



Midpeninsula Regional
Open Space District

R-16-154
Meeting 16-30
December 14, 2016

AGENDA ITEM 7

AGENDA ITEM

Contract Amendment with MKThink for Additional Futurist/Architectural Strategist Services for the Administrative Office Project at 330 Distel Circle, Los Altos

GENERAL MANAGER'S RECOMMENDATION

Authorize the General Manager to execute a contract amendment with MKThink for additional services related to the Administrative Office Project in the amount of \$19,000, for a total not-to-exceed new contract amount of \$69,000.

SUMMARY

MKThink was hired under the General Manager's authority to provide the services of a futurist / architectural strategist, planning and research team to help the Midpeninsula Regional Open Space District (District) determine the best long-term Administration Office option and location(s) to meet current and future office needs. Over the last six months, MKThink has worked with a staff project team, the General Manager's Office, and the Facilities Ad Hoc Committee to assess the working environment and culture of the District, evaluate internal and external forces that may affect how the District delivers its mission in the long term, and consider a variety of futures and scenarios that the District may face over the next 30 years. Additional meetings, more analysis, and new deliverables require a scope and budget amendment to allow MKThink to continue their work and complete the project by January/February.

MEASURE AA

This is not Measure AA project.

DISCUSSION

At its August 24, 2016 meeting, the Board of Directors approved the formation of a Facilities Ad Hoc Committee (Committee) (R-16-102), who has since met four times (August 29, September 12, October 17, and December 13). Board FYIs and associated materials were issued to the full Board after each Committee meeting except for December 13, which occurred yesterday.

The District selected MKThink via a robust Request for Qualifications and Proposals (RFQP) selection process. The RFQP was released on April 18, 2016 via direct email and posted to the District website. Over ten groups expressed interest in proposing. The District received and evaluated three proposals, and MKThink was identified as the most qualified team based on their demonstrated understanding of the project, approach, team make up, and experience with similar projects.

To date, MKThink has gathered information about District functions and work culture, assessed current and future operational needs, and weighed those with external factors that will either be challenges to overcome or opportunities to take advantage of. MKThink also conducted a survey of AO staff and the Area Superintendents and Managers to further assess the existing work environment and conditions and how they might influence the range of AO solutions. Based on their research and assessment, MKThink developed and presented six potential future scenarios that best respond to present and future operational needs and consider external forces that affect how the work environment may change in the future. MKThink then prepared a matrix of draft evaluation criteria to measure how well potential real estate solutions respond to each future scenario. Based on Committee input and direction, MKThink refined three real estate solutions to present to the Committee yesterday, December 13. If recommended by the Committee and barring any extensive revisions or extra analyses, the project will be brought to the full Board for a final decision on an AO solution next January/February.

Because of the project's fluidity, complexity and evolution, and the need to adapt quickly to address input from the Committee and the General Manager's Office, the project team held more coordination, team, and Committee meetings than were originally scoped in the RFQP. At the District's request, MKThink has attended these meetings either in person or via conference call/Skype, and to date, their original scope of work has accommodated these additional meetings. However, at least one more Committee meeting and Board meeting are required to bring the project to completion next calendar year, and more funds are necessary. The proposed amended scope includes the additional Committee and Board meetings and related work product preparation (\$9,000), and an allowance for two additional Committee/Board meetings if needed (\$6,000) and associated team coordination, work product preparation, and review (\$4,000).

FISCAL IMPACT

The FY2016-17 budget includes \$120,000 for the Administrative Office Project (Project #31202) and is sufficient to cover the recommended contract amendment.

	FY 2016-17
Project #31202 Budget	\$120,000
Spent to Date (as of 11/22/16):	\$40,017
MKThink Contract Balance:	\$9,983
MKThink Amended Contract Amount:	\$19,000
Budget Remaining (Proposed):	\$51,000

BOARD COMMITTEE REVIEW

The Committee met on August 29, September 12, October 17, and December 13, 2016 (see attached Board FYIs), asked clarifying questions, and provided direction and input.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

This item is not a project subject to the California Environmental Quality Act (CEQA). In the future, the District would conduct CEQA review on the preferred site design, after the Board selects an AO option to proceed with design.

NEXT STEPS

Following Board approval, the General Manager will direct staff to continue working with MKThink to present the project to the full Board in January/February for a final AO decision.

Attachments:

1. Board FYI re: August 29, 2016 Committee meeting and attachments
2. Board FYI re: September 12, 2016 Committee meeting and attachments
3. Board FYI re: October 17, 2016 Committee meeting and attachments

Responsible Department Head:

Jane Mark, AICP, Planning Department

Prepared by:

Tina Hugg, Senior Planner, Planning Department



Midpeninsula Regional
Open Space District

Memorandum

DATE: September 14, 2016

MEMO TO: MROSD Board of Directors

FROM: Stephen E. Abbors, General Manager

SUBJECT: Summary from August 29, 2016 Facilities Ad Hoc Committee Meeting

At its August 24, 2016 meeting, the Board of Directors approved the formation of the Facilities Ad Hoc Committee (Committee) (R-16-102). The charge of the Committee is to (1) identify any potential gaps in the Administrative Office (AO) site benchmark feasibility study, real estate market analysis, and futurist/architectural strategist report, and (2) arrive at a recommended preferred option, possible alternatives, and next steps to forward to the full Board at a later date for its consideration and decision.

The Committee has met twice since formation. Below is a summary of the August 29, 2016 meeting. Materials given to the Committee have been provided to the Board for more detail. The Committee selected Director Kishimoto as Chair, discussed its purpose, and the purpose of the futurist/architectural strategist, MKthink. The Committee discussed how and when to bring items to the full Board for consideration during the process. The project team was introduced and the process and schedule discussed. The status of the Palo Alto Medical Foundation (PAMF) building across from the AO was reviewed. Please see to details provided below.

Committee Purpose

The Committee's overarching purpose is to provide policy level guidance on staff facilities. For this current effort, the Committee felt that they should focused immediately on the AO and that the recommendations prepared for the AO need to consider and relate to other District staff facilities, including field offices or potential new satellites, and whether AO staff can deploy out of those locations.

The Committee discussed their goal, which includes bringing forth to the full Board a recommendation for the AO to move forward with and also to act as a strike force by which to consider new opportunities to allow staff to act quickly if necessary.

Futurist Purpose

Because of the substantial investment anticipated to address the District's long-term administrative office needs, the purpose of MKThink's work is to test staff's assumptions with regard to viable solutions for a new AO and to unearth potential options that staff did not consider. They are exploring external factors or forces that may influence the way the District conducts its work in the future and where a new AO might best be located to effectively and efficiently deliver the District's services.

Unlike the futurist used for the Packard Foundation, this scope of work is less about work space planning within the building and more about determining the type, size, and location of the

building. MKThink will touch upon conceptual space planning insofar as it affects the building the District might seek.

Process and Schedule

Board FYIs will be provided to keep the full Board apprised of the project's progress. The Committee will meet at each milestone to provide policy guidance. The Committee will also determine which items should be brought to the full Board for their input, e.g. decision-making criteria.

The initial schedule was to have a preferred recommended option by the end of the calendar year. The schedule will need to be adjusted to accommodate Board meetings when the Committee feels items should be brought to the full Board.

MKThink Draft Initial Findings

MKThink is currently in their Research and Findings stages. To learn more about the District, they have been provided background material and reports such as the Vision Plan and the Financial and Organizational Sustainability Model (FOSM). MKThink will move on to assessing the District's current and future operational needs and weighing those with external factors that will either be challenges to overcome or opportunities to take advantage of, as they develop options for a new AO.

MKThink presented their proposed process and draft initial research findings centered around six study areas. The Committee was asked if there were any questions or gaps in the analysis. They were also asked if any study area seemed more important than the others, and what other information might be needed to inform a recommended preferred option and a decision.

The Committee posed the following questions:

- What's the future of the cubicle?
- What's the future of the work week?
- How do we share desks?
- Can District staff share space?
- What is the future of El Camino Real?
- Which cities will expand or build along El Camino Real?
- Can we partner with other like-minded organizations, e.g. Peninsula Conservation Center?
- How will we use space? How much storage will we need? Are we heading towards a paperless office?
- Diversity – how do we ensure our office is accessible?
- Childcare – how do we retain talented women and support families?
- Environmental sustainability – how do we minimize our environmental footprint?
- Symbolism of the building – is it a statement? Is it more low key?

The Committee expressed interest in monitoring the real estate market more actively.

Status of PAMF Building

An update on the PAMF building located across from the AO was provided by Real Property. A proposal to purchase the building was sent and no response had yet been received. PAMF is not interested in swapping properties with the District. PAMF seems amenable to leasing half the building to the District, but only for two years. If the decision is made to build on site, design and

permitting are anticipated to take two years with construction taking another two years. Timing of a temporary lease will be critical.

The Committee asked Real Property to update them at the next meeting regarding PAMF and asked for an update on the Real Estate Market Study and the AO Site Benchmark Feasibility Study.

Prepared by: Tina Hugg, Senior Planner

Project Team Staff

1. General Manager's Office – General Manager Stephen E. Abbors, Assistant General Manager Ana Ruiz, Assistant General Manager Kevin Woodhouse, Chief Financial Officer/Administrative Services Director Stefan Jaskulak, and District Clerk Jennifer Woodworth
2. Department Managers – Jane Mark (Planning), Jason Lin (Engineering & Construction), and Mike Williams (Real Property)
3. Staff – Tina Hugg (Planning, day-to-day contact), Aaron Hebert (formerly Engineering & Construction, now Natural Resources – will be replaced with an Engineering and Construction representative at the end of the strategist report), Allen Ishibashi (Real Property)

Attachments:

1. August 29, 2016 Facilities Ad Hoc Committee Presentation
2. MROSD AO Future Study by MKThink

The attachments for this documents are extensive. If you would like a paper copy, please contact Jennifer Woodworth, District Clerk, or they are accessible on the District's website or the Board's Dropbox account.



Midpeninsula Regional
Open Space District

Memorandum

DATE: September 14, 2016

MEMO TO: MROSD Board of Directors

FROM: Stephen E. Abbors, General Manager

SUBJECT: Summary from September 12, 2016 Facilities Ad Hoc Committee (Committee) Meeting

This FYI Memorandum summarizes the Committee's discussions at their September 12, 2016 meeting, where staff presented the findings of the Real Estate Market Analysis and Administrative Office Site Benchmark Feasibility Study. The Committee also clarified and reconfirmed their purpose, the purpose of the futurist, and the process and expected milestones. The General Manager emphasized that this investment would be the single biggest purchase ever made by the District, and hiring a futurist/ architectural strategist, MKThink, for their recommendations helps ensure the best decision can be made.

The Committee discussed key factors to consider in the facilities evaluation that the District and futurist/architectural strategist are conducting. These factors include: (a) feasibility of retaining AO as a centralized office or developing a separate satellite office; (b) minimizing new office construction costs with consolidated underground parking; (c) opportunity to build additional office space in the new AO in order to lease out to a partner entity or other; (d) prioritizing the search of office properties within close proximity to public transit; (e) initial Committee preference for a two to two-and-a-half story building even though the site development potential could be as large as a four-story option; and (f) what how the AO may be staffed in the future.

Process and Milestones

MKThink is developing options to solve the AO space needs by considering the District's current and future operational needs and external challenges or opportunities that may influence the way the District conducts its work in the future. Certain options may be ruled out by constraints that make them infeasible, e.g. extremely cost prohibitive. The remaining options will be evaluated through a value system that MKThink will develop with the Committee and Board. Each option will have pros and cons or tradeoffs, values which the Committee and Board will consider when weighing the options, e.g. smaller individual work areas to achieve higher quality, larger common areas. How the Committee and Board prioritizes these values will influence which options perform better than others. A decision-making matrix will be developed that shows how each option performs for each value. The goal is to arrive at a preferred recommended option to present to the full Board. Staff expects this scope of work to continue through the end of the calendar year with a recommended option potentially in December/January.

Real Estate Market Analysis

Colliers International prepared a Real Estate Market Analysis last December (see attachment for more detail), and updated their data on September 1, 2016 (see attachment). Little has changed. The analysis looked at the office lease and sale market from San Carlos to Los Gatos for buildings between 20,000 to 40,000 square feet. It also compared the cost differential between transit-oriented buildings (located along Caltrain) versus non-transit-oriented buildings.

The key takeaways are that the commercial real estate market is highly opportunistic and competitive, and there is little to no availability in the 20,000 to 40,000 square foot size range. This is true along the entire Peninsula and south. Property located near Caltrain stops are significantly higher in cost. Finally, leasing is not a recommended long-term solution, as lease rates continue to rise and the District would be paying property taxes folded into the lease rates.

The challenges in purchasing a new building include the uncertainty of where and when an opportunity might arise. In addition, there is no way of knowing what type of building may become available and whether it would need significant remodeling to create a work environment needed by the District, e.g. a Board room.

When the Committee inquired about the status of the office across the street, staff reported that the Palo Alto Medical Foundation (PAMF) is not interested in selling. They may still be interested in short-term leasing to the District for only two years. However, the District would need to carefully determine when to start this two-year lease. It will likely take two years to design and permit a new building, and two years for construction. Thus, entering into a lease at this point in time is premature, and there is no guarantee that the building will be available later.

Administrative Office Site Benchmark Feasibility Study

Tannerhecht Architecture completed the Administrative Office Site Benchmark Feasibility Study earlier this year (see attachment for more detail) under the General Manager's authority. The firm was selected to perform this straightforward site development analysis for expediency and efficiency, given the firm's knowledge of the AO building, the property, the City of Los Altos' (City's) planning and building processes, and the current design and construction environment.

The firm assessed the site's development potential and provided ballpark conceptual costs for a series of different sized buildings. Simple building shapes were used. No detailed design work was required for this level of assessment. The site's development potential is affected by many factors, which include but are not necessarily limited to the City's planning and building code requirements, property size and configuration, and the site's proximity to residential community. The firm was asked to push the envelope, which means that for one or more options, some negotiation with the City might be necessary if or when the project moved into a design phase.

The key takeaway is that the site has can support a two- to three-story building, ranging from 30,800 square feet to 46,000 square feet. A larger building will allow flexibility to house the District over the next 30 years if growth follows the projections of the Financial and Operational Sustainability Model (FOSM). Unused space could potentially be leased out until needed. Pending negotiations with the City and a change in materials that allow for shorter floor-to-floor heights, four stories may be possible. All options require underground parking, currently two to four levels.

Committee Comments

The Committee expressed concerns about the process and schedule to arrive at a recommended AO building option for the Board to consider. The current schedule looks at December/January for a final recommendation, anticipating several key milestone meetings for Committee and Board review and action. The next Committee meeting is being scheduled for early October at which time MKThink and staff will present a series of options as well as a preview of decision-making work products.

There was discussion around searching for a new building in the real estate market. However, currently there are no defined parameters around size, locations, etc., pending work by the futurist that may outline the characteristics needed in a new building, whether purchased or built on site. The Committee confirmed that an aggressive search of the real estate market can wait until MKThink completes their work, so that their recommendations can be folded into parameters that Real Property needs. Real Property will continue to stay abreast of real estate opportunities that may arise in the meantime.

The Committee discussed whether the AO should be split into two, as that could lessen costs. It was pointed out that although cost is a significant factor, functionality and operational efficiency are other factors that MKThink will bring forward for consideration. Staff at the AO may work more efficiently if housed in one location. Toward the end of the meeting, the Committee expressed concerns with multiple AO offices, e.g. two AOs or one main AO and smaller satellites. Some of the Committee members observed that District staff rely heavily on collaboration and communication. It was noted that there have been challenges with the current separate lease spaces, which are just next door.

The Committee discussed the geographic location that would be most central for the AO. They concurred that the current site is well located, with easy access to highways and to the Preserves, unlike downtown Palo Alto.

The Committee discussed the future growth of AO staff and whether growth would continue more in the field and if AO staffing would contract. It was pointed out that, per FOSM, growth in the AO may plateau but the need for administrative staff will be ongoing to support long term administrative and operational functions, and complete life cycle facility repairs. The Committee acknowledged infrastructure life cycles and the need for ongoing planning, design and engineering/construction positions to complete this work.

The Committee directed staff to remove the four-story option for the current AO building from further consideration. The Committee supports two to two-and-a-half stories and is willing to consider three stories particularly if a partner is willing to help offset the cost. Three stories may allow flexibility to design a building that allows for more natural light like the Packard Foundation building. Interest was expressed in limiting underground parking to one level, which would require purchasing the Carl's Jr. property and extending underground parking below that footprint. Real Property will look into the property ownership and status of the adjacent Carl's Jr. property to determine if this is a possible option. MKThink will look into the feasibility of this option.

The Committee discussed the justification for the investment in a new AO office building. Delivery of Measure AA projects is a priority and this requires more staff and the space for staff

to deliver the projects and the services to the public. It was also noted that General Funds, not Measure AA, will be used for the new building.

The Committee discussed what elements they would like to see in a new building if this option is ultimately selected: rooftop garden with cafeteria seating, solar panels, waterless urinals. Staff confirmed that stormwater runoff in excess of what currently exits the site would need to be retained on site. Staying within a mile of the Caltrain corridor is desirable to keep transit options open.

Next Steps

At the next Committee meeting, scheduled for October 17, 2016, MKThink will bring options that respond to the District's present and future operational needs and consider external forces that affect how the work environment may change in the future. Selection of prioritization criteria to inform decision-making will follow at a subsequent meeting. Finally, using the criteria, the goal is to narrow down the options to a preferred recommended option with potential alternatives. Real Property will look into who owns the Carl Jr.'s property and its status, and report back.

Prepared by: Tina Hugg, Senior Planner

Attachments:

1. September 12, 2016 Facilities Ad Hoc Committee Presentation
2. December 10, 2015 Real Estate Market Study by Collier's International with Updates from September 1, 2016
3. February 1, 2016 Site Development Concept Feasibility Study by TannerHecht Architecture

The attachments for this documents are extensive. If you would like a paper copy, please contact Jennifer Woodworth, District Clerk, or they are accessible on the District's website or the Board's Dropbox account.



Midpeninsula Regional
Open Space District

Memorandum

DATE: November 9, 2016

MEMO TO: MROSD Board of Directors

FROM: Stephen E. Abbors, General Manager

SUBJECT: Summary of the October 17, 2016 Facilities Ad Hoc Committee Meeting

This FYI Memorandum summarizes the discussion and comments at the October 17, 2016 Facilities Ad Hoc Committee (Committee) meeting, where staff presented information on the adjacent Carl's Jr. property and MKThink presented potential options to meet the long-term Administrative Office needs and a draft set of evaluation criteria for narrowing down and selecting a preferred final option. This FYI also includes input from Director Hassett who was absent for the Committee meeting, but attended a separate meeting with the District project team on October 24.

Partnership Potential

Jerry Hearn, Chair of the Peninsula Center Trust Fund (Trust), addressed the Committee to speak about a possible partnership arrangement for a future Administrative Office (AO) building. He had previously spoken to General Manager Abbors and staff about the partnership idea. The Trust owns the Peninsula Conservation Center building, which it leases out to the Peninsula Center Management Council, who then subleases the building to eight non-profit organizations (Committee for Green Foothills, Loma Prieta Chapter of the Sierra Club, Acterra, Grassroots Ecology, Canopy, California Native Plant Society, the Trail Center, and the League of Women Voters). The Peninsula Center Management Council includes a representative of each member organization.

While the current Peninsula Conservation Center building meets each organization's needs in general, its location on the east side of Highway 101 is not transit friendly and is perceived to be challenging to access. Mr. Hearn indicated that the Trust might be interested in a potential partnership if the opportunity was feasible. The Trust has no timeline and is not aggressively looking for a new space, but Mr. Hearn felt they would be able to accommodate the District's schedule, which targets the beginning of 2017 for a decision on the AO.

The Committee discussed the partnership potential and concluded it would be a very complicated process. It would also require a large building, at least three stories, to accommodate both the District and a partner organization or group of organizations. Director Hassett concurred with the Committee. The idea of a partnership may be revisited as a preferred option for the AO is selected, to determine if such an arrangement is feasible and beneficial.

Parking Potential at the Carl's Jr. Site

Staff was asked to look at the feasibility of building one level of underground parking on the Carl's Jr. site to avoid the cost of building two stories of underground parking under a new two-story AO on the current AO site (Attachment 2). The Committee discussed the cost and implications of purchasing the Carl's Jr. site and building surface or underground parking on it. Conservatively using the 2006 purchase price (\$1.65M) for the Carl's Jr. property, one level of underground parking under that site and one level under the AO site would cost \$4.3M. In contrast, two levels of parking on the existing AO site would cost \$2.7M. Thus, the Carl's Jr. underground parking option would increase the underground parking cost by over \$1.5M compared to constructing two levels of underground parking under the AO site. Additional related costs and issues include the true cost of the property itself (anticipated to be higher than the 2006 purchase price of \$1.65M), the challenges and cost of buying out the Carl's Jr. lease and relocating the business, the political implications of lost jobs when the business either relocates or closes, and the planning and permitting effort for combining and developing the lots, particularly if our intended use does not meet the City of Los Altos' desire for high density development.

The Committee members in attendance were not comfortable with taking on the role of a developer and felt the process would be too costly and complex, with far too many unknowns. Committee consensus at the meeting was to take this option off the table. However, Director Hassett felt \$1.5M was not a large enough cost difference to warrant removing this option particularly if the District were considering an alternate site near transit, which would in comparison result in even greater total project costs. However, it was noted that MKThink's futures and solution alternatives do not currently include seeking another property for the main AO, as the current AO site functions well given its proximity to District lands, services, mass transit, and major thoroughfares. Satellite office space in other cities is an option.

MKThink Presentation

MKThink presented three items: (1) AO staff survey results, (2) six potential options for the AO (described below as future scenarios), and (3) draft value criteria. A summary follows below, but more information is contained in the attached presentation document.

Staff Survey

A survey was sent to AO staff and the Area Superintendents and Managers who interface regularly with the AO to assess the existing work environment and conditions. Topic areas included information about staff, commuting (modes, motivation, barriers, distance and duration), field offices, current workplace environment, remote work, and satellite offices. The survey also asked staff about their thoughts of the future, including suggested improvements, future challenges, and future opportunities.

The Committee discussed incentivizing the use of mass transit. Although it was noted that staff who drive often do so because they need their vehicles for activities outside work, such as daycare drop off and pick up, personal errands, and evening commitments. The City of Los Altos' (City) current parking requirements were also discussed, including whether the City would consider reducing the requirements. District staff's recent conversations with City staff and attendance at two City Council meetings regarding zoning regulations appear to indicate that parking requirements will likely remain unchanged for the foreseeable future.

The Committee asked how these findings compared with MKThink's other clients. MKThink explained they see the same results in other organizations, which are facing similar external trends. Although MKThink recommends a proactive approach to change, they have observed that a radical change to work culture can be challenging without external or internal pressures that motivate or prompt the need for change, e.g. lease rate increases, retention issues caused by lengthening commute times, or lack of sufficient workspace.

Future Scenarios

MKThink then presented six future scenarios, based on their research and assessment of the District staff and work culture, that respond to the District's present and future operational needs and consider external forces that affect how the work environment may change in the future. Each scenario envisions a specific future with a particular focus that influences how the District would need to position itself and the new AO to address a particular future work environment and AO building. For example, a Talent Future scenario that focuses on attracting and retaining top talent in an increasingly competitive market may offer more attractive amenities and higher quality equipment in the new AO and allow more flexible work hours or telecommuting opportunities. MKThink noted that scenarios are not mutually exclusive, and elements can overlap. For example, the Talent Future scenario that focuses on talent recruitment and retention can also incorporate environmental design elements that would be part of the Environmental Future scenario.

For the purpose of this discussion, MKThink also prepared one potential real estate solution for each future scenario with the understanding that these would be expanded, refined and vetted following the Committee's discussion. All solutions for all future scenarios utilize the existing AO location in some form (a complete rebuild with additional floors or retaining and renovating the existing footprint). None envision the main AO relocating to a new site although some of the solutions also envision separate satellite office(s) to address the need for additional work space and to alleviate long (3+ hour) daily commutes. Three potential real estate solutions are provided below:

1. Keep the existing AO and renovate it – requires an extensive renovation as well as highly dense work spaces. The feasibility of this option is still being explored and it could require satellite offices to distribute and accommodate the projected number of staff. It is also unclear how parking requirements may be affected by an increase in use and this may affect the feasibility of this solution.
2. Rebuild on-site with a two- or three-story building – requires demolition of the existing building. Because of the resources needed to build new, this option would be less green than renovating the existing building, but allow the District to meet its long term needs in one centralized location. Satellite offices could still be employed to better handle community engagement and alleviate long commutes.
3. Utilize satellite offices, e.g. Los Gatos, Redwood City – these could be leased at least initially to allow the District to pilot how a satellite scenario would work logistically.

MKThink envisions that satellite office(s) would work with a central AO. Satellite office(s) could either become the main reporting site for select employees and/or act as remote work locations for drop-in work similar to how the District's existing field offices function for AO staff. In either configuration, space in the AO would be denser and more efficient, with greater

focus on collaborative work areas and meeting space. A comment was raised from a Committee member who expressed an interest in utilizing field offices as these satellite work stations. Concerns about the field offices are their remote location that do not solve commute issues and their lack of space to accommodate more staff.

Satellite offices that are located near or in urban areas could help with community engagement by providing a meeting location closer to the north and/or south areas of the District or a place where visitors could drop by for information or to speak to staff. The Committee members, including Director Hassett, were divided on support for a satellite option.

Although the Palo Alto Medical Foundation (PAMF) has indicated it is not currently willing to sell its building across from the AO, Director Hassett wished to keep it as an option even if the decision is made to build on the existing AO site and while design is under way. The PAMF building could be ideal given that the building and site are larger than the AO.

For further refinement of real estate solutions, all Committee member selected 1: Talent Future, 2a: Partner Future A, and 3: Environmental Future as their top three future scenarios.

Draft Evaluation Criteria

Based on prior Board goals, MKThink developed a matrix of draft evaluation criteria to measure how a potential real estate solution for a future scenario would perform and alleviate the issues the District will be facing. The criteria will assist in future decision making. The Committee decided against prioritizing the criteria or placing them in weighted tiers. However, the Committee made the following changes to the criteria:

1. Added *Community Engagement* – to address how well the District would interact with the communities it serves;
2. Combined *Staff Retention (Retention) and Staff Diversity* – these are very similar; and
3. Removed *Staff Survey Feedback*.

Next Steps

The next Committee meeting is currently targeted for December. The goal is to develop more refined real estate solutions that address the top three future scenarios. Using the criteria, the next goal would be to narrow down the options to a preferred recommended option with potential alternatives. These deliverables would be presented to the full Board next January or February.

Prepared by: Tina Hugg, Senior Planner

Attachments:

1. October 17, 2016 Facilities Ad Hoc Committee Presentation (This attachment is large. If you would like a paper copy, please contact Jennifer Woodworth, District Clerk, or they are accessible on the District's website or the Board's Dropbox account.)
2. Memo to Facilities ad hoc committee Re: High level assessment of Carl's Jr. property