



Engineering and Public Works Department

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DATE: March 11, 2024

TO: Michelle Hale, Chair  
Committee of the Whole (COW)

THROUGH: Denise Koch, Engineering and Public Works Director

FROM: Jeanne Rynne, Chief Architect

FOR: INFORMATION

SUBJECT: CBJ Office Space Options Analysis

### **Executive Summary**

On January 22, 2024, CBJ received proposals in response to Request for Information (RFI) No. 24-234: Office Space for CBJ. At the January 29, 2024, COW Meeting, the committee directed staff to explore the proposal submitted by Ricker Real Estate Consulting for 801 West 10<sup>th</sup> Street, the building owner by the Alaska Permanent Fund Corporation, also now as the Burns Building.

Subsequently, on February 22, 2024, the Juneau School District (JSD) School Board voted to close the Central District Office building, Marie Drake, and Floyd Dryden Middle School (FDMS) and turn them over to CBJ for management. Staff have since been directed to explore options for relocating CBJ staff, primarily from the downtown leased facilities, to one of the school district facilities scheduled for closure.

This memo will outline our preliminary space analysis for the above referenced facilities, parking considerations, and preliminary cost analyses for tenant improvements and FF&E (furnishings, fixtures, and equipment). The analysis also includes preliminary estimates for mothballing or demolishing the JSD facilities.

### **Burns Building**

Based on the space programming done by NorthWind Architects for the 2019 CBJ DTC City Hall Addition Study. This study recommended office spaces ranging from 100 SF to 140 SF and identified conferencing and storage needs by department. This concept assumes 33% open offices (10'x10' work stations), 67% enclosed offices (120 SF – 140 SF), and a 1.41 multiplier for circulation. As a point of reference, 10'x10' work stations are generous compared to the former State standard of 6'x8' work stations.

With this space program, all downtown CBJ offices, but for 17 work stations, can fit in the available lease space at the Burns Building. This constitutes a total of 153 work stations. The additional 17 work stations could easily be accommodated in the Central District Office building, which currently supports 18 work stations.

The Burns Building can easily accommodate the Assembly Chambers in the former State Board of Education meeting room, which is 25% larger than the existing Assembly Chambers space.

### **Parking**

The Burns Building does not have enough parking to meet the current CBJ need. Depending on the season there are 165-180 parking passes issued for CBJ in the Marine Way parking garage, this includes CBJ vehicles and employee parking. The chart below outlines additional parking options.

Parking Options	Marine Parking Garage - current passes issued		Existing	Potential	Comments
	Off Season	Cruise Ship Season			
Marine Parking Garage	165	180			
City Hall			10		
Municipal Way/Marine View			15		Public parking - not dedicated.
Burns Building			69	18	Additional spaces potentially available Jan. 2025.
Additional adjacent to Burns Bldg.				10	Public parking - not dedicated.
Juneau Fire Station				10	Currently leased to Burns Building occupants
450 Whittier			45		0.33 miles from Burns Building
JACC/Centennial				100	Currently leased to State of Alaska
DTC Parking Garage			10		
Other Private Parking Options				106	
JSD Central Office			8		
Marie Drake			45		Includes parking adjacent to turf field.
Subtotals:	165	180	202	244	
Maximum Need		180			
Maximum Available				446	
Available - Need				266	

**Costs**

Based on recent tenant improvements for office space, Jensen Yorba Wall (JYW) estimates tenant improvement costs at \$60/SF. The average work station furnishings cost is \$7,000 per station. This yields a construction estimate of \$3.5M and a total project cost of \$5.1M, which would include work station furnishings for the Central District Office building. Total project costs include design fees, project administration and permitting.

The proposed annual lease rate, based on 44,400 rentable SF would range between \$2.90-\$3.10/SF/month with an annual escalation factor of 3%/year. This equates to a starting annual lease rate of \$1.5M-\$1.6M and a Year 10 lease rate of \$2M-\$2.2M. Projected amount paid over 10 years would be \$17.7M-\$18.9M.

**School District Facilities – Space Analyses, Parking, Costs**

**Marie Drake**

Marie Drake was built in 1968 with a library addition in 1985 for a total square footage of 72,135 SF. See the chart below for estimated tenant improvement and furnishing costs. Using the space parameters outlined for Concept A1 for the Burns Building above, all downtown CBJ offices and the Assembly Chambers can be accommodated at Marie Drake. The Assembly Chambers would be located in the commons. Concept A2 parameters (space reduction of 10%) had to be applied to the Finance Department in order to accommodate it. Unallocated space totals 13,362 SF and includes the gym, locker rooms, and planetarium. See the chart below for estimated tenant improvement and furnishing costs.

Existing condition: the facility is in relatively good condition. The HVAC system needs improvement in some areas: the two air handling units need new bearings and the HVAC controls need improvement. The two boilers and their burners are new, however. Most of the windows have been replaced in past renovations. Toilet fixtures are adult sized and mounted at adult heights.

Existing parking spaces at Marie Drake include approximately 45 stalls (25 adjacent to the turf field).

**Floyd Dryden Middle School (FDMS)**

FDMS was built in 1972 with classroom wing additions in 1975 and 1984 for a total square footage of 75,486. This excludes the three portable classrooms currently on site. Using the space parameters outlined for the Burns Building above, all downtown CBJ offices and the Assembly Chambers can be accommodated at FDMS with 17,600 SF unallocated. The Assembly Chambers would be located in the commons. The unallocated space includes the gym, locker rooms, some smaller classrooms, and storage spaces. See the chart below for estimated tenant improvement and furnishing costs.

Existing condition: the facility is in good condition. The HVAC system needs to be upgraded. There are roof leaks at the East wing, which is scheduled for a roof replacement this summer. Most of the classrooms have multiple electrical outlets. Toilet fixtures are adult sized and mounted at adult heights.

Existing parking at FDMS totals approximately 129 stalls, with 8 of them being ADA accessible. There is room on the property to develop additional parking to address the estimated need of 165-180 stalls.

**Central District Office**

The Central District Office building was originally built as a dairy in 1936. In 1983 it was remodeled to serve as an alternative high school. In 1987 administrative staff moved into the building, merging with the alternative high school. The entire 8,600 SF building currently serves as office space. Consequently tenant improvement costs are minimal. Please see the chart below for estimated tenant improvement and furnishing costs.

Relatively little would need to be done to this facility as it is currently office space. Heat is baseboard only served by a fuel oil boiler with pneumatic controls. Baseboard valves need to be replaced and controls need to be upgraded.

Existing parking spaces at the Central District Office include 8 stalls (1 ADA stall).

<b>Costs to Convert Classrooms to Office Space</b>						
<b>Facility</b>	<b>Qty.</b>	<b>Unit</b>	<b>Project Type 2+</b>		<b>Project type 4</b>	
			<b>\$/SF</b>	<b>Construction Cost</b>	<b>\$/SF</b>	<b>Cost</b>
<b>Floyd Dryden or Marie Drake</b>						
Tenant Improvements	35,000	SF	\$240	\$8,400,000	\$600.00	\$21,000,000
Furnishings	170	Work Stn	\$7,000	\$1,190,000	\$7,000.00	\$1,190,000
<b>Construction</b>				<b>\$9,590,000</b>		<b>\$22,190,000</b>
<b>Total Project Cost</b>				<b>\$13,426,000</b>		<b>\$31,066,000</b>
<b>Central Office</b>						
Tenant Improvements	8,600	SF	\$0	\$0		
Furnishings	17	Work Stn	\$7,000	\$119,000		
<b>Construction</b>				<b>\$119,000</b>		
<b>Total Project Cost</b>				<b>\$154,700</b>		

Notes:

Costs based on JYW Cost Memo 2/13/24:

**Project type 2+ – Convert Classrooms to Cubicle Offices with Finish Upgrades.**

Scope: Install systems furniture cubicle offices inside an existing classroom with new carpet/wall paint. Run power and data down exposed cable tray and power tray and power pole to cubicles.

Exclusions: Existing classroom layout, including entrance doors, casework, windows, etc. to remain. Existing classroom lights, heating, and ventilation systems to remain.

Construction ROM Cost: Project Type 2 + 20,000 finish upgrades: \$205,000/ classroom, \$240/sf.

**Project type 4 – Reconstruct School Interior.**

Scope: Demolish interior partitions, retaining structural frames and exterior envelope. Reconstruct as office space with new layout and finishes. Replace electrical system and mechanical ventilation distribution systems. Reconstruct restrooms.

Exclusions: Existing structural layout, including exterior walls, floors and roof to remain. Existing entrances and interior stair system to remain.

Construction ROM Cost: \$600 /sf.

**Site improvements, including possible new/expanded parking areas are not included.**

**Costs to Operate, Mothball, or Demolish**

The chart below summarizes costs to operate and maintain buildings in an occupied status and an unoccupied status (mothball) - heating them minimally to prevent mold growth and frozen water pipes. Staff was also asked to estimate the demolition cost for Marie Drake; the same cost per square foot could be applied to the other district facilities.

<b>Operate and Maintain</b>	<b>Marie Drake</b>	<b>Central District Office</b>	<b>Floyd Dryden MS</b>
<b>Maintenance - \$3.60/SF</b>	\$259,686	\$30,960	\$271,750
<b>Janitorial Services - \$1.83/SF</b>	\$132,007	\$15,738	\$138,139
<b>Snow Removal - \$1.20/SF</b>	\$24,000	\$8,400	\$180,000
<b>Utilities (based on FY23 Actuals)</b>			
<b>Electricity</b>	\$47,362	\$5,335	\$40,777
<b>Heating Oil</b>	\$60,735	\$5,057	\$132,459
<b>Water</b>	\$5,488	\$326	\$1,081
<b>Garbage</b>	-	-	\$13,350
<b>Total Annual Cost</b>	\$530,000	\$66,000	\$778,000
<b>Mothball</b>	<b>Marie Drake</b>	<b>Central District Office</b>	<b>Floyd Dryden MS</b>
<b>Mothball - \$1.80/SF</b>	\$130,000	\$16,000	\$136,000
<b>Demolition</b>			
	<b>Marie Drake</b>		
<b>Demolition - \$58/SF</b>	\$4,211,000		
Notes:			
1. Maintenance, janitorial, snow removal, and mothball costs provided by Nate Abbott, CBJ Building Maintenance Supervisor. See 3/1/24 Memo from Geroge Schaaf and Nate Abbott.			
2. Utility data reflects FY23 actuals provided by JSD. No garbage data available for Marie Drake. Central Office trash currently taken to Harbor View.			
3. Demolition costs based on total project cost/sf to demolish the Public Safety Building (2019) escalated to 2025. Includes \$250K to relocate District IT hub; cost to relocate to TMHS not yet determined.			
Marie Drake: 72,135 SF			
Central District Office: 8,600 SF			
Floyd Dryden MS: 75,486 SF (excludes 3 portables)			