

**Atwood Building Office Renovations**

**FY2015 Request: \$0**  
**Reference No: AMD 59222**

**AP/AL:** Appropriation **Project Type:** Renovation and Remodeling  
**Category:** General Government  
**Location:** Anchorage Areawide **House District:** Anchorage Areawide (HD 11-27)  
**Impact House District:** Anchorage Areawide (HD 11-27) **Contact:** Jean Davis  
**Estimated Project Dates:** 04/20/2014 - 06/30/2018 **Contact Phone:** (907)465-2422

**Brief Summary and Statement of Need:**

The Department of Natural Resources (DNR) is scheduled to begin implementing the new universal office space standards in the Atwood Building in Anchorage in FY2014, with an estimated two-to-three year time period for full implementation. Departments are required to pay the cost of the space standard implementation; DNR's estimated overall cost is approximately \$7,000,000. This appropriation will fund the purchase of systems furniture, shipping and installation, construction contracts, architectural floor plan amendments, and moving and temporary relocation of employees for the work estimated to be completed during FY2014 and FY2015.

<b>Funding:</b>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>Total</u>
GF/Prgm	\$4,600,000						\$4,600,000
<b>Total:</b>	\$4,600,000	\$0	\$0	\$0	\$0	\$0	\$4,600,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input checked="" type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

No Prior Funding

**Project Description/Justification:**

The Department of Administration implemented new universal space standards in February 2013. The primary goal is lowering costs through reduction of office space leases, by increasing employee density in state occupied buildings. The state is phasing in the new standards over the next five-seven years, and anticipates a minimum of \$125 million in savings statewide over the next 20 years from reduced lease expenditures and increased efficiencies in heating and air circulation from the more open environments.

The Department of Natural Resources (DNR) currently occupies nine floors of the Atwood Building in Anchorage; under the universal space standard floor plans currently

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being developed DNR will occupy seven floors, freeing up two floors for the state to utilize for other tenants. The renovations will begin when floor plans are finalized, likely by the end of FY2014, and are expected to occur over a two-to-three year period. Cost estimates will be finalized as the floor plans are completed; the current estimate for the full implementation is \$7,000,000. This includes approximately \$2,616,000 for systems furniture, \$405,500 for shipping and installation, and \$3,978,500 for construction contracts, floor plan amendments and miscellaneous costs.

This appropriation is expected to cover funding needs in FY2014 and FY2015. A second appropriation will be requested in FY2016 to complete the project.

Estimated annual lease cost savings of approximately \$695,000 for DNR are expected once the space standards are fully implemented.

General fund program receipts are receipts collected in FY2014 under AS 38.35.140 for right-of-way lease rentals.