

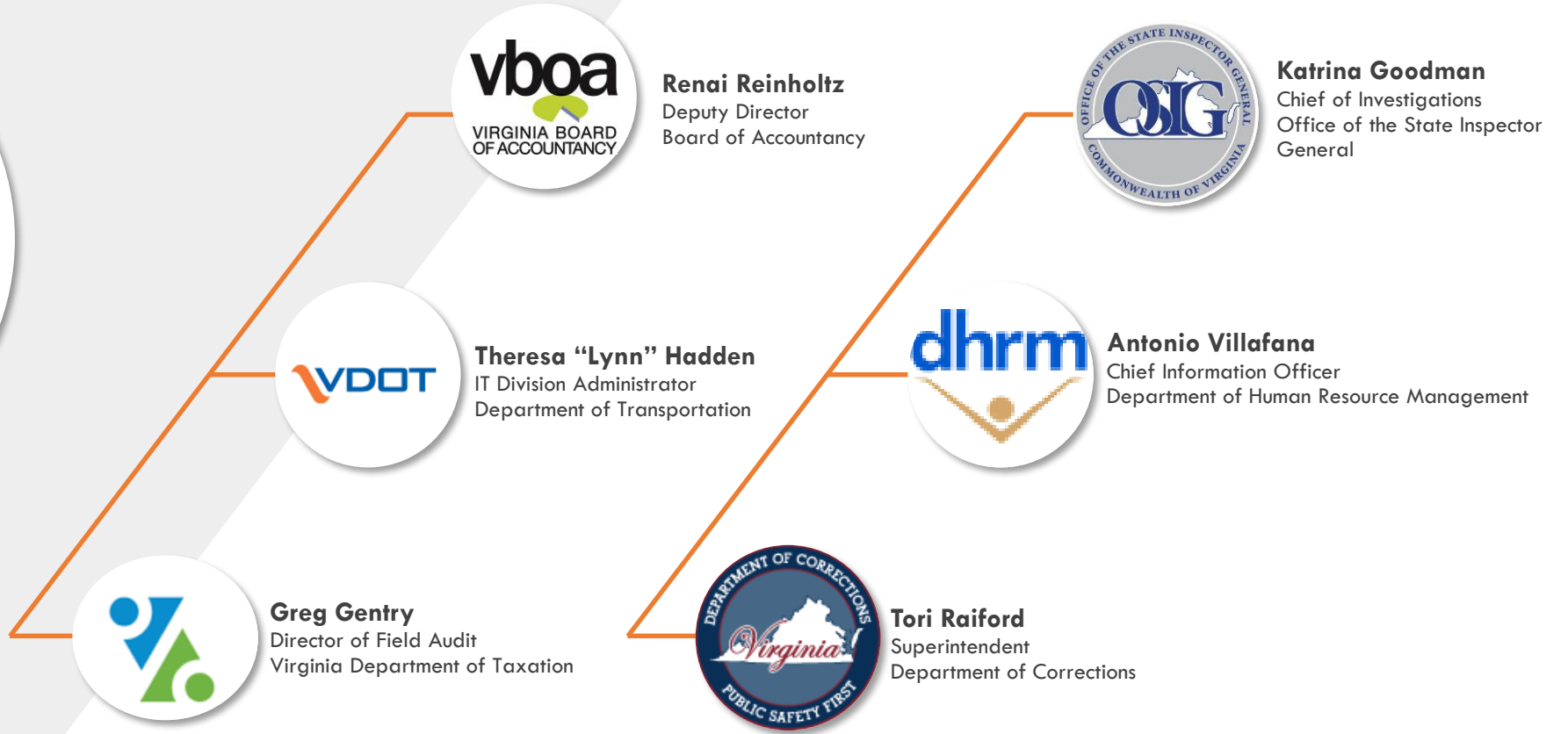


# CHANGING SPACES, CHANGING WORKPLACES

*The impact of COVID 19 on government facilities*

PREPARED BY: VEI 2021 SUMMER COHORT, GROUP 2

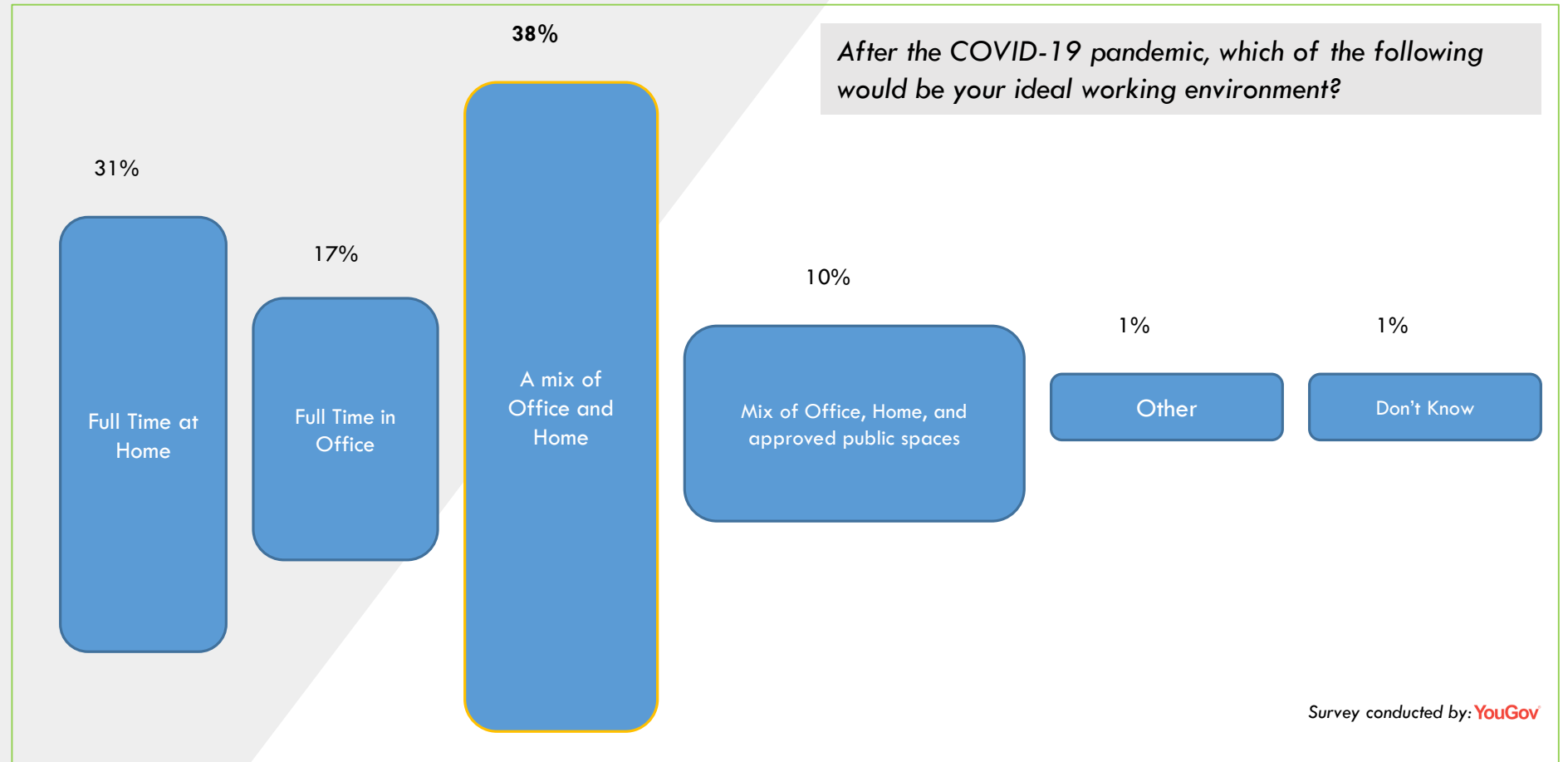
# VEI – GROUP 2 - TEAM SLIDE



According to Upwork's December 2020 "Future of Workforce Pulse Report," **36.2 million Americans will be working remotely by 2025, an 87% increase compared with the pre-pandemic level.** At the time of the survey, Upwork said 41.8% of the American workforce was working remotely.

"The great transformation", 28 February 2021, Rich Griset

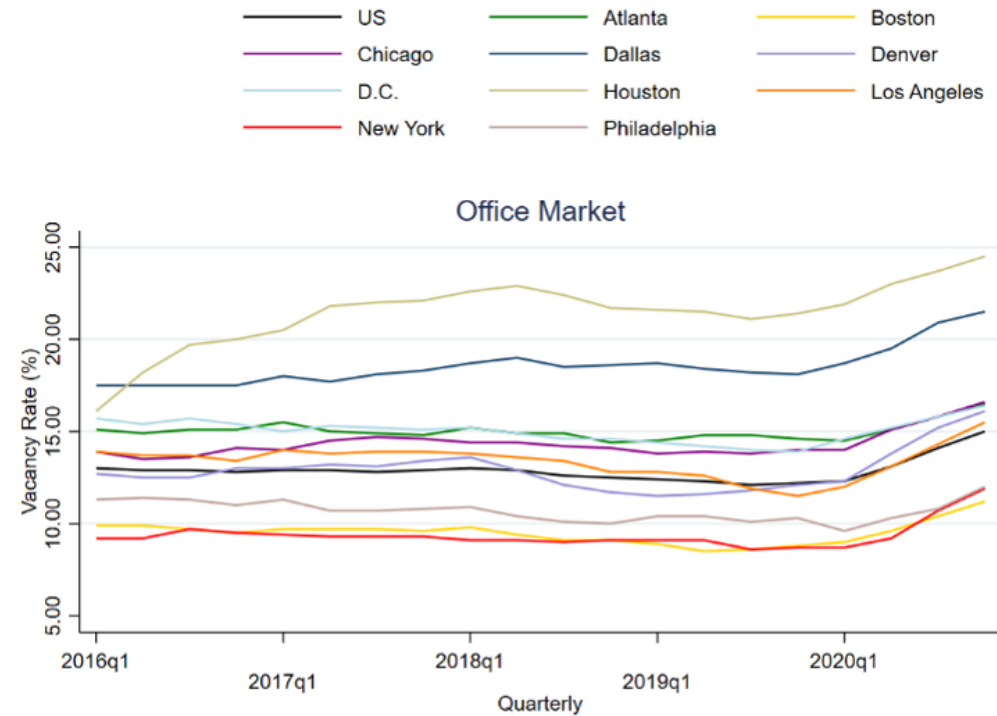
# WHAT DOES THE WORKFORCE WANT?



The Telework Enhancement Act of 2010 required federal agencies to quantify some of the results from their remote working initiatives each year. **The Social Security Administration reported \$900 million in real-estate savings in 2018 and 2019**, and the General Services Administration reported a 40 percent reduction in space and millions in real-estate and administrative savings.

# OFFICE MARKET VACANCY RATE

## Chart 2: Office Market Vacancy Rate



Note: U.S. indicates an average vacancy rates of major U.S. cities excluding Albany, Louisville, Memphis, Milwaukee, Norfolk, Oklahoma City, Pittsburgh, Raleigh, Richmond, San Antonio, Toledo, and Tulsa.

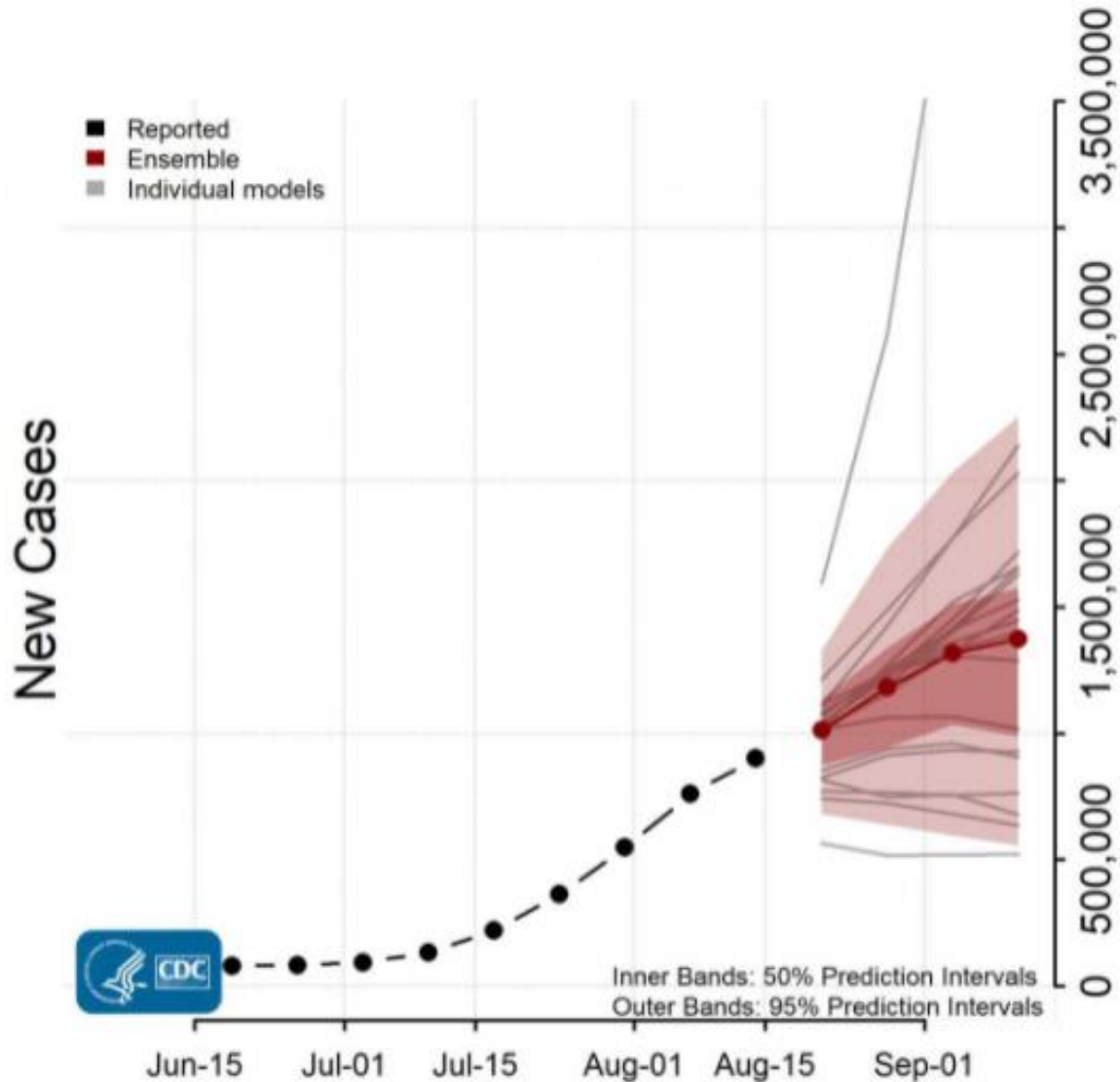
Source: CBRE-EA, Authors' calculations

# OCCUPANCY METRICS

Avg Occupancy Rate  
**17%**


DGS Buildings/Facilities Entrance Counts (Richmond, VA) Week of: 07.26.2021 - 07.30.2021						
Building Name:	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Total
Main Street Centre Lobby & 6th Street	322	527	349	420	310	1928
Monroe Building Lobby, Elev. and S/L	282	399	363	351	204	1599
Madison Building	291	346	299	369	313	1618
Oliver Hill Building	82	55	52	46	72	307
Patrick Henry Building	179	261	243	222	167	1072
Washington Building	194	206	205	215	153	973
400 E. Carry/UDR	107	132	105	115	111	570
Barbara Johns Building	63	66	61	67	47	304
Jefferson Building	120	123	128	104	59	59
<b>TOTAL:</b>	<b>1,640</b>	<b>2,115</b>	<b>1,805</b>	<b>1,909</b>	<b>1,436</b>	<b>8,430</b>
Total Office Space (sq. ft):	2,113,682.00					
Total Staff Level (estimated):	10,568.41					
Occupancy Rate (all locations):	<b>16%</b>	<b>20%</b>	<b>17%</b>	<b>18%</b>	<b>14%</b>	
Average Occupancy Rate (daily):	<b>17%</b>					

# COVID-19- DELTA VARIANT CASES ON THE RISE



- The figure shows the number of new COVID-19 cases reported in the United States each week from June 12 through August 14 and forecasted new cases over the next 4 weeks, through September 11.

# COVID-19- DELTA VARIANT CASES ON THE RISE

 CNBC

## Twitter, Facebook, Google among major companies changing return-to-office plans amid delta variant spread

... changing return-to-office plans amid delta variant spread ... will be required to get vaccinated or face strict Covid-19 testing.



**F** Forbes

## The Delta Variant Surge May Force Companies To Go Remote Again

If this strain spreads, like it's doing in other countries, workers would protest over being required to commute back to work. Corporations ...



**B** Bloomberg Law

## FCC Reconsiders Telework Plans Amid Rise in Delta Variant

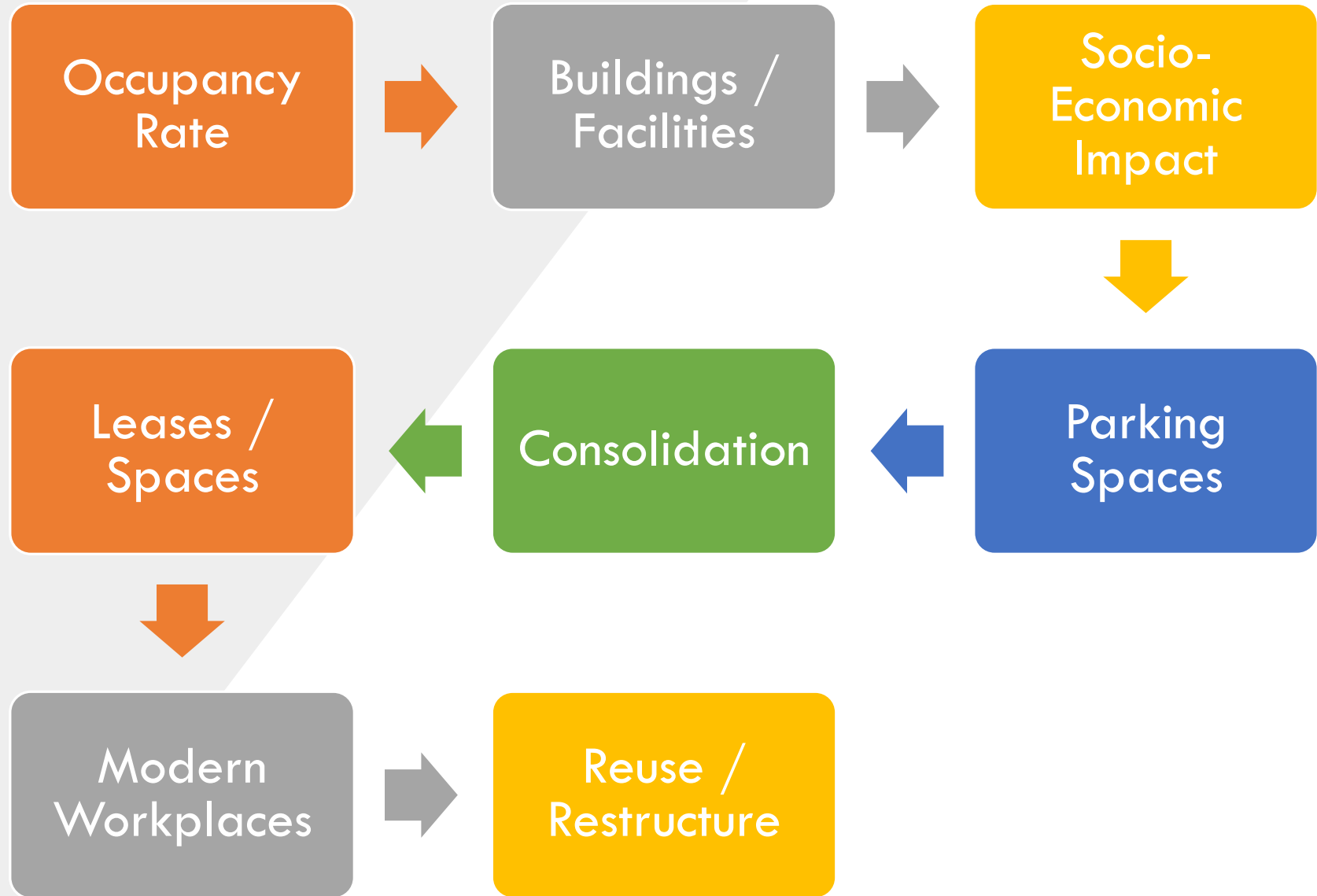
...

"Like everyone else in Washington and across the country ... the delta variant has required us to reassess some of our plans," she said.





# ROADMAP TO A MODERN WORKPLACE



# ROADMAP TO A MODERN WORKPLACE

## Occupancy Rate



- Each Agency submits an estimated occupancy rate
- Determine Occupancy Rate by using the formula: Total occupied seats ÷ by total available seats
- Data for this calculation can be collected using employee telework agreements, assigned staff levels for each site, and/or site entrance counts

## Buildings / Facilities



- With the assistance of DGS identify, and using the calculated occupancy rate determine those buildings/facilities that will be under utilized
- Using a Regional approach, rank the under-utilized spaces based on available capacity during peak on site days

## Socio-Economic Impact



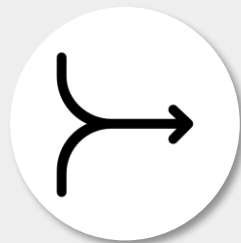
- Determine socio-economic impact to surrounding businesses and communities of under-utilized buildings
- Rank under utilized buildings/facilities based on projected impact levels

## Parking Spaces



- Identify available parking buildings/lots
- Utilize “termed parking” to help reduce cost to state employees

## Consolidation



- Identify buildings/facilities for potential consolidation, beginning with those locations that has been identified with the highest socio-economic impact
- Each impacted Agency will be provided the opportunity to review to review consolidation considerations, workspace design, and cost impact

## Leases / Spaces



- Review the leases and/or ownership of office buildings/facilities to ensure any planned reuse or consolidation can be accommodated
- Identify zoning restrictions

## Modern Workspaces



Work with expert architects to design a modern workspace that incorporates the following:

- Open floorplans
- Increased collaboration spaces
- Supports a completely mobile workforce
- Increased conference & huddle spaces
- Increased lighting
- Multi-use spaces
- Mobile Furniture
- Increased multi-use spaces
- Technology driven conference rooms
- Multi-use conference spaces
- Wireless presentation solutions
- Increased WiFi range and bandwidth

## Reuse & Restructure



- After Agencies are consolidated there may be buildings/facilities that can be restructured to accommodate possible revenue generating private-public partnerships
- Depending on city zoning requirements buildings/facilities should be considered for reuse/restructuring
- Possible private-public partnerships may include Event Hosting, Conference Centers, Training sites, and Emergency Shelters

# WAYS YOU CAN PROFIT FROM YOUR EMPTY OFFICE SPACE

Laura D. Adams - Entrepreneur Leadership Network

## EVENT MANAGEMENT

- Formal/Informal Business Events
- Industry or Third Party Events
- Conferences
- Resource & Information Center
- Temporary Collaboration Spaces

## CO-WORKING SPACES

- For industry and government
- A place for team building
- Satellite Offices

## STORAGE & WAREHOUSE

- Climate Controlled warehouse space
- Inventory and Emergency storage

## POP UPS

- Pop-ups are short-term retail store, such as a holiday craft shop, summertime brewery, food market, or clothing retailer
- They typically last a few days or weeks, which is beneficial if you don't want to commit to a long-term rental contract.

## TRAINING CENTERS

- Formal Training Events
  - Instructor Led & Virtual



- Current initiative (**Chapter 552 (2021 Special Session), Item 83. N.**)
- This roadmap identifies potential revenue generating options for the Commonwealth. **Our hope is this roadmap will be incorporated into the final report for the Chapter 552 (2021 Special Session, Item 83. N, initiative**

## QUESTIONS & COMMENTS

