



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Mital, Schlossberg, Helgeson, Brown and Carlson
FROM: Frank Lawson, CEO & General Manager
DATE: July 28, 2020
SUBJECT: EWEB Headquarters Building(s) Future Disposition
OBJECTIVE: General Discussion and Direction

Issue

In the near future, EWEB will no longer need the EWEB HQ Building(s) for ongoing operations.

Background

Opened in 1988, the EWEB Headquarters includes two buildings of approximately 103,000 square feet. On November 7, 2018, the EWEB General Manager communicated to the City Manager of Eugene that the Board had declared the EWEB Headquarters as surplus for utility purposes, along with a number of other conditions, triggering the potential sale of the property to the City unless otherwise waived by the City Manager. On November 14, 2018, the City Manager expressed the City's interest in the property, but disavowed any conditions placed on the City regarding the surplus, including time restrictions. The City of Eugene's right to purchase surplus property from EWEB is governed by Section 2.196 of Eugene City Code.

Discussion

Recent events have initiated further discussion with the Board pertaining to potential future decisions associated with EWEB headquarters, including the following:

Philips Lease

- Philips occupies 33,298 square feet of space, mostly on the 1st and 2nd floors of the south building, along with a small IT closet in the north building.
- Philips has exercised the lease termination clause and has given us the required 18-month notice. Expected vacancy date is November 30, 2021.
- Per the lease, Philips will continue to pay monthly rent until November 30, 2021, regardless of continued occupancy.
- Philips intends to sublease five to six offices through 2020, per their rights under the lease. This does not have any effect on EWEB or the lease terms.

EWEB Employees at HQ

- Dispatch and Real Time Traders are scheduled to move their primary control centers to ROC in September.
- Remainder of employee moves to ROC are on hold due to density concerns with COVID-19. Moves will take place after EWEB has transitioned to Phase 3 of our Pandemic

Reintegration.

- The COVID-19 pandemic has resulted in the closing of the downtown lobby. Given a continued ability to connect with the community in alternative ways, most Commissioners are supportive of a future without non-appointment lobby services provided the functionality is replaceable.

Infrastructure Moves

- IT - ROC and HQ are working as a redundant system for Disaster Recovery availability. The transition from HQ involves identifying alternate physical locations for each component. Depending on the approved relocation plan and methodology, implementation is estimated at 18-24 months.
- Fiber/Communications – Fiber, Metro E, and JMUX moves are required after primary Dispatch and Real Time trading is moved to ROC. A comprehensive plan, including designs, is not fully developed. Planning and implementation will take approximately 18 months to two years.

Recommendation

No recommendation is being made by Management at this time.

Requested Board Action

The Board is being asked to discuss and provide input on the potential future disposition of the HQ Building(s).