

*City of Alexandria, Virginia*

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MEMORANDUM

DATE: APRIL 20, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL]

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: BUDGET MEMO # 80 : SPACE MANAGEMENT COSTS

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This memorandum is in response to Councilman Macdonald's request for information on how the City can reduce the costs for space management.

A total of \$1.9 million has been budgeted in the Proposed FY 2006 - FY 2011 Capital Improvement Program (CIP), which includes \$0.7 million in prior year unallocated funds, to fund the City's Space Management Program. The major elements of the program at this time are the City Council approved relocation of the Department of Housing and the Department of Information and Technology Services (ITS) from their current location in City Hall to leased space at the Tavern Square complex and the subsequent backfill of the vacated space in City Hall.

This relocation is the result of an increase in staff over the years in departments currently located in City Hall. The Department of General Services performed a survey of space at City Hall and determined that there is currently a shortfall of 13,000 square feet in City Hall department functional requirements and usable space through CY 2008. The departments identified to move out of City Hall to leased space at Tavern Square address approximately 11,000 square feet of the shortfall. The remaining 2,000 square feet will be located off site in City-owned space.

In addition to the above construction/relocation related activities, the Space Management Program in the CIP provides for studies related to current and projected program space requirements. A major study related to the future needs of the Department of Human Services and the Department of Mental Health, Mental Retardation and Substance Abuse (MH/MR/SA) is currently planned. Both of these departments are currently housed in leased space and both leases are coming to the end of the lease term. Currently, Human Services has a significant shortfall of space and this may be an opportune time to co-locate the departments, or more certainly, elements of the departments into a central facility appropriately located to serve a shared client base. Co-locating the two departments in one location as a viable option will be the focus of the study.

Staff will strive to minimize costs in relation to the referenced activities but all of these activities are essential to continuous and efficient operations. Given the rapid escalations in construction costs and related services, it is staff's opinion that the funding currently included in the Proposed FY 2006 - FY 2011 CIP is necessary.

The Proposed FY 2006 budget currently includes requests for a total of 38 additional City positions. Future budgets may contain requests for more positions. The average office position requires approximately \$5,000 for furnishings and 90 square feet of space. Most of these additional staff can be accommodated in existing space. However, to the extent necessary, funding to address any additional space requirements of an incremental nature is included as part of the proposed Space Management Program funding in the CIP.