

CAPITAL PROFILE REPORT

PROFILE NAME: **DOWNTOWN WORKSPACE OPTIMIZATION**
 PROFILE NUMBER: **24-10-0400**
 DEPARTMENT: **Integrated Infrastructure Services**
 LEAD BRANCH: **Infrastructure Planning and Design**
 PROGRAM NAME:
 PARTNER: **Real Estate**
 BUDGET CYCLE: **2023-2026**

RECOMMENDED

PROFILE STAGE:	Council Review
PROFILE TYPE:	Standalone
LEAD MANAGER:	Pascale Ladouceur
PARTNER MANAGER:	Chris Hodgson
ESTIMATED START:	March, 2025
ESTIMATED COMPLETION:	December, 2028

Service Category: Corporate Support

Major Initiative:

GROWTH	RENEWAL
80	20

PREVIOUSLY APPROVED:	-
BUDGET REQUEST:	22,700
TOTAL PROFILE BUDGET:	22,700

PROFILE DESCRIPTION

This project will prepare the Corporation to dispose of building assets and also optimize downtown workspaces through consolidation of space in alignment with hybrid work. This project proposes to relocate staff from Chancery Hall and Century Place to existing City leased/owned spaces. This project will entail: design and construction of reconfiguration/renovations to City owned and leased spaces; purchase of necessary furnishings; move costs for staff; and move costs for relocating critical City technology infrastructure housed at Century Place. The total project cost is \$22.7 million, with the funding source listed as the Interim Financing Reserve, to be repaid with sales proceeds and operating budget savings from the disposition of Chancery Hall and Century Place. Target Timelines: Planning, design and renovations to take place once the buildings are listed on the open market. Furniture, technology and staff moves will happen in a phased approach over two years.

PROFILE BACKGROUND

Chancery Hall is 59 years old. Century Place is 51 years old. Screening the buildings through the Asset Rationalization Framework resulted in a recommendation to divest of these assets. In addition, with the adoption of hybrid work, office spaces across the corporation are underutilized as allocations have not been updated to reflect the impacts of hybrid work. A space analysis has been completed and identified that, through optimization of space, staff at Century Place and Chancery Hall can be accommodated within existing City spaces, primarily the Edmonton Tower, and a small number to other existing City leased/owned spaces.

PROFILE JUSTIFICATION

Preparing for the disposal of Chancery Hall and Century Place is the pathway to cost savings as disposition will eliminate future investments in these assets and annual operating expense savings for these assets, as well as the opportunity for significant Greenhouse Gas savings. In addition, this project is proposed as these assets are no longer needed for this purpose by the Corporation. Adoption of hybrid work has resulted in less office space required. Space needs can be addressed without utilizing Century Place and Chancery Hall.

STRATEGIC ALIGNMENT

This project aligns and supports the City of Edmonton's Infrastructure Asset Management Policy and Infrastructure Strategy in which administration is accountable to responsibly plan, acquire, operate, maintain, rehabilitate and eventually dispose of our assets

ALTERNATIVES CONSIDERED

Alternative 1: Continue to utilize Century Place and Chancery Hall for corporate office space. Not desirable due to under utilization of other leased space. Does not align with the recommendations of the Asset Rationalization Framework and would require future investment.

COST BENEFITS

Tangible Benefits: Creates readiness for disposition of Chancery Hall and Century Place. Disposal will result in annual operating savings and 4,800 tonnes of greenhouse gas emissions. Sale revenue could be applied to offset the one-time capital costs associated with staff moves and consolidation of workspaces.

Intangible Benefits: Stewardship - ensuring responsible management of City assets and resources; Corporate Culture - will create more vibrancy, equity and consistency in office work spaces

Costs: The budgeted cost of the profile is \$22.7 million.

KEY RISKS & MITIGATING STRATEGY

Risk: Systems failures in Chancery Hall and/or Century Place in advance of Moves

Mitigation: Emergent items will be addressed; alternative work locations will be identified.

Risk: Corporate Resistance to Change

Mitigation: Robust Change Management Plan; Application of Lessons Learned from Civic Accommodation Transformation Project, Change to be championed by all People Leaders

RESOURCES

All procurement and purchasing for the initiative will follow standard administrative directions and policies, including C556C Sustainable Procurement.

CONCLUSIONS AND RECOMMENDATIONS

Through the relocation of staff from Chancery Hall and Century Place to Edmonton Tower and other existing City leased/owned spaces, this project will prepare the Corporation to optimize downtown workspaces in alignment with hybrid work impacts. It is recommended that this initiative be approved for full implementation.

CAPITAL PROFILE REPORT

PROFILE NAME: **Downtown Workspace Optimization**
 PROFILE NUMBER: **24-10-0400**
 BRANCH: **Infrastructure Planning and Design**

RECOMMENDED
 PROFILE TYPE: **Standalone**

CAPITAL BUDGET AND FUNDING SOURCES (000's)

APPROVED BUDGET		Prior Years	2024	2025	2026	2027	2028	2029	2030	2031	2032	Beyond 2032	Total
	Approved Budget	Original Budget Approved	-	-	-	-	-	-	-	-	-	-	-
	Current Approved Budget	-	-	-	-	-	-	-	-	-	-	-	-

BUDGET REQUEST	Budget Request	-	-	-	6,658	12,485	3,508	50	-	-	-	-	22,700
	Revised Funding Sources (if approved)												
	Interim Financing	-	-	-	6,658	12,485	3,508	50	-	-	-	-	22,700
	Requested Funding Source	-	-	-	6,658	12,485	3,508	50	-	-	-	-	22,700

REVISED BUDGET (IF APPROVED)	Revised Budget (if Approved)	-	-	-	6,658	12,485	3,508	50	-	-	-	-	22,700
	Requested Funding Source												
	Interim Financing	-	-	-	6,658	12,485	3,508	50	-	-	-	-	22,700
	Requested Funding Source	-	-	-	6,658	12,485	3,508	50	-	-	-	-	22,700

CAPITAL BUDGET BY ACTIVITY TYPE (000's)

REVISED BUDGET (IF APPROVED)	Activity Type	Prior Years	2024	2025	2026	2027	2028	2029	2030	2031	2032	Beyond 2032	Total
		Construction	-	-	-	5,201	9,141	458	-	-	-	-	-
	Design	-	-	-	831	169	-	-	-	-	-	-	1,000
	Equip FurnFixt	-	-	-	-	1,500	1,500	-	-	-	-	-	3,000
	Follow Up Warranty	-	-	-	-	-	50	50	-	-	-	-	100
	Technology	-	-	-	625	1,675	1,500	-	-	-	-	-	3,800
	Total	-	-	-	6,658	12,485	3,508	50	-	-	-	-	22,700

OPERATING IMPACT OF CAPITAL

Type of Impact: External Services, Material & Equipment, Personnel, Utilities

Branch:	2027				2028				2029				2030			
	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE
Fleet and Facility Services	-	82	82	1.0	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate	-	149	149	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Impact	-	231	231	1.0	-	-	-	-	-	-	-	-	-	-	-	-