,601,741	\$2,601,741
— Relocate DSHS to 243 Israel Rd, reduce size of DOH at 243 Israel Rd	\$2,396,871	\$2,377,731	\$1,934,091	\$1,934,091	\$1,934,091	\$2,127,693	\$2,127,693	\$2,127,693	\$2,127,693	\$2,127,693

Data Sources

To Develop the Six-Year Facilities Plan, OFM uses a set of established data sources and assumptions that are refined as analysis is completed. Data sources include:

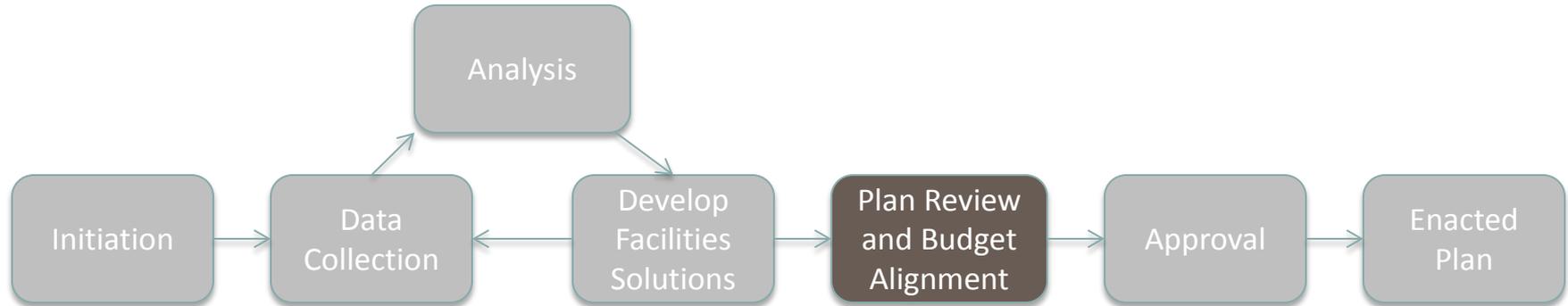
- Market Rates:** [REIS](#), [CoStar](#), Existing State Leases
- Inflation:** Seattle CPI-U
- Operating Expenses:** [WhiteStone Research](#) Operating Expenses or actual operating expenses when available
- One-Time Cost:** Estimates based on past actuals

Collaboration and Review

The Six-Year Facilities Plan approach incorporates lessons learned from previous planning cycles and focuses on communication with agencies. Agencies will be provided with multiple opportunities for input through the Summer and Fall.

Good communication about anticipated business needs with OFM Facilities Analysts will help to ensure your agency's business needs are clearly documented.

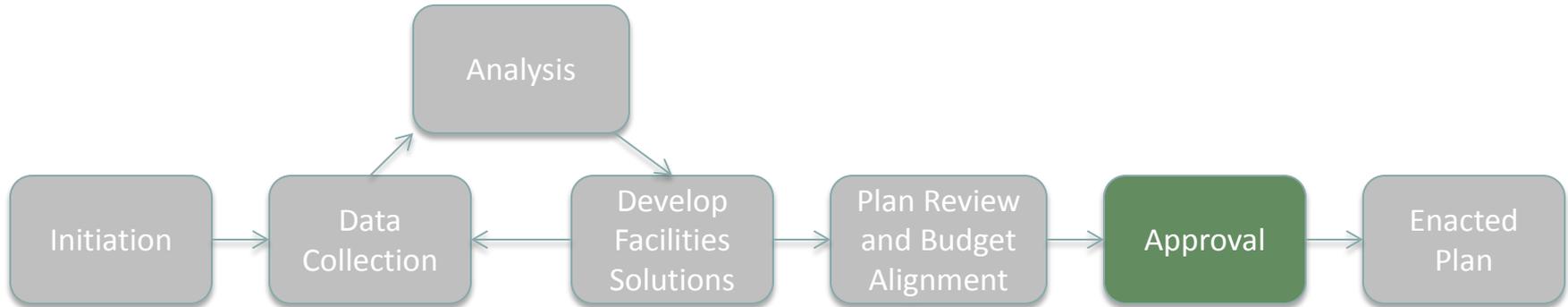
Plan Review and Budget Alignment



The purpose of this phase is to draft and refine the Six-Year Facilities Plan by aligning the plan with the Governor's budget under development. This phase includes drafting the plan, reviewing the plan, incorporating feedback, and coordinating with the OFM budget analysts for feedback and alignment.

Phase completed November 2012.

Approval



The final phase of the planning process includes review and approval of the Six-Year Facilities Plan by OFM Executive Management.

This final phase ends with the delivery of the Six-Year Facilities Plan to the Legislature by January 1 of each odd year.

Six-Year Plan Outcomes

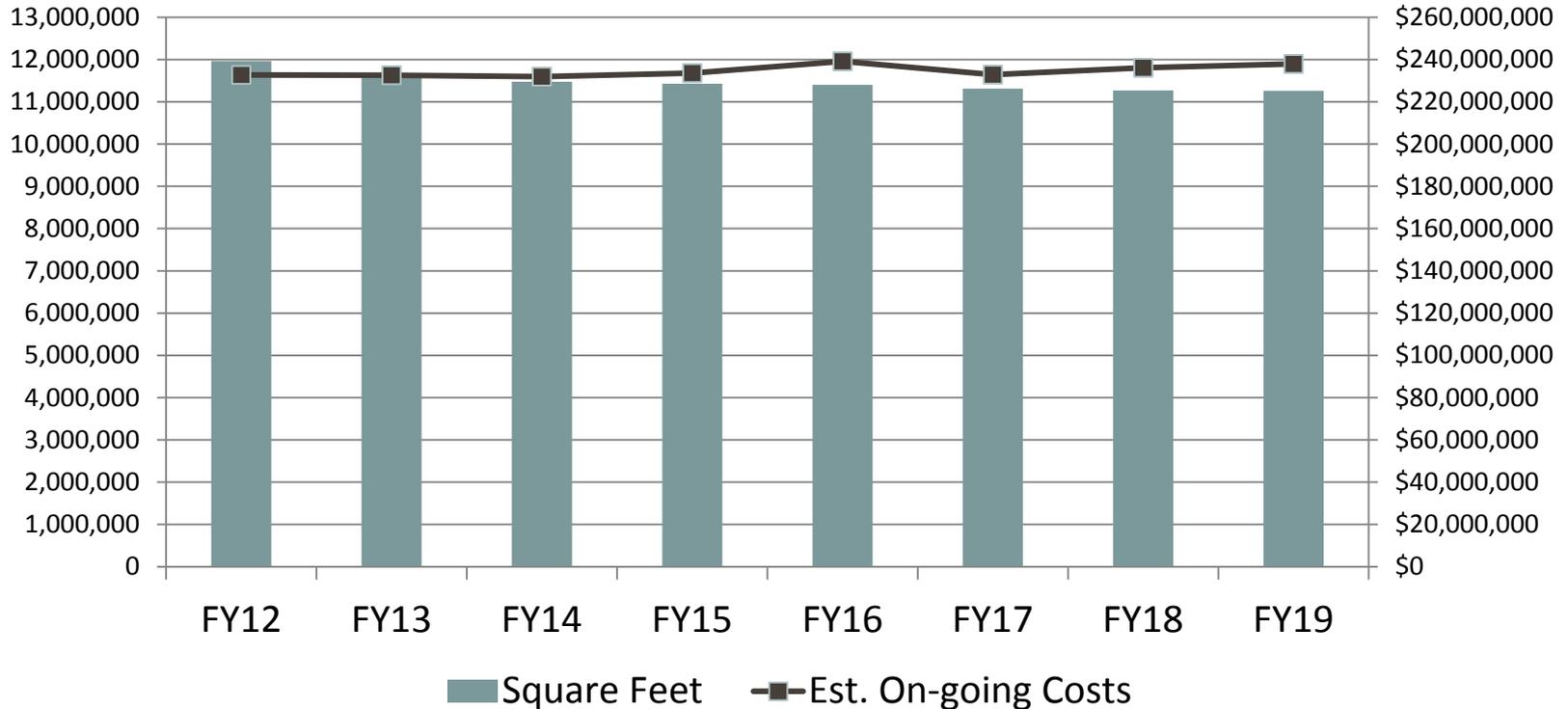
Each agency's Six-Year Facilities Plan includes the following:

- An agency overview
- A summary of the agency's current space use.
- A chart depicting the planned square footage and cost by fiscal year beginning with 2013 and continuing through 2019 for each space type.
- A summary of the actions necessary to achieve the documented metrics including a list of all anticipated projects.

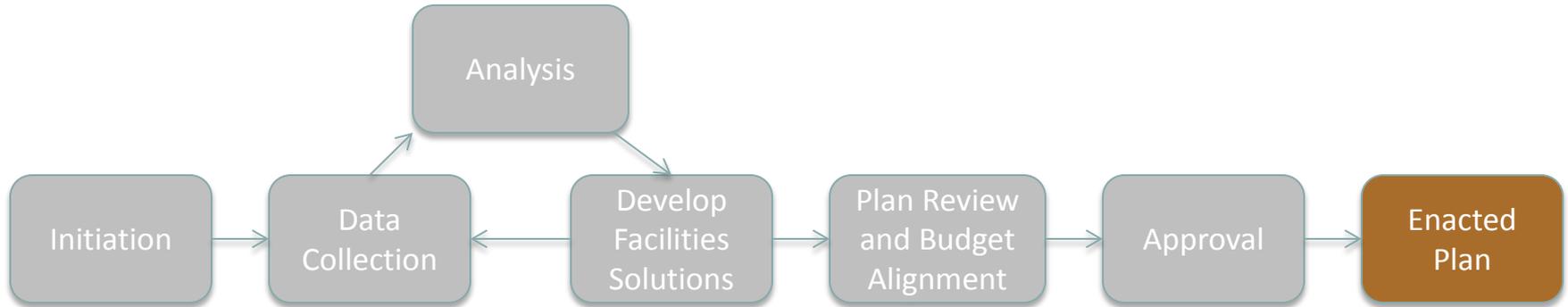
Preliminary Statewide Results

By 2019 the state is estimated to reduce its average space use by 10 square feet per FTE.

Office and Hearings Facilities



Enacted Six-Year Facilities Plan



Following Legislative Session, the Six-Year Facilities Plan is updated to reflect new and revised business needs as the result of new laws, including adjustments from the Enacted Budgets.

Six-Year Plan Implementation

Once the Plan is complete it is the responsibility of the Agency and DES to implement the Plan.

OFM monitors the square footage and approximate cost against the Plan and will produce a report summarizing any variance at the end of each fiscal year.

Contact Information

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More information is available at:
<http://www.ofm.wa.gov/budget/facilities/sixyearplan.asp>