



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD
ENVIRONMENTAL MANAGEMENT

Rely on us.

TO: Commissioners Brown, Cunningham, Cassidy, Ernst and Farmer
FROM: Roger Gray, General Manager
Debra Smith, Employee, Customer and Community Services Division Director
DATE: August 31, 2010
SUBJECT: EWEB Combined Facilities at ROC (i.e. new HQ-Admin Building) TBL Analysis

Issue

The Board is developing a stewardship policy to guide in more holistic decision making that takes into account social, environmental and economic impacts. Staff is developing a triple bottom line (TBL) analysis tool to help in project evaluation and with the implementation of the policy. The draft TBL analysis tool was applied to the Board-level decision as to whether EWEB should maintain split facilities or combine the functions that are currently at the Headquarters site at the Roosevelt Operations Center (ROC).

Background and Context

At the June 1, 2010 Board meeting the Commissioners gave conceptual approval to the draft stewardship policy and endorsed the approach of staff presenting a series of “real-time” decisions using the triple bottom line (social, environmental and economic) approach to analysis. At that meeting, we discussed the approach of developing and testing the TBL approach using actual decisions to refine the approach rather than wordsmithing a policy statement. In July, staff presented two examples of a three-prong decision-making tool to assess the impacts of purchasing 100% recycled paper and expanding the ductless heat pump program to customers with woodstoves and oil furnaces. A TBL framework is being developed to consistently support more comprehensive analysis and decisions that is scalable to staff-level operational or programmatic issues and more complex, Board-policy level decisions (Attachment A).

To continue to test the draft policy and refine the TBL tool, staff proposed applying the process to the Board decision of whether to maintain split facilities or plan for construction of a HQ/administration building at the ROC. EWEB contracted with the Good Company to assist EWEB in applying the TBL approach to this higher level strategic decision, in part to lend credibility to the analysis given the higher level of public/employee interest and scrutiny expected around maintaining split facilities or combining HQ/administrative functions at the ROC.

At the March 2010 strategic planning session, the Board discussed the HQ relocation question based on a revised 2009 analysis that provided present value estimates for three alternatives for disposition of the EWEB HQ property. The three alternatives evaluated were:

- Alternative A: Relocate EWEB HQ to Roosevelt in 5 years. Present value estimate - \$14,740,000
- Alternative B: Relocate HQ to Roosevelt in 10 years. Present value estimate - \$14,260,000
- Alternative C: Maintain the HQ downtown for the long term. Present value estimate - \$22,330,000

The analysis was based on: 1) the significant cost attributes for each alternative; 2) the annual costs for each attribute over a 30 year time frame; and 3) the present value of those annual costs. Staff used a present worth methodology for this analysis, which discounts expenses that happen in the future to recognize the time value of money, and increasing uncertainty (i.e., risk). The Board discussion focused on the economic benefits of moving to a combined site at the ROC within five years and pointed to gained efficiencies of a combined facility. It was concluded from this discussion that relocating the administrative arm of EWEB to the ROC should be placed in the 10-Year Financial Plan, with a goal of combining facilities within five years.

Discussion

The TBL analysis approach does not dictate how the social, environmental and economic factors should be weighted in making a decision, but rather helps identify a comprehensive set of decision-making criteria to show both anticipated impacts and potential mitigation strategies that can be taken to reduce potential negative impacts. Two scenarios that were evaluated using the TBL tool:

- Scenario 1 – (HQ+ROC): EWEB’s HQ/administrative employees would remain in the existing North and South headquarters (HQ) buildings. The HQ building would be renovated to meet the operational needs of administrative employees, and to replace outdated systems including heating and lighting.
- Scenario 2 – (Roosevelt Administration Building+ROC): EWEB’s administrative employees would move to a yet-to-be constructed building at the Roosevelt site approximately 5 years from now. The existing HQ building would undergo limited maintenance to accommodate EWEB employees for the next 5 years and address short-term required maintenance and capital improvements.

A summary of the TBL analysis is provided in Attachment B. The social and environmental factors that were significantly different between the two scenarios center around employee commute and personal time loss, social impacts from loss of public meeting rooms and the customer service center downtown, and increased greenhouse gas emissions of approximately 14,000 metric tons over the life of the combined facility (i.e., 30 year life cycle emissions). The analysis also points to potential mitigation measures to address these impacts.

The following discussion provides additional context and information associated with the economic analysis, which yielded very different results from the earlier information provided to the Board.

Economic Factors

A financial analysis of the HQ/Administrative move to ROC was performed in March 2010. In it, a non-standard analytical method was used to determine the economic cost. The method discounted the string of debt service payments attributed to the new facility. This method had been used by EWEB in the early 2000's, but was discontinued because it had the systematic effect of making any project financed by debt look economically preferable to any project financed by cash (i.e. it tends to make capital projects look "cheaper" than the cash cost because the debt service is discounted at a discount rate that is greater than the debt service interest rate) Standard payback and rate-of-return analysis discounts the costs and benefits of the project and does not pre-judge the method that will be used to finance the project.

As previously indicated, the March 2010 analysis indicated a net present cost of \$22.3 million attributed to staying in the downtown location versus an approximate \$14.5 million cost to move alternative. When the analysis was re-calculated using the same assumptions and a standard approach, it showed that move alternatives were substantially more costly (\$22.5 million for moving in 10 years to \$27.5 million for moving in 5 years) than keeping the HQ downtown (\$21.9 million) (Attachment C).

Future refinements of the analysis might include assumptions about various business decisions that to date have not been addressed in a financial analysis. Additional assumptions could be made to assess cost for:

- Additional land for parking and storage that would be needed at the combined ROC/HQ facility;
- Relocating the Telecom Network Operation Center (NOC) if EWEB moves from the HQ building;
- Maintaining some physical customer service presence at a downtown location; and,
- Addressing the need for geographic separation of the primary and back up data centers, dispatch, trading and other mission critical 24x7 functions if EWEB moves from the HQ building.

These additional assumptions further increase the costs to relocate HQ/administrative functions to the ROC. Other financial data gaps include incorporating future energy costs in the analysis and adjusting for increased energy efficiency and reduced maintenance costs that result from the HQ remodel.

Redevelopment of the EWEB riverfront property should also be factored into the decision about whether to maintain the HQ building or develop a combined facility at the ROC. The master plan allows for the HQ to remain as commercial office space, regardless of ownership. However, questions about timing for declaration of surplus property or sale of any buildings given current economic conditions, infrastructure improvements and zoning adjustments needed to create the best value for the property, the potential for installation of efficient community heating/cooling systems as part of future development and other concepts were not considered as part of this TBL analysis.

Recommendations

The TBL tool and refined financial analysis of whether to plan for a combined facility at the ROC or maintain split facilities show that the status quo (split facilities) has fewer economic, social and environmental impacts. Given these results, and other priority capital projects on the horizon, staff recommends that planning efforts for a new HQ at the ROC be discontinued at this time, and that necessary investments in the operational efficiency/functionality of the HQ building be pursued. Long-term investments in the current HQ building should be viewed in conjunction with the riverfront development to accommodate opportunities to make the approved riverfront master plan a reality and provide benefit to the citizens of Eugene and EWEB customers. Staff recommends continuing to monitor real estate market trends in the event that sale of the HQ and staff consolidation has more financial benefit, and to incorporate riverfront development efforts as part of future assessments around the long-term use and viability of the HQ building.

Requested Action

No formal action is requested at this time. Board discussion in this work session will be used to assess next steps in this process.

ATTACHMENT A

TBL Analysis/ Sustainability Decision Support Tool

Draft Version: June 25, 2010

Basic-Level Study

Date:

Name(s):

Describe the Decision:

Social

Consider:

- Health and safety of everyone involved.
 - + Benefits
 - Concerns
- Equity and access.
 - + Benefits
 - Concerns
- Community culture.
 - + Benefits
 - Concerns
- Internal and / or external collaboration.
 - + Benefits
 - Concerns
- Education / skill development for EWEB employees or community members.
 - + Benefits
 - Concerns

Mitigations/enhancement ideas related to social impacts and benefits.

Environmental

Consider:

- Consumption of natural resources.
 - + Benefits
 - Concerns
- Air quality.
 - + Benefits
 - Concerns
- Global climate.
 - + Benefits
 - Concerns
- Adaptation to climate change.
 - + Benefits
 - Concerns
- Water quality.
 - + Benefits
 - Concerns
- Soil quality.
 - + Benefits
 - Concerns
- Creature habitat.
 - + Benefits
 - Concerns
- Plant habitat.
 - + Benefits
 - Concerns

Mitigations/enhancement ideas related to environmental impacts and benefits.

Economic

Consider:

- Life cycle costs / true cost of ownership.
 - + Benefits
 - Concerns
- Increases or decreases revenue and how.
 - + Benefits
 - Concerns
- EWEB's budget.
 - + Benefits
 - Concerns
- EWEB's rates.
 - + Benefits
 - Concerns
- Local economic development.
 - + Benefits
 - Concerns
- DMWESB companies.
 - + Benefits
 - Concerns

Mitigations/enhancement ideas related to environmental impacts and benefits.

ATTACHMENT B

Sustainability Decision Support Memo: The benefits and concerns of moving the Administrative staff to Roosevelt

Draft Date: August 31, 2010

Introduction

Description of Decision

This analysis attempts to inform whether EWEB's administrative employees should remain at the existing headquarters buildings on EWEB's downtown campus, or move to a yet-to-be-constructed building at EWEB's Roosevelt site. A more detailed description of these two scenarios follows:

- **Scenario 1 – (HQ+ROC):** EWEB's administrative employees (described in the note below) would remain in the existing North and South headquarters (HQ) buildings. The HQ building would be renovated to accommodate the administrative employees and to replace outdated systems including heating and lighting.
- **Scenario 2 – (RAC+ROC):** EWEB's administrative employees would move to a yet-to-be constructed building at the Roosevelt site approximately 5 years from now. The existing HQ building would undergo a limited remodel to accommodate EWEB employees for the next 5 years and address short-term required maintenance and capital improvements.

HQ: Existing downtown EWEB headquarters.

ROC: Roosevelt Operations Center, which is currently under construction and nearly complete.

RAC: Roosevelt Administrative Center, which is the name used to describe the yet-to-be built facility.

Administrative Staff (those directly affected by this decision): IT (3rd floor), dispatch, public affairs, general accounting, trading floor, power management and planning (PM&P), compliance, GM, 2nd floor – fiscal services (budget part of finance), office systems (staff split between buildings), customer service, meter reading and field services (split between buildings), Energy management services and HR (split).

Project Process

This analysis was conducted in two individual but related elements. The first was the development of a draft version of the Sustainability Decision Support Tool (SDST), which consists of a series of prompts to guide discussion and research on the social, environmental and economic impacts of a decision. The prompts encourage the user to define benefits and concerns, to provide scale to the benefit or concern and finally to list options to enhance the benefits or mitigate concerns (not limited to regulatory concerns).

The second part of the work consisted of deploying the tool by conducting an analysis of whether EWEB's administrative staff should stay at the headquarters or move to the Roosevelt location (i.e., a comparison of Scenarios 1 and 2). Good Company and EWEB staff used the tool to summarize information collected during interviews and from existing documents pertinent to the decision. Good Company used the data and supporting research to scale those benefits or concerns that were quantifiable in some way. The analysis is not limited to only those quantifiable attributes, but also includes significant qualitative outcomes associated with the decision. The tables on the following pages provide a detailed summary of the significant outcomes associated with each side of the decision.

As the due diligence report on the sustainability aspects of the Sustainability Assessment of Seneca Sustainable Energy Biomass project (<http://www.eweb.org/public/documents/seneca/goodCo.pdf>) did not make recommendations, so follows this report. Rather than recommending a preferred option, the intention of this report is to support a better decision in which variables can be considered individually and their counter options can be made transparent. As is the case with all our work, we humbly submit this as the product of Good Company's experience and the resources allocated to this effort.

TBL Decision: Moving the Administrative Staff to Roosevelt

High-Level Summary of Major Outcomes

The table below and the tables on the following pages summarize the high-level results of the analysis. These results focus on significant outcomes that differed between the two scenarios that are quantifiable and supported by data. Following the summary tables, this memo also includes the results of a survey distributed to EWEB's managers and supervisors (M&S) as well as the most recent financial analysis conducted by EWEB regarding decision.

There were a number of outcomes mentioned repeatedly during employee interviews and in the responses to the M&S survey that were considered in this analysis, but not included in this high-level summary. These outcomes were excluded because they did not represent a significant difference between the two scenarios or could not be quantified (see page 8 for examples).

In addition to this memo of high-level results, there are also two separate documents that support this analysis by providing greater detail on the outcomes summarized here as well as listing and providing detail on the excluded outcomes. These additional documents include:

- 1) **Completed Sustainability Decision Support Tool:** Provides a comprehensive description of all benefits, concerns, scale and mitigations / enhancements that were considered in this analysis.
- 2) **Technical Appendix:** Provides detail on the data sources, calculations and assumptions used to quantify the benefits and concerns associated with the two scenarios.

The following table represents (at the highest level) Good Company's interpretation of the significant outcomes. A check (√) indicates that the scenario has a quantifiable benefit that differentiates it from the alternative.

	Outcome	HQ + ROC	RAC + ROC
Social			
Staff	Commute and Personal Time Loss (Current staff)	√	
Community	Public Meeting Rooms	√	
Customers	Customer Service Center	√	
Environmental			
Greenhouse Gases	Total Life-Cycle Greenhouse Gas Emissions	√	
Soil, Water, Habitat	Water Quality		√
Economic			
Staff	Commute (Current staff)	√	
Corporation	Total Cost of Ownership	√	
	Corporate Efficiency and Culture		√

Data and or analysis on the following items were not readily available or part of this project's scope, but would add useful and significant information on the benefits and concerns associated with the two scenarios.

- The effect on utility rates associated with each scenario.
- Inclusion of the following items in the financial analysis.
 - Costs associated with downtown office space for customer service in financial analysis.
 - Energy costs for each scenario adjusting for HQ energy efficient upgrades.
 - Effect of HQ remodel on maintenance time and costs.
 - Cost of moving IT infrastructure.
 - Significant parameters of the financial analysis should be varied in a number of runs as a sensitivity analysis. These may include; 1) the interest rate and 2) cost of energy (electricity and natural gas) to capture not only the expected trend in price increases, but also price spikes.
- The level of community support for bonding a new administrative building.

Details of Major Outcomes

The information provided in the following tables represent a small sample of the depth of detail provided in the complete version of the tool and the Appendix.

Outcome		HQ + ROC	RAC + ROC
Social			
Staff	Commute and Personal Time Loss	<p>Benefits: Most current EWEB employees have located geographically based on HQ site. HQ is located downtown near a variety of businesses and supports bus and bike commuting.</p> <p>Scale: Administrative employees total annual round-trip commute to HQ totals ~1.2 million miles. Currently 5% of these employees bike or walk to work, while 2% ride the bus. The average daily round-trip bike commute to HQ is 9.4 miles and 50.4 minutes. The nearest bus stop a 2-minute walk from HQ and a 12-minute ride to the Eugene station. HQ's Walk Score[®] is 92 out of 100 (a "walker's paradise"). Walk Score[®] is a public domain tool used that measures the walkability of any address by calculating a score of between 0 - 100.</p>	<p>Concerns: Roosevelt location increases commute time and distance and is car dependent for commute and errands.</p> <p>Scale: Administrative employees annual round-trip commute to RAC totals ~1.6 million miles (~450,000 more per year than or 13.5 million over 30 years). The weighted average round-trip bike commute is 14 miles and 72 minutes (or ~4 miles and 20 minutes more than HQ). The nearest bus stop is a 10-minute walk from Roosevelt and a 30-minute ride to the Eugene station. HQ's Walk Score[®] is 45 out of 100 ("car dependent").</p> <p>Mitigate/Enhance: Work with LTD to expand an existing route or sponsor an EWEB-managed shuttle. Allow EWEB employees to telecommute from home.</p>
Community	Public Meeting Rooms	<p>Benefits: Public access to EWEB's community meeting rooms at no cost. Though not part of EWEB core mission, the rooms provide a valuable public service.</p> <p>Scale: 21,340 people used EWEB's public-meeting rooms last year (about 15% of Eugene's population) and belonged to over 100 individual groups. If EWEB were to discontinue offering these meeting rooms, the downtown library offers a meeting space alternative for between 25-100 people at a cost of \$25-\$90 per meeting.</p>	<p>Concern: As of this writing it is unclear if EWEB would provide free public access to meeting rooms at Roosevelt.</p> <p>Mitigate/Enhance: Include meeting rooms in RAC design and offer them for use to the public free of charge. Purchase or lease additional meeting room space with the potential new downtown customer service center and EWEB Board meeting room. See the Summary of Downtown Real Estate Costs on page 8. Work with the City, County or others to provide similar meeting space.</p>
Customers	Customer Service Center	<p>Benefits: Retain existing customer service location. Walk-in customers are familiar and comfortable with current location and it is accessible to those without a personal vehicle due to its location downtown and connection to public transportation and the river bike path.</p> <p>Scale: In 2009 there were 66,838 walk-in customers (approximately 46% of Eugene's 2006 population). See Staff Scale above for bus and bike information.</p>	<p>Concern: RAC location creates a challenge due to limited access to public transportation and bike commute routes for EWEB customers and employees commuting a personal vehicle.</p> <p>Scale: See Staff Scale above for bus and bike information.</p> <p>Mitigate/Enhance: Relocate customer service to a new downtown location near the bus station and / or create additional pay stations or kiosks around the city. Consider bundling the service center with other complementary agencies / services. See the Summary table of Costs of Downtown Real Estate on page 8.</p>

Details of Major Outcomes (continued)

	Outcome	HQ + ROC	RAC + ROC
Environmental			
Greenhouse Gases	Life-Cycle Emissions	<p>Scale: Total Emissions: 70,337 MT CO₂e</p> <ul style="list-style-type: none"> – Remodel / Maintenance: 18,806 – Facility Energy Use (30 years): 31,290 – Employee Commute (30 years): 13,740 – Employee Commute – Lunch (30 years): 0 – Site-to-Site Travel (30 years): 771 – Customer Commute (30 years): 5,730 <p>Mitigate/Enhance: Use high-recycled content in building materials (where appropriate) to lower the embodied emissions of remodel. Develop renewable energy generation onsite (e.g. PV solar). Apply the LEED-Existing Building framework to the HQ remodel and focus on energy credits.</p> <p>Note: See the Technical Appendix for details on the emissions estimates.</p>	<p>Scale: Total Emissions: 84,165 MT CO₂e</p> <ul style="list-style-type: none"> – Construction / Maintenance: 28,434 – Facility Energy Use (30 years): 27,387 – Employee Commute (30 years): 20,820 – Employee Commute – Lunch (30 years): 504 – Site-to-Site Travel (30 years): 0 – Customer Commute (30 years): 7,020 <p>Mitigate/Enhance: Use high-recycled content in building materials (where appropriate) to lower the embodied emissions of construction. Develop renewable energy generation onsite (e.g. PV solar). Negotiate with Lane Transit District (LTD) to reroute an existing bus route to serve the Roosevelt site. Provide access to onsite food and coffee.</p> <p>Note: See the Technical Appendix for details on the emissions estimates.</p>
Soil, Water, Habitat	Water Quality	<p>Note: No change from baseline expected.</p>	<p>Benefit: The ROC utilizes an Eco Machine that provides onsite wastewater treatment and the treated gray water is reused onsite. Similar equipment could be installed to serve the administrative building. Runoff from the Roosevelt parking lot is captured by bioswales to reduce the use of storm water systems. Native plants are used onsite to reduce the need for irrigation.</p> <p>Scale: The Eco Machine capacity is ~1,500 gallons of wastewater per day (or ~375,000 gallons per year or ~11.3 million over 30 years).</p> <p>Mitigate/Enhance: As part of the Roosevelt development 14 acres of offsite wetlands were mitigated. Six of the fourteen acres have been used as part of ROC construction and 8 are banked for future development.</p>

Details of Major Outcomes (continued)

		Outcome	HQ + ROC	RAC + ROC
Economic				
Staff	Commute	<p>Benefits: EWEB employees have located geographically based on HQ site. HQ is located downtown near a variety of businesses and supports bus and bike commuting.</p> <p>Scale: See the Social table for details on Staff Commute and Personal Time Loss.</p>	<p>Concerns: Roosevelt location increases commute time and distance and is car dependent for commute and errands.</p> <p>Scale: See the Social table for Scale on Staff Commute and Personal Time Loss. Car commute will increase by ~450,000 miles per year for administration employees (or ~8 additional miles per employee per day), which results in a cost increase of \$272 per administrative employee per year¹. Note: This effect is expected to decrease gradually with retirements and turnover, and as mid-career employees relocate and new employees locate near Roosevelt.</p> <p>Mitigate: Work with LTD to expand an existing route or develop an EWEB-managed shuttle. Allow EWEB employees to telecommute from home.</p>	
Corporation	Total Cost of Ownership	<p>Benefit: Lower upfront remodeling costs.</p> <p>Concern: Higher operating costs associated with the split facility, higher maintenance and energy costs with older building.</p> <p>Scale: Based on July 2010 financial analysis, the total cost of having a split facility with the admin staff staying at HQ is ~\$21.9 million. See a summary of the July 2010 financial analysis on page 8 for details on operation and maintenance costs. Energy intensities (BTUs / square foot) are expected to be similar at both HQ and the RAC.</p>	<p>Benefit: Lower operating costs associated with the split facility and lower maintenance and energy costs associated with a newer building.</p> <p>Concern: Higher upfront construction costs.</p> <p>Scale: Based on July 2010 financial analysis, the cost of constructing an administrative building at the Roosevelt site is ~\$27.5 million (or 5.6 million dollars more than staying at HQ). See a summary of the July 2010 financial analysis on page 8 for details on operation and maintenance costs. Energy intensities (BTUs / square foot) are expected to be similar at both HQ and the RAC.</p>	
	Corporate Efficiency	<p>Concern: The split facilities will result in lost employee work time traveling between locations and a split culture developing.</p> <p>Scale: An EWEB analysis estimates that 498 employee hours will be lost each month as a result of a split facility or 5,976 hours per year (or the annual hours of 3 full-time employees).</p> <p>Mitigate: Use satellite offices, video conferencing, email and phones to overcome split locations.</p>	<p>Benefit: All employees are located at one facility increasing unity and efficiency.</p>	

¹ These miles used in this estimate include an increase for single-occupancy vehicle drivers, but also include all bike and walk miles. This assumes that all current bike and walk commuters will switch to car commutes after moving to the RAC. Cost increases assume an average fuel efficiency of 20.1 miles per gallon, \$3.00 per gallon for 247 administrative employees.

Results of Manager and Supervisor Survey

The following tables summarize the results of the manager survey. The survey was distributed to approximately 100 managers and supervisors and had a response rate of roughly 40%. The survey included six questions each of which is found in the upper right hand cell of each table below. The questions asked for a written response. The written responses to these questions had common themes, which were grouped. The response groups are listed moving down each table from highest frequency response to lowest. For those responses that had a similar theme, a representative example of the response was provided.

Question 1: What are the benefits of staying at HQ?	Percentage of responses that mentioned benefit	Number of Responses	Total Responses	Representative Example of Response
1. Internal / external amenities (river setting, nearby business, child care, cafeteria, etc.)	54%	22	41	"Better access to food, bus, bike paths, river, downtown, and other services we use."
2. Customer service located at HQ	46%	19		"...we interface with customers daily and this is the place they have always known as EWEB. There will be some grumbling about having to go across town, I am sure."
3. Community relations / presence	32%	13		"There is a lot of community recognition and branding with the EWEB plaza/fountain and the EWEB conference rooms."
4. Reduced employee commute	32%	13		
5. Avoid cost of building new facility (\$, embodied energy, emissions)	32%	13		"We could use the moving dollars on projects that add more value to customers."
6. Easy accessibility to bike / bus commuting	29%	12		
7. Proximity to other agencies (City, County, UO)	24%	10		"We often work with the city of Eugene and regularly hold meetings, proximity is critical to facilitating these relationships."
8. Meeting rooms	12%	5		
9. Positive economic impact to downtown businesses	5%	2		
Question 2: What do you view as the drawbacks of staying at HQ?	Percentage of responses that mentioned drawback	Number of Responses	Total Responses	Representative Example of Response
1. Operational inefficiencies of a split operation	46%	19	41	"Logistics for cross-divisional meetings might create barrier and result in less coordination/team work - Lost opportunity for hallway/impromptu info share and problem solving - Us/Them culture develops - Lost productivity via travelling to ROC/back."
2. Reduced internal communication (loss of opportunity for hallway conversations)	39%	16		
3. Split culture develops	34%	14		
4. More commute between locations	24%	10		
5. Increased cost to maintain two facilities / split operations (building and staff)	15%	6		
6. Cost of renovating HQ	5%	2		
7. HQ is too small	2%	1		
Question 3: What programmatic or structural changes could be made to address the drawbacks?	Percentage of responses that mentioned change	Number of Responses	Total Responses	Representative Example of Response
1. Increased use of email / phones. Development of video conferencing capabilities.	51%	21	41	"Technology for phone/video conference just part of solution; may need more joint division meetings scheduled to maintain relationships - Drop in office space to allow day at ROC - More planning for multi-meetings at one facility."
2. Schedule meetings / planned interaction	17%	7		
3. EWEB provided shuttle service	12%	5		
4. Performance goals that encourage managers and supervisor to spend time at both locations	2%	1		
5. Increased use of satellite pay stations / kiosks	2%	1		
6. Provide "hotel" office spaces at both locations	2%	1		
7. Friendly competitions between sites at team building (i.e. recycling competitions)	2%	1		

Results of Manager and Supervisor Survey (continued)

Question 4: What do you view as the benefits of moving to the Roosevelt location?	Percentage of responses that mentioned benefit	Number of Responses	Total Responses	Representative Example of Response
1. Increased operational efficiency	64%	23	36	"Consolidated operation -- everyone together."
2. Benefits of a new building (efficiency, more space, less maintenance)	25%	9		"Increased space for workgroups, new state of the art facility, LEED certification, greater service access for field workers."
3. Promotes a single EWEB culture	22%	8		"Close proximity to operations leads to better communications and helps bridge the "siliness" that exists."
4. Reduced commute	6%	2		
5. Improved Internal communication	6%	2		
6. Everyone at one site may strengthen the case for campus auxiliary services (cafeteria, child care, etc.)	6%	2		
7. Better service access for field workers	3%	1		
Question 5: What do you view as the drawbacks of moving to the Roosevelt location?	Percentage of responses that mentioned drawback	Number of Responses	Total Responses	Representative Example of Response
1. Increased employee commute	44%	16	36	"Cost, many have located homes based on commutes."
2. Loss of internal / external amenities (river setting, downtown businesses, child care, cafeteria, etc.)	42%	15		"Isolated location; no customer support functions, less integrated into the Eugene area community, less access to food (healthy options within walking distance) or break areas (nature, walking/running trails)."
3. Reduced opportunity for bike / bus commuting	25%	9		
4. Reduced access / service for "drop in" customers	25%	9		
5. Proximity to other agencies (City, County, UO, etc.)	25%	9		"Loss of presence downtown as key player in city infrastructure. relationships likely to be compromised."
6. Building costs / increase for ratepayers	22%	8		
7. Lack of community support for a new facility	6%	2		
8. Loss of HQ as employee recruiting tool	6%	2		
9. Negative economic impact on downtown businesses	6%	2		
10. Loss of public meeting rooms	3%	1		
Question 6: What programmatic or structural changes could be made to address the drawbacks?	Percentage of responses that mentioned change	Number of Responses	Total Responses	Representative Example of Response
1. Provide a downtown customer service center	22%	8	36	"Rent a portion of the headquarters building to the City of Eugene and combine customer service, energy management, City permit and building departments into one easily accessible facility for customers."
2. Relocate HQ auxiliary services to ROC (child care, cafeteria)	17%	6		
3. Provide shuttle bus and carpool services	8%	3		
4. Educate the community about reasons for move	8%	3		
5. Co-locate downtown customer service center with other agencies with complimentary services	6%	2		
6. Improve existing bike path	6%	2		
7. Build additional parking	6%	2		
8. Negotiate with LTD for bus service	6%	2		
9. Allow for flexible work schedules	6%	2		
10. Encourage private development near ROC	6%	2		
11. Set up additional satellite pay stations	3%	1		

Considered Outcomes Excluded from High-Level Results

The following outcomes are examples of outcomes mentioned repeatedly, but ultimately excluded due to no significant difference between scenarios, lack of data or inability to quantify.

- The downtown location fosters positive community relations and signifies EWEB's place as a community leader.
- HQ's downtown proximity to other public agencies increases frequency of interactions and enhances relationships.
- The positive effect of EWEB employees on Eugene's downtown economy.
- Potential loss of HQ cafeteria and child care center.

Summary of July 2010 EWEB Financial Analysis

EWEB Headquarters Analysis			
Revised: July 6, 2010			
	HQ + ROC (Maintain HQ Downtown (No Relocation))	RAC + ROC (Construct New HQ Building at Roosevelt)	Notes/Assumptions
Maintain HQ Downtown through 2015	-	\$3,641,000	\$700,000/yr plus \$500,000 for limited remodel
Remodel HQ (HQ+ROC) / Construct New Building(RAC+ROC)	\$8,294,000	\$32,410,000	\$10M for limited remodel (HQ+ROC) / \$44M total project cost (RAC+ROC)
Building Maintenance	\$10,431,000	\$4,340,000	\$350,000/yr O&M; \$500,000 misc cap/yr+ \$6M in major capital for 30 yrs (HQ+ROC) / \$450,000/yr starting in 2015 + \$5M in major capital for 25 yrs (RAC+ROC)
Sell HQ in 2015	-	-\$14,038,000	\$21.5M sale price in 2015
Added Costs for Split Operations	\$3,131,000	\$1,170,000	\$300,000 per year for 30 yrs (HQ+ROC) / \$300,000 per year for 5 yrs (RAC+ROC)
TOTALS:	\$21,856,000	\$27,523,000	
Notes			
1	Net Present Value (NPV) cost based on 30 year period beginning 2011.		
2	Discount rate assumed at 8.9% per year.		
3	All cost are 2010; no escalation included.		
4	HQ sale price of \$21.5 million based on estimated land and building value taken from last formal appraisal of property and used in both the 5 and 10 year scenarios		
5	Note that total project cost of \$44M is used in both the 5 and 10 year scenarios		

Summary of Downtown Real Estate Costs

Location	Square Footage	Sale Price	Lease Price	Real Estate Agency
Corner of Broadway & Olive	12,800	\$790,000		Campbell Commercial Real Estate
149 W. 12th Ave.	11,325	\$1,200,000		Evans, Alder & Brown Commercial Real Estate
133 W. Broadway	45,000		\$0.9 / sf	Campbell Commercial Real Estate
112 E. 10th Ave.	24,000		\$1.17 / sf	Campbell Commercial Real Estate
222 E. Broadway	9,440		\$1.35 / sf	Campbell Commercial Real Estate
800 Willamette St.	5,375		\$1.85 /sf	Evans, Alder & Brown Commercial Real Estate

revised: July 6, 2010

EWEB Headquarters Analysis					ATTACHMENT C
A Relocate HQ to Roosevelt in 5 Years					
		Revised July 2010 (based on cost)	Previous March 2010 (based on debt)	Difference	Notes/Assumptions
	Maintain HQ Downtown through 2015	\$ 3,641,000	\$3,700,000	-\$59,000	\$700,000/yr plus \$500,000 for limited remodel
	Construct New HQ Building at ROC	\$ 32,410,000	\$20,970,000	\$11,440,000	\$44M total project cost
	Maintain new HQ at Roosevelt	\$ 4,340,000	\$2,900,000	\$1,440,000	\$450,000/yr starting in 2015 + \$5M in major capital; March 2010 detail calcs based on 300,000/yr + \$2.5M in cap
	Sell HQ in 2015	\$ (14,038,000)	(\$14,000,000)	-\$38,000	\$21.5M sale price in 2015
	Added Costs for Split Operations	\$ 1,170,000	\$1,170,000	\$0	\$300,000 / year (5 yrs)
	Total	\$ 27,523,000	\$14,740,000	\$12,783,000	
B Relocate HQ to Roosevelt in 10 Years					
		Cost (NPV)			Notes
	Maintain HQ Downtown through 2020	\$ 6,311,000	\$6,600,000	-\$289,000	\$700,000/yr plus \$2M for limited remodel
	Construct New HQ Building at ROC	\$ 21,161,000	\$12,730,000	\$8,431,000	\$44M total project cost
	Maintain New HQ at Roosevelt	\$ 2,243,000	\$2,200,000	\$43,000	\$450,000/yr + \$4M in major capital
	Sell HQ in 2020	\$ (9,166,000)	(\$9,200,000)	\$34,000	\$21.5M sale price in 2020
	Added Costs for Split Operations	\$ 1,934,000	\$1,930,000	\$4,000	\$300,000 / year (10 yrs)
	Total	\$ 22,483,000	\$14,260,000	\$8,223,000	
C Maintain HQ Downtown (No Relocation)					
		Cost (NPV)			Notes
	Remodel	\$ 8,294,000	\$8,570,000	-\$276,000	\$10M for limited remodel
	Maintain HQ Buiding	\$ 10,431,000	\$10,650,000	-\$219,000	\$350,000/yr O&M; \$500,000 misc cap/yr+ \$6M in major capital
	Added Costs for Split Operations	\$ 3,131,000	\$3,110,000	\$21,000	\$300,000 / year (30 yrs)
	Total	\$ 21,856,000	\$22,330,000	-\$474,000	
Notes					
1	Net Present Value (NPV) cost based on 30 year period beginning 2011.				
2	Discount rate assumed at 8.9% per year.				
3	All cost are 2010; no escalation included.				
4	HQ sale price of \$21.5 million based on estimated land and building value taken from last formal appraisal of property and used in both the 5 and 10 year scenarios				
5	Note that total project cost of \$44M is used in both the 5 and 10 year scenarios				