James City County, Virginia

County Facility Consolidation Fiscal Impact Analysis

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Agenda

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Study Intent and Approach

Analysis Intent

James City County has a substantial need to increase its administrative space

Existing Building Space	Current Space Needs	2040 Space Needs
400,184 SF	556,445 SF	624,630 SF

This existing unmet need is the impetus for estimating all renovation and construction starting in 2024

The County's facility master plan calls for the consolidation of some central administrative services into a single facility

- Reduces the overall footprint
- Creates operational efficiencies
- Centralizes County services

This analysis quantifies the potential capital and operational impacts of consolidating these services into a single facility

Analysis Approach

This analysis focuses on specific facilities and services to be considered as part of the consolidation effort

- JCC Government Center (Mounts Bay Road)
- Ironbound Village (Palmer Lane)
- Fire Administration Building
- IRM Community Video Center
- Emergency Operations Center (EOC)
- Human Services Center
- WJCC Schools Administration and Annex Buildings

The analysis considered two scenarios; a control scenario and a change scenario

- Existing Facilities Scenario – Remain at the seven facilities and expand in place
- Consolidation Scenario – Consolidate all seven operations to a central facility

The two scenarios are critical to understand the fiscal impact of consolidation

- There needs to be a baseline of how the County would somehow accommodate this need
- The ‘do not grow’ option is not viable

What Did We Measure?

Existing Facilities Scenario

- Capital costs of maintaining the existing facilities
- Capital costs of renovating existing facilities to LEED Silver status
- Capital costs of new construction of the space to address current/future needs
- Operating costs to maintain existing and new building space
- Economic costs of continuing to operate at remote facilities (e.g., VMT and lost staff time)

Consolidation Scenario

- Capital costs of constructing a new consolidated administration building
- Moving costs associated with relocation
- Capital revenues from the sale of specific facilities
  - Mounts Bay Road, Ironbound Village, Human Services Center
  - Other facilities repurposed for JCC/WJCCPS use
- Operational costs to maintain existing (until relocation) and new facilities
- Net fiscal impact from the private use of the disposed assets (revenues and expenditures)
  - Fiscal impact based on the County's fiscal impact model

Specific Analysis Parameters

Operating Costs

- Averages calculated from previous two years actual operating costs
- Analysis of the costs for utilities by ClarkNexsen

Capital Costs

- Analysis done by Mosely Architects and Guernsey Tingle Architects
- Research into costs of construction (e.g., Marshall & Swift Valuation Services)
- Data provided by County General Services Department

Valuation of Assets

- Analysis done by RJS & Associates
- Calculation of the potential market value based on market viable future uses

Efficiency Analysis

- Analysis performed by GTA and RKG Associates
- Interviews with department representatives in each facility

Methodology

Existing Facilities Scenario

Facility	Current SF	Future SF	Rehab?	New?	Sold?
Mounts Bay Road	58,539	89,877	Yes	Yes	No
EOC Facility	8,097	13,529	No	Yes	No
Fire Admin	10,655	17,606	Yes	Yes	No
IRM	3,893	7,568	Yes	Yes	No
Ironbound Village	15,006	23,603	Yes	Yes	No
Human Services	29,138	32,841	Yes	Yes	No
School Admin	51,168	59,429	Yes	Yes	No
Consolidated Facility	0	0	N/A	N/A	N/A
TOTAL	**176,496**	**244,453**			

Consolidation Scenario

Facility	Current SF	Future SF	Rehab?	New?	Sold?
Mounts Bay Road	58,539	0	No	No	Yes
EOC Facility	8,097	0	No	No	No
Fire Admin	10,655	0	No	No	No
IRM	3,893	0	No	No	No
Ironbound Village	15,006	0	No	No	Yes
Human Services	29,138	0	No	No	Yes
School Admin	51,168	0	No	No	No
Consolidated Facility	0	227,341	No	Yes	No
TOTAL	**176,496**	**227,341**			

Assumptions

Renovation (control scenario) and new construction will start in 2024

- Work will take two years
- Rehab and construction costs specific to facility/use (e.g., EOC design requirements)
- All new construction and rehabilitation work will meet County's sustainability plan

Disposition of select facilities will occur in 2027

- Sale price based on potential use
- Mounts Bay Road – mixed use office and single family residential
- Human Services – office use
- Ironbound Village – office use

Consolidated facility offers potential for a reduction in space needs and operations

- Efficiencies of shared facility (e.g., conference rooms) can save on space (estimated at 7%)
- New construction will have state of the art utility efficiencies
- Shared parking can reduce overall need
- Improved worker efficiency through proximity and design (e.g., within same building)

Assumptions

Cost factors held in 2022 dollars for comparison

- Assumes inflation and cost escalation will be consistent
- While fluctuations are likely, they are impossible to predict accurately
- Regardless, the analysis is about relative differences (control versus change) and not overall

Consolidated facility will include structured parking in design

- Current facilities are all surface lots
- Creates physical efficiency
- Increases security and creates covered parking

Design will ensure integrity of use/access

- Create a secure and inviting experience for each department
- EOC facility to maintain construction standards

Retain existing level of services

- Grounds maintenance, facility maintenance, operations

Analysis Results

Parking

Parking needs will increase in the Existing Facilities scenario

- Estimated 338 new surface parking spaces

Consolidation scenario will require new parking development

- Estimated 918 parking spaces
- Clustering facilities offers efficiency savings in parking
- New facility to include mixture of surface and structured spaces
- Scenario assumes 50%/50% surface and structured parking

Structured spaces offer benefits, but at a financial cost

- Increases security and creates covered parking
- Cost of surface space = $6,000
- Cost of structured space = $30,000

Energy Efficiency

ClarkNexsen analysis reveals LEED certification will reduce cost of utilities

- Impacts from both design improvements and efficient equipment

Energy efficiency projected to reach at least 20% improvement over current operations

- This is on a per square foot basis
- Rehab work in the Existing Facilities scenario will improve efficiency, but not reach the benefit of new construction for the consolidated building

Water usage likely will reduce substantially

- Modern, efficient plumbing and fixtures offer substantial reduction in water use
- Estimated 70% to 80% reduction in water use due to new standards
- This is on a per square foot basis

Not included in this analysis is the reduction in vehicle usage for intraoffice engagement

- More central location to other facilities also will reduce amount of vehicle miles traveled (VMT)
- Being in single building estimated to reduce VMT by 15%

Existing Facilities Scenario

Cost of Construction

- Site development costs
- New facility costs ($350-$450 PSF)
  - 67,957 SF
- Rehab costs ($100-$200 PSF)
  - 176,496 SF

No sale or fiscal impact benefits

Operation Costs

- Increase after expansion (more space)
- Decrease relatives due to sustainability (e.g., reduced water consumption)

No non-fiscal benefits of move

Topic	Value
Rehab/Construction Cost	$65,318,918
Land Development Costs	$4,725,000
New Construction Costs	28,691,031
Rehabilitation Costs	$29,874,887
Surface Parking Costs	$2,028,000
Structured Parking Costs	$0
Existing Operational Cost (Annual)	$686,953
Expanded Operational Cost (Annual)	$893,253
Reversion Value	$0
Net Fiscal Impact of Private Development	$0
Cumulative 30-Year Cost	$91,291,298

Consolidation Scenario

Cost of Construction

- Site development costs
- New facility costs ($350-$450 PSF)
  - 227,341 SF
- No rehab costs – 0 SF
- All new construction = higher costs

Sale of facilities for private use

- $14.4 million in sale value
- Creates ~$350,000 in annual net fiscal benefits (office and residential)

Operation Costs

- Approximate 20% decrease from control scenario at 2040 capacity level

Non-Fiscal Benefits

- Estimated $5M in locally-captured retail sales
- Estimated 800-1,000 office jobs

Topic	Value
Rehab/Construction Cost	$99,013,871
Land Development Costs	$2,273,413
New Construction Costs	$80,216,459
Rehabilitation Costs	0
Surface Parking Costs	$2,754,000
Structured Parking Costs	$13,770,000
Existing Operational Cost (Annual)	$686,953
Expanded Operational Cost (Annual)	$733,188
Reversion Value	$14,343,600
Net Fiscal Impact of Private Development	$355,480
Cumulative 30-Year Cost	$98,723,138

Scenario Comparison

EXISTING FACILITIES SCENARIO		CONSOLIDATION SCENARIO	
Topic	**Value**	**Topic**	**Value**
Rehab/Construction Cost	$65,318,918	Rehab/Construction Cost	$99,013,871
Land Development Costs	$4,725,000	Land Development Costs	$2,273,413
New Construction Costs	28,691,031	New Construction Costs	$80,216,459
Rehabilitation Costs	$29,874,887	Rehabilitation Costs	0
Surface Parking Costs	$2,028,000	Surface Parking Costs	$2,754,000
Structured Parking Costs	$0	Structured Parking Costs	$13,770,000
Existing Operational Cost (Annual)	$686,953	Existing Operational Cost (Annual)	$686,953
Expanded Operational Cost (Annual)	$893,253	Expanded Operational Cost (Annual)	$733,188
Reversion Value	$0	Reversion Value	$14,343,600
Net Fiscal Impact of Private Development	$0	Net Fiscal Impact of Private Development	$355,480
Cumulative 30-Year Cost	$91,291,298	Cumulative 30-Year Cost	$98,723,138

Discussion