

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

Date: February 11, 2015

To: Chairwoman Marina Dimitrijevic

From: Teig Whaley-Smith, Director of Administrative Services

Subject: 2014-2016 Budget Years Management Strategy Regarding the Consolidated Facilities Plan (CFP) – **Informational Report**

BACKGROUND

Resolution #14-483 was approved at the Special Transportation, Public Works & Transit Committee Meeting and the June 26, 2014 Milwaukee County Board Meeting providing direction from the Board to the Department of Administrative Services (DAS) regarding specific actions related to the Consolidated Facilities Plan (CFP).

The 2013 C.B. Richard Ellis (CBRE) Comprehensive Facilities Plan Report reviewed Milwaukee County's core facilities and presented a series of recommendations to the County Board that, if implemented, would result in significant efficiencies being realized by Milwaukee County, reducing its overall costs and better serving the needs of departments, employees and customers. These recommendation are:

1. Sell assets to reduce the footprint of occupied space
2. Consolidate all real estate functions under one County "Landlord"
3. Improve occupied space and optimize utilization
4. Develop systems and invest in training and tools
5. Reallocate available savings from real estate back into the portfolio

The Department of Administration has formed a working team to continue implementation of a Consolidated Facilities Plan (CFP) based on CBRE's recommendations.

The Board approved \$700,000 for the CFP effort in the 2014 Operating Budget. Of that, \$250,000 was encumbered subject to Board approval. During the 2014 September cycle, the Board of Supervisors approved expending the encumbered \$250,000 on the relocation costs for all staff at City Campus except for DHHS Housing. The Board also approved during the 2014 September cycle, the expending of no more than an additional \$1.1 million out of the Debt Service Reserve Fund to cover costs specifically related to relocation costs for DHHS Housing (\$28,000), network, telecommunications, furniture & fixtures (\$818,000), leasehold Improvements (\$240,000). During the same period, the Board approved the execution of three lease agreements: one for 633 W. Wisconsin, one for 601 West Walnut and one for a lease at Technology Innovation Center.

During the 2014 December cycle, CBRE presented to the County Board the Milwaukee County Consolidated Facilities Plan (CFP) 2.0 Report which included the framework of a Master Space Plan.

This informational report is within the scope of the approved resolution mentioned above and is meant to provide an update to the committee(s).

UPDATE ON CFP 2.0

Deliverable # 1 – Detailed Space Program and Relocation Strategy for City Campus

- Leasehold demolition and build outs were completed on schedule and within budget at all three locations. Cabling for telecommunications and computer technology is substantially complete.
- Much of the City Campus furniture was repurposed and integrated into existing cubicles owned by the County. These were also refurbished. New cubicle work surfaces were purchased as a part of the move.
- The total move count from City Campus amounted to 5 separate moves. In December 2014 DHHS-Housing was moved to 601 W. Walnut and MCDOT was moved to the TIC. In January 2015, Audit, CBDP and ED were moved to the 9th floor of 633 W. Wisconsin along with Procurement from the Courthouse. IMSD was moved to the 11th floor of 633 W. Wisconsin and AE&ES was moved to the 10th floor along with DAS Fiscal's Central Business office from the Courthouse. The total cost of the move was at or below the original budget.
- Expenditures remained at or below estimated costs related to space planning & consulting services, relocation costs, network, telecommunications, furniture & fixtures, leasehold improvements and contingency. A reconciliation of the expenditures to budget will be provided to the board upon completion of the project.

Deliverable #2 – Agreement with the State for Marcia Coggs Center

- The short term annual lease with the State approved by the County Board in the November cycle was executed by the State in February of 2015.
- The State has yet to issue an RFP for space to house staff and operations currently at the Marcia Coggs Center. Once the RFP is issued we anticipate six to eight months before the State reaches a conclusion on the proposal evaluation.

Deliverable #3 – Finalization of an Updated County Master Space Plan

- As stated in Resolution #14-483, the Department of Administrative Services presented a preliminary plan in the 2014 December cycle as part of the Milwaukee County Consolidated Facilities Plan 2.0 Report. A presentation will be requested to be made at TPW/T on the next steps (CFP 3.0) in the next County Board Committee cycle.

Deliverable #4 – Disposition Plan for the City Campus Property

- The County Board approved the demolition of all of the buildings at a cost of \$3.8 million as a part of the 2015 Adopted Budget.
- The County Board also approved in December 2014 an option to purchase City Campus by a potential developer. The option to purchase expires in June of 2015. If the developer elects not to purchase the property, the capital project for demolition of the buildings will commence immediately.

Deliverable #5 – Comprehensive Plan for County Grounds

- The Economic Development Division has made progress in discussions with the Behavioral Health Division (BHD), City of Wauwatosa, Milwaukee County Research Park, Milwaukee Regional Medical Center partners and other community organizations and institutions to begin to shape a long term strategy for maintaining a Milwaukee County government presence at the County Grounds. The latest focal point in this effort is the downsizing of the BHD facility needs. Representatives of the BHD, CBRE and Milwaukee County DAS-FM have conducted a process to select an architectural team to assist BHD in the development of their facility plan that will meet the needs of a community-based mental health system. A recommendation was made by the interview committee to the BHD Facilities Steering Committee on 01/30/15. The committee agreed on the recommendation and will be taking the information and a funding request to the Mental Health Board on 02/26/15.
- Economic Development Division has also responded to a Request for Information (RFI) to the State regarding potential relocation of Department of Justice (DOJ) facilities. The RFI response identifies potential land in the County Grounds area and a potential partnership of the DOJ and Medical Examiner Office.

Deliverable #6 – Courthouse Complex Plan

- The CFP Workgroup is beginning its initial data gathering work specifically related to the development of a strategy for use of space at the Courthouse and Safety Building.
- The CFP Workgroup will be initiating research on various options related to consolidation of Milwaukee County Courts and alternatives for the Office of the Medical Examiner, the Community Correction Center and the 6th & State Street lot.
- The CFP Workgroup will focus its effort on this Deliverable in 2015 as the City Campus relocation is completed (see Milwaukee County Consolidated Facilities Plan 2.0 Report).

Deliverable #7 – Facility Management Consolidation

- This will be addressed further in 2016 (CFP 3.0). A presentation will be requested to be made at TPW/T on the next steps (CFP 3.0) in the next County Board Committee cycle.

NEXT STEPS

In order to keep the momentum that was built around exiting City Campus, CBRE will continue with the CFP Workgroup meeting and assist defining next steps.

- The CFP committee with the guidance of CBRE will identify timing and approach to the State of Wisconsin concerning its continued occupancy of the Marcia Cogg Building.
- The committee will continue to address the final clean-up and disposal of City Campus and an evaluation of the relocation process.
- CBRE will provide support and background information to give structure to internal Milwaukee County office restacking and moving requests, as well as processing, managing and implementing tenant improvement requests at the Courthouse Complex and certain facilities on County Grounds.
- Since CBRE has been retained by BHD, we will supply a communication link between the current Behavioral Health Real Estate and Facilities study and CFP.
- CBRE will provide focus on a review of other County surplus real estate and facility assets. (County Grounds Food Service Building use/Medical Examiners' potential

relocation/Children's' Court resolution/Office of Emergency Management, pending recommendations in the CBRE 2012/13 Comprehensive Facilities Plan)

A presentation will be requested to be made at TPW/T on the next steps (CFP 3.0) in the April 2015 County Board Committee cycle.

Thank you for your consideration.

Prepared by: Greg High, Director of AE&ES Section, DAS-FM

Approved By:

Teig Whaley-Smith, Director
Department of Administrative Services

Attachment: 1. Power point presentation on the new work spaces resulting from the move from City Campus

Cc: Chris Abele, County Executive
Raisa Koltun, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board
Josh Fudge, Fiscal & Budget Director, DAS
Vince Masterson, Fiscal & Strategic Asset Coordinator, DAS
Pamela Bryant, Capital Finance Manager, Comptroller's Office
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