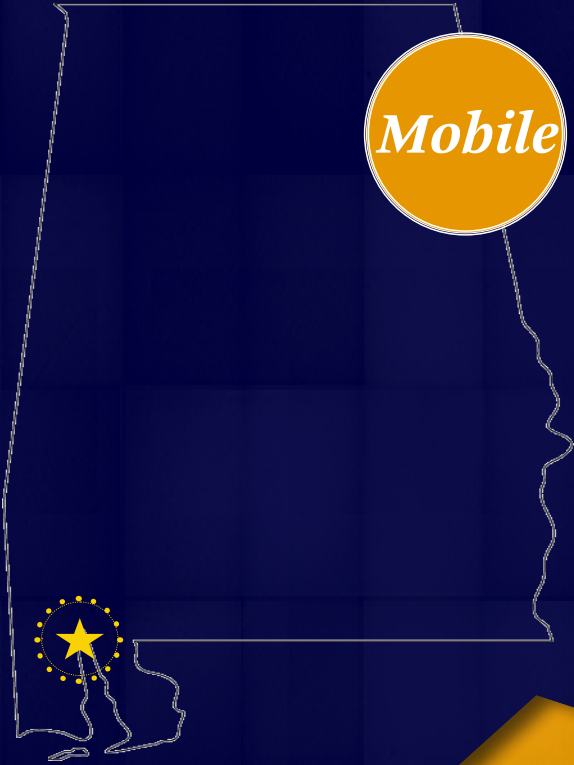


# STRATEGIC PLAN TO THE CITY OF MOBILE

APRIL 24, 2018

PRESENTED BY:  
CBRE, INC.



**CBRE**

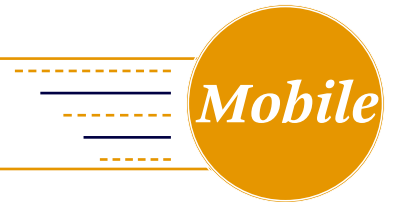


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# COVER LETTER



J. Bradly Christensen  
Director, Real Estate & Asset Management  
City of Mobile  
Government Plaza  
205 Government Street  
Mobile, AL 36644

Re: Comprehensive Real Property Evaluation Strategic Planning and Implementation Strategic Plan Report

Dear Mr. Christensen,

On behalf of the CBRE team, we are pleased to submit this Strategic Plan for the Real Property Evaluation Strategic Planning project. This plan outlines key strategies to improve the City’s real estate portfolio. CBRE, in partnership with our subcontractors, including the local firm Driven Engineering, has identified ways in which the City can own and occupy less real estate as well as improve management of the portfolio through a “best practice” organization structure and decision-making process. This Strategic Plan outlines ways in which the City can achieve cost savings and leverage real estate holdings to either raise capital or reinvest in long-term strategic assets.

On behalf of the CBRE team, we want to thank the City of Mobile staff and everyone who has participated in this important project. The City staff members have made this project a priority, and without their cooperation, CBRE could not have accomplished the deliverables within the required time-frame. Thank you for the opportunity to serve the City of Mobile on this important initiative.

Sincerely,

Lee Ann Korst  
CBRE, Inc.  
SE Regional Manager

Michael McShea  
CBRE, Inc.  
Executive Vice President

Rolf Kemen  
CBRE, Inc.  
Senior Vice President



**EXECUTIVE  
SUMMARY  
&  
PRIORITIZED  
RECOMMENDATIONS**

## EXECUTIVE SUMMARY

Following a competitive procurement in mid-2016, CBRE was engaged by the City of Mobile to undertake six tasks with the goal of better managing the City’s real estate portfolio:

**TASK 1:** Inventory review

**TASK 2:** Facility condition and assessment

**TASK 3:** Determining current and deferred maintenance cost and replacement value

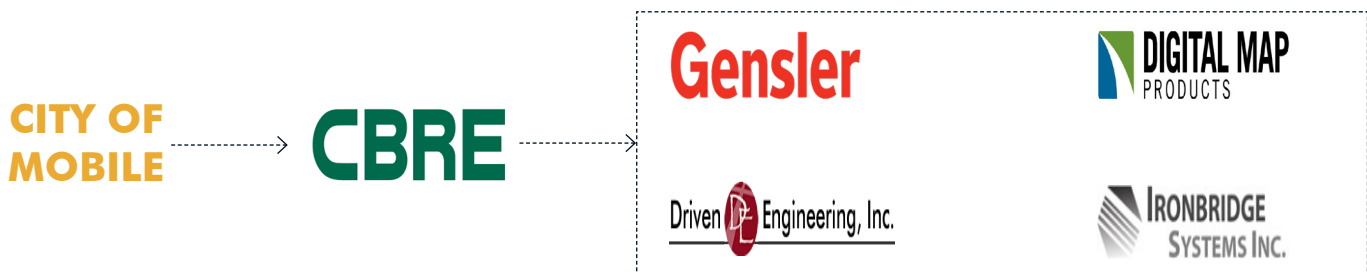
**TASK 4:** Prioritization of assets and maintenance needs

**TASK 5:** Development of strategic plan for asset management

**TASK 6:** Specific evaluation of the City’s Civic Center redevelopment, repair, or re-purposing

This Strategic Plan fulfills Task 5 and incorporates several sections, informed by work completed in the preceding Tasks 1-4. Task 6 (the Civic Center review) is addressed by a separate workstream and deliverable.

For this assignment, CBRE partnered with Gensler, Driven Engineering, Digital Map Products, and Ironbridge Systems to advise the City on its real estate portfolio.



From the period of May 2017 to July 2017, the CBRE team conducted 124 site visits encompassing 2,065,731 square feet of space, facilitated dozens of stakeholder interviews as well as multiple workshops and meetings to ensure accurate data capture and reporting. As a result, we have prepared a number of recommendations that can be found throughout this Strategic Plan, and corresponding deliverables (Appendices 1-4).

## DELIVERABLES:

### TASK 1: INVENTORY REVIEW

CBRE consolidated data from a variety of sources and determined:

- The City owns 1,159 land parcels totaling 4,417 acres. The City leases an additional four (4) parcels totaling 74 acres.
- City-owned land is for the most part vacant, but also includes commercial, industrial, recreational, and residential properties.
- The City owns 367 buildings and leases another seven (7).

Many of the properties should be declared surplus and sold to reduce City liability and provide a source of revenue as well as decrease ongoing maintenance costs and return the properties to the tax rolls.

The full database of properties is included as Appendix 1 to this Strategic Plan. An interactive map of the properties can be found here:

[City of Mobile WebApp](#)

**USERNAME:** 345416\_MOS

**PASSWORD:** CityofMobile2018!

## TASK 2: FACILITY CONDITION AND ASSESSMENT

CBRE toured 2,065,731 square feet of City-owned space and submitted 120 Facility Condition Assessments (FCAs) detailing our findings. In summary, the team found a lack of planned preventative maintenance on a majority of the facilities, and an overall reactive maintenance approach on a majority of the sites.

The final Facility Condition Assessments are included as Appendix 2 to this Strategic Plan.

## TASK 3: DETERMINING CURRENT AND DEFERRED MAINTENANCE COST AND REPLACEMENT VALUE

Average deferred maintenance per property is approximately \$26 per square foot (not including the Civic Center Site). Overall, the total Facility Condition Index for the portfolio is classified as FAIR. Replacement value of all buildings in the evaluated portfolio is calculated at \$635,624,888.

A report detailing these findings is included as Appendix 3 to this Strategic Plan.

## TASK 4: PRIORITIZATION OF ASSETS AND MAINTENANCE NEEDS

CBRE's high-level recommendation is to complete deferred maintenance and capital planning on core assets that the City will retain, and discontinue investing in building repairs and maintenance and capital improvement in buildings in which the City should sell and vacate.

A report detailing these findings is included as Appendix 3 to this Strategic Plan.

## TASK 5: DEVELOPMENT OF STRATEGIC PLAN FOR ASSET MANAGEMENT

This Strategic plan contains a number of prioritized recommendations that have been informed by the previous tasks. These prioritized recommendations are listed below and elaborated on in the following pages.

1. Consolidate Police Department Headquarters functions onto an alternate site, and sell surplus property at 2460 Government Boulevard and 850 St. Anthony Street.
2. Consolidate City operations out of Government Plaza and 200 Government Street into leased space and sell surplus property at 200 Government Street.
3. Relocate Public Works Administration from its current headquarters at 777 Gayle Street to a new site and sell the existing property.
4. Stabilize (for continued archive function) or sell the Azalea Road complex, (former Greystone Christian School site); identify new space for consolidated Municipal Archives
5. Relocate and sell Central Fire Station at 701 Francis Street.
6. Sell or redevelop Ashland Fire Station at 2407 Old Shell Road.
7. Sell Downtown Parking Facility at 6 Water Street.
8. Relocate staff and sell Library Administration Building.
9. Optimize underused parkland by ground leasing unneeded or underutilized property.
10. Adopt updated space utilization standards.
11. Adopt formal real estate and lease policy.
12. Adopt formal process for department space requests.
13. Develop standardized forms and agreements to facilitate City transactions.

## PRIORITIZED RECOMMENDATIONS



### 1. Consolidate Police Department Headquarters functions and sell surplus property

Multiple locations including 2460 Government Boulevard and 850 St. Anthony Street

## OBSERVATIONS

### 2460 GOVERNMENT BOULEVARD

- The 3-story building was constructed in 1960 and is approximately 37,764 square feet.
- The building and many of the systems have long ago outlived their useful life.
- Windows are inoperable and/or leaking, mechanical systems are deficient.
- Evidence storage facilities are too small and under needed capacity.
- Processing of biological evidence is facilitated in a trailer in the rear parking lot.
- Deferred maintenance total for Police Headquarters is \$3,100,000.

### 850 ST. ANTHONY STREET

- As a former hospital facility, this building is not optimally configured for an office environment. It is also not densely occupied and could house additional staff.
- Parking seems to be adequate for the intended use.
- Deferred maintenance total for 850 St. Anthony is \$1,700,000.

## RECOMMENDATIONS

- Relocate police headquarters functions to an alternate location or existing City-owned building(s)
- Sell 2460 Government Boulevard and 850 St Anthony Street, resulting in \$4,800,000 in cost avoidance

## ANTICIPATED BENEFIT

- Eliminates cost to renovate existing Police Headquarters and 850 St. Anthony Street.
- Makes both sites available for sale.
- Consolidates administrative functions to one appropriately sized and located facility that the City already owns and is currently not densely occupied.

## NEXT STEPS

- Develop space program for police headquarters and identify sites for relocation.
- Sell Police Headquarters at 2460 Government Boulevard and 850 St Anthony Street.



## 2. Consolidate City operations out of Government Plaza and 200 Government Street

### OBSERVATIONS

#### GOVERNMENT PLAZA, 205 GOVERNMENT STREET

- The Government Plaza building was constructed in 1994 and is a total of 581,000 square feet. The City leases 110,000 square feet from Mobile County.
- The building is inefficient and costly to operate.
- The building also has several functional deficiencies common to buildings of this design and age. Roof leaks and higher than market operating costs are most notable.
- The City currently occupies approximately 440 square feet per employee, including approximately 650 SF of storage for engineering staff which is used on a regular basis
- Modern and “best practice” space standards for similar government entities range from 150 to 210 square feet per employee. This suggests the City requires only half the amount of square footage currently leased.
- Lease costs are \$934,992 per year plus \$122,697 for utilities, janitorial and security expenses.

#### 200 GOVERNMENT STREET

- Directly across from Government Plaza.
- It is approximately 26,200 square feet of space and currently houses the Mobile Historic Development Commission and Mobile Metro Court Referral Probation Services (19,000 SF combined)
- Separation of these user groups from other City administrative functions is not justified by an operational need.
- Recently renovated, the building is in excellent condition.

### RECOMMENDATIONS

#### To facilitate a more efficient use of space we recommend:

- Engaging an architectural firm to perform a space program to quantify the amount of space needed based on use at both locations.
- Engaging the market for a new leased location that combines the staff from both buildings, reflects the space program and standards and provides additional parking and citizen access.
- Sell the 200 Government Street building once vacant.

### ANTICIPATED BENEFIT

- Improve citizen access and increase parking.
- Reduce space by approximately 50%.
- Employ alternative workplace strategy to enhance employee recruitment and retention.

### NEXT STEPS

- Engage architectural firm to perform space program.
- Perform market study.
- Tour market and issue RFP for new lease.





### 3. Relocate Public Works Administration

#### OBSERVATIONS

---

- The complex consists of multiple buildings that are a repository for heavy equipment including trash trucks, street maintenance equipment, etc. It is the primary facility from which equipment and personnel are dispatched, and trucks and equipment are repaired and maintained.
- Buildings are in a general state of disrepair and in need of significant refurbishment/improvement.
- Stormwater regularly backs up into the buildings during heavy rains, and the site is in a floodplain.
- The site is also primarily in a residential area, not ideally suited for heavy equipment.
- There are not sufficient restrooms or dispatch space for personnel, and the administration areas are not adequate for operations.
- Deferred maintenance for the property totals \$890,000.

#### RECOMMENDATIONS

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- Consolidate Public Works staff currently at Hurtel Complex with 777 Gayle Street staff.
- Relocate all operations to another more suitable site that is not prone to flooding.

#### ANTICIPATED BENEFIT

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- Improved performance in Public Works division.
- Improved morale for significant City workforce.
- Avoids deferred maintenance costs of \$890,000.

#### NEXT STEPS

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- Perform market study for alternative sites in region.
- Conduct market survey for suitable industrial space.



## 4. Stabilize or Sell Azalea Road Complex

### OBSERVATIONS

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- The City uses the former school as its secondary archival and storage facility.
- The building structure is in fair condition and is suitable for this purpose.
- There are varying retention requirements for different documents and departments.
- Building exhibited roof leaks and inadequate temperature/humidity control. There are fire/security concerns.
- Conditions are not conducive to document preservation, with multiple stacked boxes and moisture intrusion.
- The cost to refurbish the building to a suitable archival facility is estimated at \$1,100,000.

### RECOMMENDATIONS

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#### EITHER:

- Stabilize the envelope (repair and/or replace roof and window leaks).
- Install new mechanical systems for humidity/temperature control and install an appropriate fire/security system.
- Purchase used racking/ shelving to improve document storage conditions.

#### OR:

- Complete legal and administrative due diligence regarding records retention policy and practice.
- Engage the market with an RFP for digitization and/or archival services.
- Sell the property.

### ANTICIPATED BENEFIT

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- City archives protected while ownership liability reduced.

### NEXT STEPS

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- Determine preferred course of action and implement recommendations.



## 5. Relocate and Sell Central Fire Station

### OBSERVATIONS

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- The building was constructed in 1926 and serves the eastern area of the City. There is some fondness for the building and site within the Fire Department.
- The Mobile Fire Station Museum is located on the second floor of the building.
- There is no elevator serving the upper floors
- The facility is functionally obsolete with estimated deferred maintenance of \$3,200,000.

### RECOMMENDATIONS

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- Explore options for relocation to meet service area and response time requirements.
- Upon identification of appropriate site - develop a new Central fire station.
- Sell the existing station.

### ANTICIPATED BENEFIT

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- Reduces building related liability for City.
- Avoids significant (\$3,200,000) deferred maintenance costs.
- The facility is located in a desirable area of the City and is marketable from a real estate perspective.
- Improves on-duty living conditions for firefighters.

### NEXT STEPS

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- Identify locations that meet fire response time requirements.
- Identify funding for a replacement facility.



## 6. Sell or Redevelop Ashland Fire Station

### OBSERVATIONS

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- The building was constructed in 1930.
- The building is small (2,500 square feet) and undersized for modern firefighting equipment, and has many constraints that may hamper its effectiveness as a modern emergency response facility.
- Truck mirrors must be folded in to park in the garage bay, as the original building was designed for horse and buggy-run fire operations.
- Deferred maintenance costs total \$214,100 in the short term.
- Unique building shape and features make the building an attractive redevelopment opportunity.

### RECOMMENDATIONS

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- Sell site and continue with planned absorption into Creighton Station.

### ANTICIPATED BENEFIT

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- Eliminate cost of refurbishment \$214,000 in addition to future ongoing maintenance.
- Return site to the community and property tax rolls.
- Improves on-duty living conditions for firefighters.

### NEXT STEPS

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- Make arrangements for absorption of Ashland staff into Creighton station as currently planned.
- Put the site on the market for sale or lease.



## 7. Sell Downtown Parking Facility

### OBSERVATIONS

- City currently owns the land and parking garage located at 6 Water Street.
- The garage contains 1,580 spaces and produces annual revenue to the City of \$235,000 or 30% of Net Operating Income (whichever is higher). 30% of Net Operating Income has never achieved a level that would cause the City's portion to exceed \$235,000.
- Primary users of the parking facility are the Renaissance Mobile Riverview Plaza hotel and office building through a long-term lease agreement with the Retirement System of Alabama (RSA). The lease expires in 2080.
- The City does not have parking rights in the structure.

### RECOMMENDATIONS

- CBRE recommends selling the asset to either a parking operator or the RSA to support RSA's hotel and office operations. The sale agreement should contain covenants that the property will be made available to the hotel and office building that require parking for their operations and the general public. It will not be redeveloped or used for any other purpose without the express written consent of the City.
- Proceeds from the sale of this asset should be reinvested in other City-owned facilities in need of restoration or replacement.
- Alternatively, if funds are not already committed, the City could issue bonds against the revenues currently received from the garage and use that capital to renovate other facilities in need of capital repair or replacement.

### ANTICIPATED BENEFIT

- The Broker Opinion of Value for the facility (if owned fee simple) is approximately \$19,000,000.
- City's residual interest (\$235,000 per year) and long-term land lease will have some value to RSA or parking operator.
- The estimated capitalized value of City's land lease (\$235,000 per year at 4% interest) ranges from approximately \$3.9M to \$5.4M. The range is based on whether the debt is issued against the income stream and if the option years are considered.
- Proceeds from the sale of this asset could be reinvested in other City-owned facilities in need of restoration or replacement.

### NEXT STEPS

- Confirm revenue projections and get legal opinion of lease or fee estate.
- Explore sale to RSA.
- Go to market.



## 8. Relocate Staff and Sell Library Administration Building

### OBSERVATIONS

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- The administrative facility for the Mobile Public Library system is located at 700 Government Street.
- The exterior is exhibiting some building envelope failures (leaks, rotted wood trim, etc.) and is in need of repair.
- Some of the windows have failed and require replacement.

### RECOMMENDATIONS

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- Explore relocating administrative staff to an alternate location with City administrative staff (see Prioritized Recommendation 2).
- If low / no cost relocation options for relocating the administrative staff are identified, sell 700 Government Street.

### ANTICIPATED BENEFIT

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- Avoid \$127,222 in short-term repairs.
- Return property to tax rolls.
- Manage City occupancy more efficiently.

### NEXT STEPS

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- Explore alternative sites for library administrative staff.
- Engage the market for a sale of 700 Government Street.



## 9. Optimize Underutilized Parkland

- The Copeland-Cox Mobile Tennis Center
- Langan Park at the intersection of Ziegler Boulevard
- Dog River Park
- Hackmeyer Park

### OBSERVATIONS

The City has an abundance of parkland supporting and providing amenities to the community at large. CBRE toured several park facilities with the Director of Parks and Recreation. Some of the parks were very lightly used and were not programmed (no current organized use). The City must maintain these spaces including grass cutting, trash removal, tree trimming, erosion control, etc., which carries considerable costs.

#### The Copeland-Cox Mobile Tennis Center at Langan Park:

- Boasts 60 exterior courts, restrooms, concession areas, a pro shop, locker rooms, storage, and other administrative facilities. The Center hosts 28 major events per year that last from 3-5 days per event.
- Participants travel from out of the area and require hotel space when visiting.
- There may be sufficient demand for a boutique hotel, or other community retail uses on the site.
- A private hotel or retail operator would pay lease or concession fees plus real estate taxes (for which the City is currently receiving no revenue).

### RECOMMENDATIONS

#### Parks:

- The City should consider ground leasing underutilized parks for alternate uses (commercial or residential).

#### The Copeland-Cox Mobile Tennis Center at Langan Park:

- Issue an RFP for a boutique hotel or small community retail center adjacent to the Copeland-Cox Center.

### ANTICIPATED BENEFIT

#### Parks:

- Lease proceeds could be used to improve other parks in need of renovation or improvement to the benefit of the community.
- Additional amenities would also be beneficial for surrounding neighborhoods.

#### Copeland-Cox Center:

- A private operator would pay real estate taxes on the site (for which no revenue is currently being received).
- If leased, the proceeds of any such land lease could be used as operating, and maintenance capital for the complex on a go forward basis.

### NEXT STEPS

- Coordinate with Parks and Recreation Department to determine sites for ground lease and ensure alignment with Parks & Recreation Systems Improvement Plan.
- Perform hotel feasibility study to determine viability at Langan Park.



## 10. Adopt Updated Space Utilization Standards

### OBSERVATIONS

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The City has acquired significant real estate holdings over an extended period of time. As administrations change and programs evolve, some City occupied properties are not used as efficiently as modern space standards would support.

Currently, there are no uniform space standards for office use that are routinely applied throughout the portfolio. By employing space standards, the City can determine where it occupies more space than is necessary or not enough space to adequately perform business functions.

### RECOMMENDATIONS

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- Revise standards to the following sizes (actual work area does not include circulation and common areas):
  - » Executive-Level Office: 180 SF
  - » Standard Office: 120 SF
  - » Standard Workstation: 48 SF
  - » Small Workstation: 25 SF
- Right-size administrative offices and support space to accommodate new ways of working including interconnected communications devices and enhanced collaboration concepts (i.e., conference facilities, breakout rooms, work cafés, etc.).

See “Space Utilization & Standards” section of this report for additional detail.

### ANTICIPATED BENEFIT

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- Right-sized administrative offices and support space can accommodate new ways of working and enhanced concepts in collaboration.
- Space needs can be dramatically reduced, resulting in lower occupancy cost for the city.

### NEXT STEPS

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- Adopt recommended space standards and secure authority to implement & enforce standards.
- Identify and re-stack mission-critical properties to new standards and begin the back-fill process as obsolete buildings are sold and leases expire.
- Set an overall target density of 210 SF/person (includes circulation, common spaces, etc.).



## 11. Adopt Formal Real Estate and Lease Policy

### OBSERVATIONS

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- The City currently does not have a formal real estate or lease policy.
- Nationally, the City's peer group has adopted formal policies and/or codified in administrative code or law specific processes related to governing and administering the leased and owned portfolio.
- The City has an established Real Estate and Asset Management department but does not have a policy to assist that Department in carrying out its responsibilities.
- Lack of policy suggests that decisions have been made over the years with lack of consistency or strategy.
- There are no defined parameters or requirements for:
  - acquisition or disposition of City-owned property,
  - adopting space standards,
  - process and criteria for nominal (far below the real value or cost) leases, and
  - establishment or enforcement of maintenance standards where a third-party leases City-owned property.

### RECOMMENDATIONS

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- Adopt a policy that is consistent, transparent and equitable as it relates to the sale of the City's surplus real estate.
- Given that acquisition and disposition of property can also be done via lease, CBRE has included leasing in the proposed policy. See the "Real Estate Policy and Leasing Policy" sections of this Strategic Plan for additional detail.
- Establish monetary thresholds that allow for delegated authority by which administrative staff can make real property decisions (e.g., decisions less than a certain amount can be made by the Real Estate and Asset Management Director) without City Council approval.
- Establish a process by which City Departments request space through the Real Estate Department and must adhere to space utilization standards.

### ANTICIPATED BENEFIT

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- The formation of a consistent, transparent and equitable policy related to the City's sale of real property.
- A streamlined decision-making process established.
- Reduction of owned and leased space over time.
- Adopting these recommendations is a relatively low-cost way to achieve significant savings in City real estate activities and contribute to the operation of a strategically focused Real Estate and Asset Management department.

### NEXT STEPS

---

- Adopt and/or modify and adopt the draft policies contained herein.
- Publish and communicate the new policies to affected stakeholder groups (Lessors, Lessees, City Departments, etc.).



## 12. Adopt Formal Process for Space Requests

### OBSERVATIONS

---

- City Departments currently have no formal method by which to request and justify space needed for operations.
- This has resulted in some Departments being located in multiple locations across the City.
- Distributed facilities that could be otherwise consolidated creates an inefficient use of space and additional operational cost (e.g., staff drive times between facilities).
- Locations should be evaluated to determine if they are well-located, cost-effective, and are critical to the City.

### RECOMMENDATIONS

---

- Adopt a Request for Space Need (RSN) process whereby departments:
  - formally request space,
  - establish locational boundaries,
  - demonstrate allocated budget, and
  - submit operational justification.
- Departments complete a Space Allocation Worksheet (SAW) requesting the exact number of offices, workstations, conference rooms, specialized space, etc. in accordance with space utilization standards. A sample SAW is provided in Appendix 4.
- The Real Estate and Asset Management department approves both the RSN and SAW prior to new space being procured.
- The Real Estate and Asset Management department manages the process by which new space is procured including negotiations with the prospective landlord and approves the final (standardized) lease document.

### ANTICIPATED BENEFIT

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- The City will occupy and pay for only that space which it needs.
- Establishes an equitable, well defined, and transparent space approval process for departments.
- Avoids unnecessary cost by eliminating unnecessary leases or owned locations.

### NEXT STEPS

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- Adopt and/or modify the draft policies contained herein.
- Publish and communicate the new policies to affected stakeholder groups (Lessors, Lessees, City Departments, etc.).

## 13. Develop Standardized Forms and Agreements to Facilitate City Transactions

It is CBRE's recommendation that a standard set of real estate forms and agreements be prepared by the City's General Counsel or outside real estate counsel to facilitate the transactions described in the Strategic Plan and in the future. Doing so will ensure consistency, expedite review, and ensure the City's financial and legal interests are protected.

### OBSERVATIONS

CBRE is unaware of and has not reviewed documentation for any of the transactions contemplated by this Strategic Plan. Best practices suggest that standard forms related to real estate process and transaction terms and conditions desired by the City of Mobile and compliant with Alabama state law be drafted and employed on a regular basis.

### RECOMMENDATIONS

- **Request for Space Need (RSN)** – a form used for the purpose of a department officially requesting space in compliance with City policies.
  - Identifies department requesting space
  - Establishes operational need for space
  - Establishes locational boundaries, technical specifications, and
  - Demonstrates allocated budget (move costs and ongoing occupancy expense).
- **Space Allocation Worksheet (SAW)** – a form that establishes how much space a department may occupy. The SAW considers the exact number of offices, workstations, conference rooms, specialized space, etc. the user department may request in accordance with City adopted space utilization standards.
- **Sale of Real Property (Short Form)** – a short form contract that provides for the fee simple sale of City-owned property to a third party. Primarily used for uncomplicated sales where the property is of marginal utility or low value.
- **Sale of Real Property (Long Form)** - a long form contract that provides for the fee simple sale of City-owned property to a third party. Used for high-value property sales where a more detailed transfer is necessary or advisable.
- **Lease of Real Property (City as Landlord)** – a standard lease form where the City is the landlord. Establishes terms and conditions whereby the City will lease the property to third parties.
- **Lease of Real Property (City as Tenant)** – a standard lease form where the City is the tenant. Establishes terms and conditions by which City will enter into leases with third-party landlords.
- **Tenant Improvements** – a document that establishes base building configuration and required landlord improvements as a condition of the City leasing property from third parties.

### ANTICIPATED BENEFIT

- Establishes an equitable, well-defined, and transparent space request and approval process for departments.
- Reduces risk by the adoption of standard contract forms.
- Allows for an expedited process and timeline.

### NEXT STEPS

- Direct City attorney to draft (or cause to be drafted) form documents as described above.
- Publish and communicate the new policies to affected stakeholder groups (Lessors, Lessees, City Departments, etc.).



# **APPROACH TO PROJECT**

## BACKGROUND

The City of Mobile has recently developed a multi-year capital improvement plan focused on the City's operational facilities and infrastructure. In conjunction with the capital improvement plan, the City desires to develop a long-range facilities plan and will undertake a full facilities assessment of City buildings and structures used by both the public and by City employees. This assessment included six tasks:

**TASK 1:** Inventory review

**TASK 2:** Facility condition and assessment

**TASK 3:** Determining current and deferred maintenance cost and replacement value

**TASK 4:** Prioritization of assets and maintenance needs

**TASK 5:** Development of strategic plan for asset management

**TASK 6:** Specific evaluation of the City's Civic Center redevelopment, repair, or re-purposing

The City owns and/or operates a wide spectrum of real estate product types throughout the geographic boundaries of the City encompassing 1,163 parcels of land and 374 buildings. The City owns and/or operates approximately 3.5 million square feet of space including but not limited to civic, cultural and historic facilities, administrative facilities, libraries, public safety facilities and parks and recreation facilities. In June 2016, the City issued a Request for Qualifications for a firm to assist the City with a comprehensive inventory of these City facilities, develop a master plan for long term implementation of repairs and improvements, make recommendations for the construction of new facilities given demographics shifts or other City comprehensive planning priorities, and to build a long-range plan and develop a methodology for disposition of underutilized or surplus properties.

Following a competitive procurement, the City selected and engaged CBRE, a third-party consultant to assist the Real Estate and Asset Management (REAM) team to evaluate the City's portfolio of real estate assets and to advise the City on "best practices" employed by other municipalities across the United States. The goal of this Strategic Plan is to provide the City with actionable recommendations to better manage its real estate portfolio.

## PROCESS

The following Strategic Plan has been prepared through a collaborative effort between CBRE, the Real Estate and Asset Management department and staff from the many departments who occupy City owned space. Primary participants involved in the completion of this study include:

### CITY OF MOBILE – PRIMARY PARTICIPANTS

Dianne K. Irby - Executive Director, Engineering and Development

Paul Wesch - Finance Director

Florence Kessler - General Counsel

J. Bradley Christensen - Director, Real Estate & Asset Management

Jacob Laurence - Work Order Coordinator, Engineering & Development

## CONSULTANTS

### CBRE (Project Lead and Real Estate and Finance Consultant)

Michael McShea - Executive Vice President, Public Institutions & Education Solutions  
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### IRONBRIDGE SYSTEMS (Data aggregation services)

Vijay Perincherry - Senior Analyst and Technologist

This Strategic Plan represents one of six tasks to be completed by CBRE under this assignment, and is informed by work performed in preceding tasks. For example, preparing the inventory of all City-owned assets in Task 1 was critical to understanding the City-wide portfolio and enabling CBRE to make recommendations for management of the portfolio as part of this Strategic Plan. Completing the Facility Condition Assessments (FCAs) in Task 2 was an important predecessor to evaluating deferred maintenance costs and future capital expenditure needs in Task 3, and prioritizing their execution in Task 4. The facility needs were then prioritized and replacement cost values assigned to each facility.

This Strategic Plan is further informed by multiple interviews, conducted by CBRE with stakeholders throughout City agencies and departments to gain historical data and perspective. This perspective includes not only City administration personnel but in some cases the desires of interested constituents. CBRE collected empirical data and conducted interviews and property tours in support of the recommendations contained within this Strategic Plan.

In the period March 2017 - December 2017 CBRE has:

- Interviewed the Mayor and senior stakeholders to understand operational needs of the City and broader goals for City owned real property.
- Met with 11 departments of the City to understand their current and future operating plans and how real estate supports or inhibits their ability to achieve their missions.
- Conducted site visits to observe the physical condition of many of the properties including utilization.
- Developed Broker Opinions of Value for select properties.
- Completed an inventory of all city owned assets.
- Collected empirical data for the portfolio and mapped all properties including leased and owned assets:
- Completed 124 Facility Condition Assessments totaling 2,065,731 square feet.
- Prioritized the Facility Condition Assessment results and deferred maintenance needs.
- Assigned estimated replacement values to each asset type.

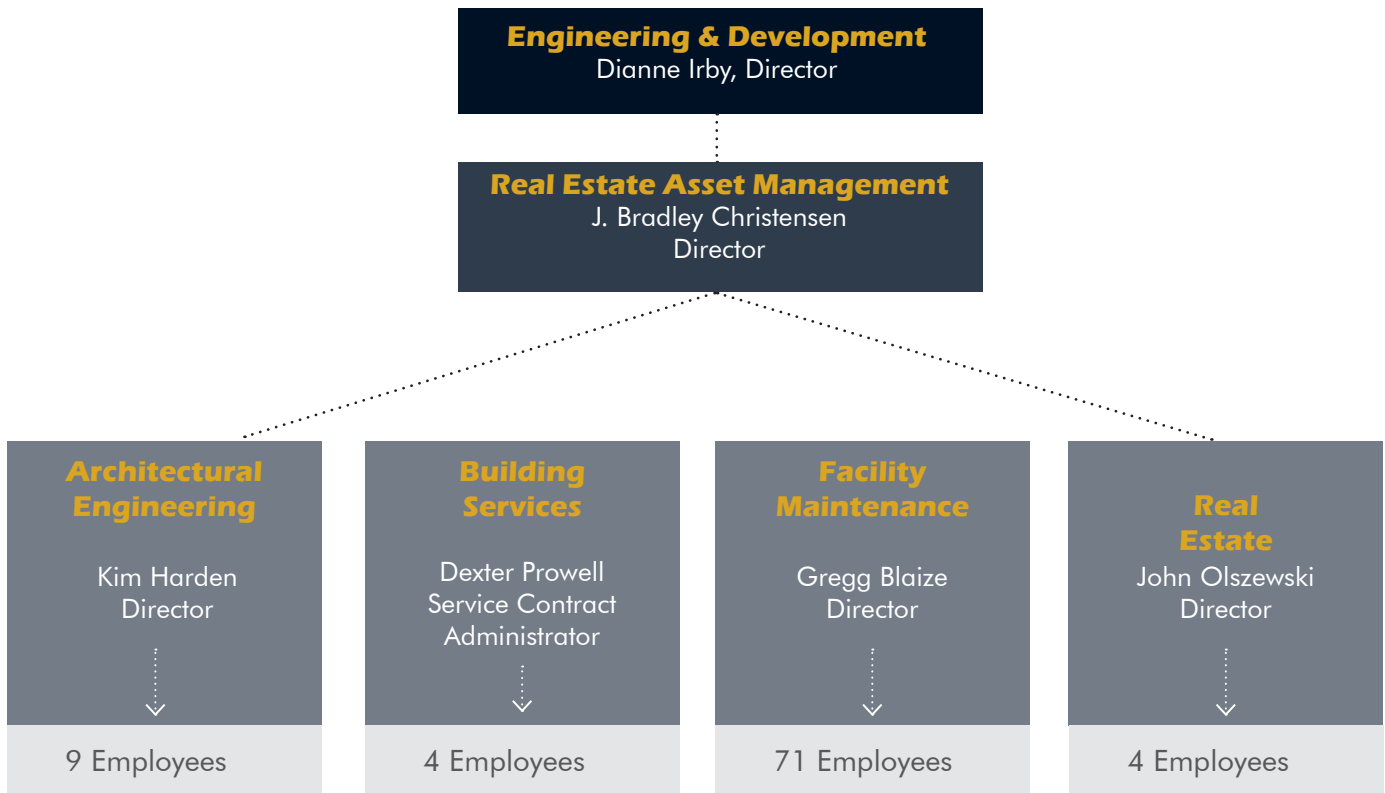


# **REAL ESTATE ORGANIZATION**

## REAL ESTATE ORGANIZATION

### CURRENT ORGANIZATIONAL STRUCTURE

Currently, most major real estate functions that impact occupied real estate fall under the Engineering & Development Department. Real Estate functions are managed by the Real Estate Asset Management (REAM) team and can be graphically depicted in the following organizational chart:



Functionally, the departments have the following responsibilities:

**Architectural Engineering:** manages all facility design and construction.

**Building Services:** manages service and maintenance contracts for all City facilities.

**Facility Maintenance:** manages the building, mechanical and plumbing maintenance for all City facilities.

**Real Estate:** manages all real estate including sales/purchases, leases, easements, the right of way acquisition, etc.

While this organizational structure covers most of the necessary functions of a real estate department, we suggest that a recurring strategic planning function be added to the organization. Without this capability, the City is missing a year-over-year assessment of the performance of the real estate portfolio as well as real estate organization to allow for succession planning and centralization of the real estate functions. With better planning and forecasting of the utilization and need for space, the City can save money for reallocation across the portfolio.



## STANDARD ORGANIZATION MODEL

A typical corporate real estate model organizes tasks around functions and places them under one department. Other models that are organized around geography, process, or asset class are less applicable to the City’s portfolio.

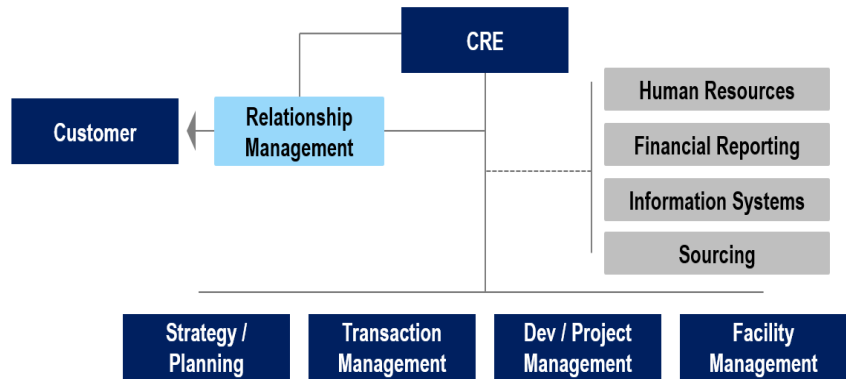
### BENEFITS

- Organization by function is the most efficient structure as it has the least amount of duplication in departments.

### WEAKNESSES

- Multiple agencies performing real estate function can result in difficulties coordinating and delivering services across functions such as transaction, project and facilities management. These inefficiencies can be lessened with more centralized services coordination.

### BY FUNCTION



## STRATEGIC PLANNING DEFINED

Strategic Planning is based on the concept of measuring, staffing and tracking what matters. This process includes defining the roles that senior managers, real estate department employees and third party service providers will play. It also gives the City a road map of meaningful benchmarks that can be tracked year-over-year to measure success and identify areas for improvement. Finally, it recognizes that as needs and resources change, the development of training, procedures, and maintenance schedules are a critical part of successful real estate portfolio management.

The following chart describes the roles and responsibilities for reporting that reflect best practices employed by high performing real estate organizations. It identifies the relationships between the political leaders, real estate managers/technicians and 3rd party service providers who supply specialized skills for specific projects or needs. The metrics identified help to improve operations and increase productivity while reducing operating risk and redirecting scarce capital resources.



## Integrated Performance Reporting - Pulling It All Together

City Goals	City Leadership	Real Estate Senior Management	Real Estate Functional Management	Service Provider
Reduce Efficiency Ratios	<ul style="list-style-type: none"> <li>Occupancy Ratios</li> <li>Operating Expenses</li> </ul>	<ul style="list-style-type: none"> <li>Occupancy Cost Expenses/FTE</li> <li>Occupancy Cost Expenses/workspace</li> <li>Utilization ratio (FTEs / workspaces)</li> </ul>	<ul style="list-style-type: none"> <li>Occupancy Cost Expenses/ Area (SF)</li> <li>Area/FTE</li> <li>Total cost of vacant space/occupancy cost</li> </ul>	<ul style="list-style-type: none"> <li>Operating cost breakdown by area (SF)</li> </ul>
Increase Productivity	<ul style="list-style-type: none"> <li>Administrative cost / area</li> </ul>	<ul style="list-style-type: none"> <li>Area managed/ FTE</li> </ul>	<ul style="list-style-type: none"> <li>Transactions</li> <li>Project Management</li> <li>Facilities Management</li> </ul>	<ul style="list-style-type: none"> <li>Properties/ Tech Service call frequency</li> <li>Service call response time</li> </ul>
Reduce Operating Risk	<ul style="list-style-type: none"> <li>Prioritize major occupancies</li> <li>Reduce portfolio footprint</li> <li>Data/process metrics</li> </ul>	<ul style="list-style-type: none"> <li>Prioritize critical scheduled maintenance</li> <li>Projects that are over budget</li> </ul>	<ul style="list-style-type: none"> <li>Health, safety, security and environmental</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Operational benchmarks</li> <li>Equipment performance benchmarks</li> </ul>
Efficient Capital Deployment	<ul style="list-style-type: none"> <li>Capital commitment by Dept (trend / forecast)</li> <li>Capital pipeline ROI</li> </ul>	<ul style="list-style-type: none"> <li>Depreciation forecast</li> </ul>	<ul style="list-style-type: none"> <li>Project Cost / SF</li> </ul>	<ul style="list-style-type: none"> <li>Component cost / SF</li> </ul>
Customer Satisfaction Enable customers to focus on Core Service Delivery	<ul style="list-style-type: none"> <li>Overall satisfaction with service</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction across major categories</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction relative to functional categories</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction across service specific categories</li> </ul>
Employee Satisfaction	<ul style="list-style-type: none"> <li>Overall satisfaction with company</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction across major categories</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction relative to functional categories</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction across service specific categories</li> </ul>



# **REAL ESTATE POLICY**

## REAL ESTATE POLICY

The City of Mobile should adopt a real estate policy that is consistent, transparent and equitable for the acquisition and disposition of real property. This should include both leased and owned real estate.

In order to provide the City with a comprehensive and proven policy, CBRE reviewed real estate policies from several public entities with portfolios similar to Mobile. While challenges and considerations vary across jurisdictions, the following recommendation captures issues most relevant to Mobile. There are three primary situations that will apply to the City:

- Acquisition of real property for operations (through purchase or lease).
- Disposition of real property once declared surplus.
- Administration of real property.

Maintaining the asset inventory database provided as Appendix 1 to this Strategic Plan is a critical element of long-term administration of real property. In order to maintain accurate asset inventory, the City should establish a process by which after each real estate action occurs, the asset inventory database is updated to reflect the acquisition and disposition of all real property.

It is CBRE's recommendation that a standard set of forms and agreements are prepared by the City Attorney or outside real estate counsel to facilitate the transactions described in this portion of the Strategic Plan. Doing so will ensure consistency, expedite review, and ensure the City's best interest is protected from a financial and legal standpoint. Please see Prioritized Recommendation 13 for additional detail.

## AUTHORITY, PURPOSE, INTENT, AND SCOPE

The real estate policy shall serve as City Council's protocol for the acquisition, disposition, and leasing of real property. The policy provides, among other things, for the bundling of different properties for simultaneous presentation to the City Council for approval of acquisition, disposition, or leasing, which approval may include conditions or instructions such as minimum bid for disposition.

## DEFINITIONS

- A. Fair Market Rent: the reasonable rental rate and other related terms applicable to the conveyance of any leasehold interest or right of possession of the property, as estimated by the Real Estate Manager subject to the approval of the Designee or one's designee.
- B. Full Compensation: monetary or non-monetary compensation paid to an owner in consideration for the acquisition of real property.
- C. Non-monetary Terms: full compensation or consideration paid, in terms other than money by the City for the acquisition of real property including, but not limited to, agreements for access to the owner's property, agreements for owners extended possession of the property acquired by the City, agreements for management of stormwater on the owner's property, and other such agreements between the City and the property owner.
- D. Real Estate and Asset Management (REAM): the City department assigned with the responsibility to manage City property.
- E. Real Property: any interest in the land or the improvements located thereon, including, but not limited to, fee simple, leasehold and other rights of possession, temporary and perpetual easements, and grants of right-of-entry.
- F. Designee: the person or person (s) to whom the Mayor delegates authority to make real estate decisions in accordance with established parameters and monetary thresholds.

## RESPONSIBLE DEPARTMENTS

The Real Estate and Asset Management department shall implement and comply with these policies and procedures and shall be charged with the following responsibilities:

1. Developing uniform and clear procedures for all real property transactions.
2. Assuring uniform and clear documentation of all real property transactions.
3. Assuring that all real property transactions are negotiated equitably and in good faith and in accordance with all

- applicable city, state and federal laws.
4. Assuring cost-effective management of all City-owned real property.

The Designee shall be charged with the following responsibilities:

1. In the event that an appraisal is necessary, determining the scope of the appraisal assignment and the form of the appraisal report to be prepared for use in the City's real property transactions unless City Council otherwise establishes such scope.
2. With advice of City Attorney, approving all documents related to any transaction pursuant to this Policy.

These policies and procedures shall be ethically applied, along with all applicable laws, to ensure fair and equitable treatment to the City, the general public, and all affected property owners.

## ACQUISITION OF PROPERTY BY LEASE, SALE OR DONATION

### DETERMINATION OF NEEDS / REQUIRED APPROVALS

CBRE highly recommends that the City adopt a policy for space requests by City departments. City departments currently have no formal method by which to justify and request needed space for operations. This deficiency has had the unintended consequence of departments being located in multiple, uncoordinated, and sometimes unnecessary locations across the City. The lack of a formal process creates inefficiencies both operationally and financially (e.g. staff drive times between facilities, and lost collaboration opportunities).

CBRE recommends a Request for Space Need (RSN) process whereby the various City departments formally request how much space is needed to support their mission adequately. This request would be made to (REAM) for consideration and approval. Significant elements of the RSN include:

- Department requesting space.
- Date at which space will be occupied.
- Function for which space is required.
- The number of employees to be accommodated in the proposed location.
- Amount of space required.
- Preferred location boundaries.
- Estimate of construction and relocation costs including voice and data needs.
- Confirmation of approved budget to accommodate relocation and ongoing expense.

Departments would be required to complete a Space Allocation Worksheet (SAW) requesting the exact number of offices, conference rooms, workstations, specialized spaces, etc. in accordance with space utilization standards adopted by the City. CBRE recommends that REAM approves the RSN and SAW prior to new space being procured. REAM should then manage the process by which new space is procured and approve the final lease.

As a result of adopting this process, the City will occupy only the space it requires, eliminating unnecessary leased property or owned locations. Centralizing lease authority within REAM will also improve compliance with a standardized lease process, and support the City's ability to act strategically when making real estate decisions.

Finally, CBRE recommends that REAM be given authority to make routine and ministerial real estate decisions on behalf of the City. The exercise of such authority to the full extent permitted under the Zoghby Act (Ala. Code 11-44C-1 et seq.) is intended to streamline decision making and expedite approved acquisitions and dispositions of real property.

## ACQUISITION OF REAL PROPERTY BY LEASE

Offers shall be presented to City Council pursuant to the following procedure:

- a) The City department who will occupy the space will prepare and present a justification for the lease requirement.
- b) The REAM shall review and evaluate the terms and conditions of the offer and present to City Council for consideration as an agenda item summarizing a lease agreement.
- c) The City Attorney shall review and approve lease related legal considerations and compliance prior to City Council vote.

Any lease (or lease to purchase agreement) entered by the City relating to real property owned by others and needed for City purposes shall be for a period not to exceed 30 years at a stipulated rental amount to be paid from current or other legally available funds.

## ACQUISITION OF REAL PROPERTY BY PURCHASE

Acquisition offers shall be presented to City Council pursuant to the following procedure:

- a) REAM shall prepare a justification of why the acquisition is necessary and necessary for City operations.
- b) REAM shall review and evaluate the terms and conditions of the offer and present to City Council for consideration in an agenda item summarizing the offer.

## ACQUISITION OF REAL PROPERTY BY DONATION

Any owner desiring to donate real property to the City should deliver a written offer to REAM. In the event another City department is directly contacted with an offer to sell or donate real property, the department shall notify and provide the offer to REAM.

Upon receipt of such offers, REAM shall circulate the offer to the appropriate departments for their review and comment as to any interest in the property for planned or future mission-critical City projects.

If a City need for the real property is identified, the department shall prepare a written report to the City Council with the following information included:

- a) The estimated costs to the City if the offer is accepted (capital improvements, operations and maintenance requirements, etc.).
- b) Comments received from City departments identifying the existing and future need for the real property;
- c) Recommendations on whether to pursue the offer and the potential funding source (s) to maintain the property.

## REAL PROPERTY OWNED BY CITY; SALE, DISPOSITION, OR EXCHANGE

Real property may be considered and deemed surplus only pursuant to Alabama Code 29-15-71, et. seq. Often, capital is required to improve the asset to an acceptable condition. If capital is unavailable, the property might also be considered for disposition.

Surplus real property shall be sold or disposed of in accordance with City policy. Additionally, REAM should annually review all City-owned property that is not currently being used by any City department and which may be considered surplus property.

If the Designee deems that it may be in the best interest of the City to sell or dispose of any real property owned by the City, the Designee shall present the matter to City Council for consideration. Upon City Council's approval, the Designee shall be authorized to sell or dispose of the real property in accordance with the two following options:

1. Request for Proposals
  - a. The Designee may prepare a Request for Proposal (RFP) calling for bids for real property to be sold for the highest and best use. The Notice shall be published in accordance with the City's public notice requirements.
  - b. Upon receipt of any bids responsive thereto, the Designee shall compile and summarize the bid information and present it to City Council with a recommendation of which of the bids should be considered in the City's best interest. City Council may require a deposit to be made or a surety bond to be given, in such form and under such terms as City Council determines, with each bid submitted.
2. Private Sale; No Published Notice for Bids

The Designee may be authorized to proceed with a private sale of real property pursuant to Alabama Code 29-15-71, et. seq., if:

- a. City Council determines that a parcel of real property is of insufficient size., and
- b. It is determined by City Council that, due to the size, shape, location, and value of the real property, the real property is of use only to one or more adjacent property owners.
- c. In such instance that the above conditions are met, the Designee may, after sending notice of the intended action to owners of adjacent property by certified mail, proceed with a sale and conveyance of the real property at private sale without receiving bids or publishing notice.
- d. If, however, within ten working days after receiving such mailed notice, two or more owners of adjacent property notify the City of their desire to acquire the real property, the Designee shall accept sealed bids for the real property from such property owners and, upon presentation of the bids to City Council, City Council may convey such real property to the highest bidder complying with the terms and conditions set forth in the notice, or City Council may reject all offers and bids of the real property at private sale.

#### Sale or Disposition of Surplus Real Property by Unsolicited Offers

If an individual or entity is interested in purchasing or acquiring any real property owned by the City, such individual or entity shall express such interest in the form of a written offer to the City.

The written offer shall be delivered to REAM and, upon receipt, the department shall prepare a written summary including but not limited to the following information about the real property:

- a. When the property was acquired by the City and the cost of acquisition.
- b. The original reason for acquisition by the City.
- c. The site location and description including any improvements and zoning classification.
- d. The size of the property
- e. Current estimate of fair market value.

The Department shall circulate the written summary for comments from the City department(s) maintaining the real property to determine if there is a mission-critical City need to retain the property.

Upon REAM's receipt of any responses to the written summary, REAM shall prepare a written report to the Mayor and City Council that summarizes the offer.

CBRE recommends the disposition of properties with unsolicited offers follow the process described in #1 and #2 in the immediately preceding section. We believe that, even with an unsolicited offer, competition to purchase should be promoted whether via RFP or via private sale.

#### Sale or Disposition of Real Property by Exchange

In the event the Designee determines the City holds any real property not needed for City purposes and such property may be, in the best interest of the City, exchanged for other real property which the City may desire to acquire for City purposes, the Designee shall present the matter to City Council for its consideration in accordance with the following procedure:

- a. The Designee shall present to City Council on its general business agenda a request for the adoption of a resolution

authorizing the exchange of real property.

- a. Ensure the transaction represents a like value for value exchange.
- b. Before such resolution is adopted, however, the Designee shall prepare a notice setting forth the terms and conditions of the exchange of real property and arrange for the notice to be published in accordance with the City’s public notice requirements.

### Lease from City of Real Property

If the Designee deems that it may be in the best interest of the City to convey a leasehold interest or other right of possession of any real property owned by the City, the Designee may negotiate the lease and shall present the matter to City Council for consideration. Upon City Council’s approval, the Designee shall be authorized to convey the leasehold interest or other rights of possession in accordance with City policy.

## APPRAISALS AND BROKER OPINION OF VALUE ESTIMATES

For all acquisition and disposition of real property, the City shall obtain either a Broker Opinion of Value (BOV) or an appraisal report, which estimates the fair market value of the real property interest. It should be noted that exposure to the market may be the best indicator of a property’s value. Appraisals and BOVs should be formulated using local market comparables. CBRE recommends valuations be conducted in accordance with the following procedures:

- a. For acquisitions or dispositions in which the estimated value of the real property does not exceed \$250,000, or for leases of real property in which the estimated square annual expenditure or receipt of funds does not exceed \$100,000, a BOV shall be retained with an estimate of the fair market value of the real property at its highest and best use.
- b. For acquisitions or dispositions in which the estimated value of the real property exceeds \$250,000, or for leases of real property in which the estimated annual expenditure or receipt of funds exceeds \$100,000, an independent State of Alabama certified appraiser shall be retained to each prepare an appraisal report with an estimate of the fair market value of the real property at its highest and best use.

Summary Chart of Valuation Thresholds

TRANSACTION TYPE	BROKER OPINION OF VALUE	APPRAISAL
Acquisition of Property by Lease	< \$100,000	> \$100,000
Acquisition or Disposition of Property	< \$250,000	> \$250,000

## ADMINISTRATION OF REAL PROPERTY

The City occupies thousands of square feet of space in which its departments provide services to the citizens of Mobile. City employees, citizens, and other visitors depend on this space to conduct business efficiently and effectively. Whether the space is in a publicly-owned building or a building leased from a private owner, the quality of the space can have a significant impact on the quality of the work performed and the quality of the interaction with the public.

### 1. Establish and Implement Consistent Space Standards

At present, the City does not have a uniform space standard for the amount of office space required. This has occurred for a variety reasons over decades and many administrations. As a result, in some cases, the City occupies more space than is necessary to perform business functions. In others, not enough space is available to provide for City employee and customer service needs adequately.

### HOW THE STANDARDS ARE APPLIED



- The recommended space standards should be sized according to the type of use.
- If applied universally to space needs, savings may be achieved from spending on a reduced footprint in both initial capital costs and year-over-year operating expenses as well as making sure adequate space is allocated to support City employees and serve constituents.
- CBRE recommends that the new standards be applied to all new construction, major space remodeling, and department relocations across the portfolio.

See Appendix 4 for a sample Space Allocation Worksheet to facilitate this process

## 2. Implement Technology Platforms to Improve Property Management Performance

CBRE's experience with public sector clients indicates that property portfolios are most effectively managed when there is one overall source of information that tracks spending, capital costs, staffing and space allocations. One single data repository allows data to be readily available when needed by various user groups. We recommend that the City adopt one such platform to improve its ability to oversee and administer its assets. Industry standard software can streamline and provide analytics related to things such as lease administration, work orders, and preventative maintenance.

### BENEFIT

- An integrated technology platform will leverage and improve the skills and efficiency of all real estate staff.
- An information technology (IT) platform can reduce cost and errors while enhancing decision making and extending staff capabilities.
- Creation of tracking metrics will allow for portfolio benchmarking and performance.

### ACTION STEPS

- Evaluate IT resources currently in use and identify specific areas in which the City could benefit from industry standard technology.
- Centralize real estate information function provide password approved access to agencies/departments.

## 3. Utilize the 10-year Facility Condition Assessment (FCA) Data to Implement Long-Term Capital Expense Planning

Facility Condition Assessments (FCA) are a best practice approach to identify the overall condition of building assets on a regular basis. The FCA process helps to identify deferred maintenance needs and creates the baseline by which future expenditures can be forecast. Additional detail on this process and our findings can be found in the FCA Summary and Prioritization section of this strategic plan.

### BENEFIT

- Long-term capital planning will help REAM and City Council to better align funding with facilities repair and improvement requirements.
- Proactively addressing capital requirements will reduce reactive repairs and maintenance needs and costs.

### ACTION STEPS

- Develop a preventive maintenance plan, budget, and schedule for all facilities using the data from recently completed FCAs in Appendix 2 of this Strategic Plan.
- Identify budget priorities over the next ten years to determine the timing and magnitude of required capital expenses.



# **LEASE POLICY**

## LEASE POLICY

### NOMINAL LEASES

The City of Mobile often leases property on a nominal basis to private and not-for-profit entities that contribute to the City's overall civic engagement mission. The City of Mobile currently does not have policy or guidelines governing the leasing of City-owned property under this arrangement, and many transactions are currently structured and entered on an informal basis. While there may be instances in which it is in fact in the City's best interest to lease land to non-profit or other organizations on a nominal basis, we recommend defining criteria and policy around the process to ensure consistency, transparency, and fairness to all participants.

Key policy-related factors the City must consider regarding nominal leases are:

- The municipal purpose: will the lessee provide a service that the City desires?
- Economic development: will the proposed use create jobs, temporary and/or permanent and recurring tax revenue?
- Transparency: have all interested parties been given the same opportunity to express interest in and bid on the property?

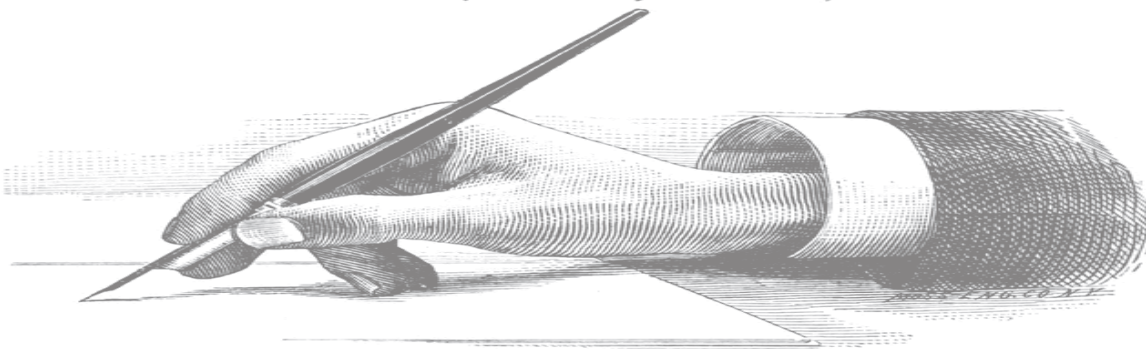
### OTHER LEASES

CBRE recommends that the City adopt a policy which requires private leases must be bid if they a) generate income or revenue for a private user or b) will limit or preempt use by the public. The following section provides guidance regarding policies, standards, and criteria for evaluating, approving or denying requests to use City-owned property.

Applications to lease City of Mobile property and decisions to approve or reject such applications could be based on some or all the following criteria:

1. Public Interest Evaluation. The decision to authorize the use of City-owned property requires a determination that such use is in the City's interest. The public interest determination requires an evaluation of the probable impacts of the proposed activity. All direct and indirect impacts related to the proposed activity as well as the cumulative effects of those impacts shall be taken into consideration. Relevant factors to be considered include:
  - Conservation
  - General environmental and natural resource concerns
  - Property values
  - Community and cultural values
  - Fish and wildlife considerations
  - Flood hazards
  - Floodplain values
  - Land use
  - Recreation
  - Aesthetics
  - Economics
  - Public health and safety
  - Relative extent of the public need for the proposed use or activity
  - Reasonable alternative locations and methods to accomplish the objective of the proposed use or activity
  - Potential detrimental effects on the public uses to which the area is otherwise suited
2. General Policies.
  - a. Property may be leased or subleased, managed by use agreement, encumbered by easements or licenses, disposed of to either the public or private sector, or may be retained and managed by REAM.
  - b. All property shall be administered, managed, or disposed of in a manner that will provide the greatest benefit to the general public.
  - c. Any use of the property must comply with any specific statutory mandates that may exist or other legal restrictions governing the property.

- d. Any approval granted for any activity on the property shall contain such terms, conditions, and restrictions as deemed necessary to provide for responsible management that will protect and enhance property.
  - e. City Council will not grant any form of authorization for a period greater than is necessary to provide for reasonable use of the land for the existing or planned life cycle or improvement of the property.
  - f. Any authorization to use property shall be subject to cancellation if the applicant converts the facility to a use that was not authorized or if the property ceases to be used for the purpose that was approved. In addition, City Council may require removal of the structure (if constructed) and restoration of the parcel to its natural state.
  - g. No activity may commence on any property until the City executes the authorizing document.
  - h. All activities on property shall implement applicable best management practices that have been selected, developed, or approved by the Department of Real Estate and/or City Council.
  - i. Equitable compensation or in-kind services to the City shall be required when the use of Property will generate income or revenue for a private user, including Not for Profit entities, or if said use will limit or preempt use by the general public. REAM shall authorize leases such uses based on a competitive bidding process rather than negotiation unless otherwise approved by the City Council; or, if it is determined by REAM to be in the public interest pursuant to the results of an evaluation of the impacts, both direct and indirect, which may occur as a result of the proposed use. The applicant shall pay all costs of legal advertisement, title work, taxes or assessments for any activity requiring such items.
  - j. Appraisal services shall be obtained by the Department using a certified appraiser and the appraisal fee paid by the applicant.
  - k. Single use properties may be managed for compatible secondary uses if those uses do not interfere with or detract from the designated primary purpose.
  - l. There is no present or future public purpose for retaining the property and the parcel contains no fragile environmental, historical, archaeological or recreational resources that would require protection.
  - m. All authorizations must contain a provision allowing for access for inspection by City staff.
3. Lessees and sub-lessees shall be responsible for acquiring all permits and paying all ad valorem taxes (if a taxable entity), drainage, special assessments or other taxes.
  4. Lessees and sub-lessees shall be required to provide level two environmental reports and information regarding uses of land which may involve hazardous or toxic waste.
  5. Lessees and sub-lessees shall be responsible for preparing either a management plan or an operational report outlining proposed use and property modifications (if any). No alteration of the leased premises shall occur unless such activity has been authorized via an approved management or operational plan.
  6. Lessees and sub-lessees shall provide an annual statement of gross income generated, net income and expenses.
  7. Property and improvements are leased "as is" without warranties or representations.
  8. Road right-of-way reservations are reserved by City Council.
  9. Lessee shall accept all liability associated with the proposed use.
  10. The lessee will not cause or allow damage to the leased premises or remove soil, sod, muck, or other materials from the leased premise.
  11. Subleases shall be in compliance with the lease and management plan or operational report for the master lease. The lessee will not cause or allow damage to the leased premises or remove soil, sod, muck, or other materials from the leased premises.





# **ASSET INVENTORY**



Upon preliminary review of the inventory, we have made several recommendations regarding potential dispositions, in a later section of this Strategic Plan. We strongly encourage the City to undertake a similar review and consider additional candidates for disposition.

## LAND

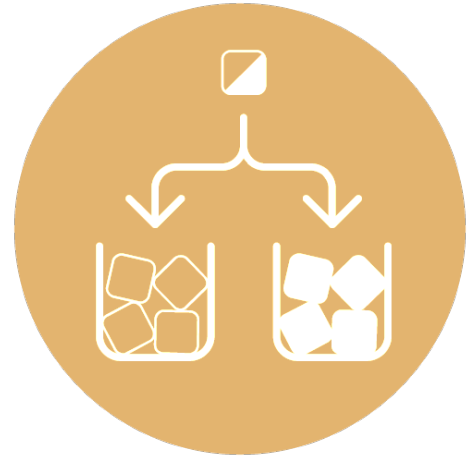
Number of Parcels Identified: 1,163  
 Number of Parcels in the GIS: 1,135  
 Number of Parcels not in the GIS: 28  
 Land Area: 4,491 acres

## BUILDINGS

Number of Buildings (from GIS): 374

## LAND PARCEL

Use Category	Number of Parcels	Acres
Commercial	72	837
Industrial	17	163
Recreational	16	417
Residential	21	11
Vacant Land	1,037	3,062
<b>Total</b>	<b>1,163</b>	<b>4,491</b>





# **SPACE UTILIZATION & STANDARDS**



## SPACE UTILIZATION & STANDARDS

### DRIVING SAVINGS THROUGH A REDUCTION IN THE PORTFOLIO'S SQUARE FOOTAGE

The City has acquired significant real estate holdings over an extended period of time. As administrations change and programs evolve, some City occupied properties are not used as efficiently as modern space standards would support.

### RIGHTSIZING THE PORTFOLIO THROUGH SPACE STANDARDS IMPLEMENTATION

Currently, there are no uniform space standards for office use that is routinely applied throughout the portfolio. By employing space standards, the City can determine where it occupies more space than is necessary or in some cases not enough space to adequately perform business functions.

### OFFICE PLANNING AND LAYOUT

#### **Right-size administrative offices and support space to accommodate new ways of working, interconnected communications devices and enhanced concepts in collaboration**

- Identify and re-stack properties to new standards and begin the back-fill process as obsolete buildings are sold and leases expire
- Set an overall target density of 210 square feet/person (includes circulation, common spaces, etc.) Note that trends in space occupancy are trending downward and a 210 square foot target could be further reduced to 150 – 180 square feet/person on average depending on the culture of the organization, percentage of offices versus workstations, and proportion of field staff versus standard office workers.

- » Timing: Long-term – Due to annual capital constraints and variable lease rollover termination dates, this will require implementation over the long term.
- » Cost: High – Major capital requirements for build-out, move costs and project execution may be offset by lower operating costs due to relocation into smaller footprints, as well as, the receipt of proceeds from direct property sales.

<b>Executive-Level Office 180 SF</b>
<b>For senior executive and ceremonial positions</b>
<b>Space accommodates:</b>
<ul style="list-style-type: none"> <li>• Work area for computer and reference materials</li> <li>• Storage for files and personal items</li> <li>• Meeting space for 4 – 5 people</li> </ul>

<b>Standard Office 120 SF</b>
<b>For staff who spend 50% or more of their time counseling others</b>
<b>Space accommodates:</b>
<ul style="list-style-type: none"> <li>• Work area for computer and reference materials</li> <li>• Storage for files and personal items</li> <li>• Meeting space for 2 – 3 people</li> </ul>

<b>Standard Workstation 48 SF</b>
<b>For field staff mostly out of the office; service counter and call center staff</b>
<b>Space accommodates:</b>
<ul style="list-style-type: none"> <li>• Work area for computer and reference materials</li> <li>• Limited storage for files and personal items</li> </ul>

<b>Small Workstation 25 SF</b>
<b>For most professional and administrative staff</b>
<b>Space accommodates:</b>
<ul style="list-style-type: none"> <li>• Work area for computer and reference materials</li> <li>• Storage for files and personal items</li> <li>• Space for one-on-one collaboration</li> </ul>

#### **Adopt recommended space standards and secure authority to implement & enforce standards**

- Revise standards to the following sizes (actual work area does not include circulation and common areas)
  - Executive-Level Office: 180 SF
  - Standard Office: 120 SF
  - Standard Workstation: 48 SF
  - Small Workstation: 25 SF
- » Timing: Short-term – New standards should be adopted immediately so that any new spaces reflect resized offices and workstations.
- » Cost: Low.

**Assign offices to staff based on need rather than job title standards**

- Revise personnel standards for space allocation to achieve a target reduction of 15 - 20% for general office space
  - » Timing: Long-term – Due to annual capital and lease rollover constraints, this is a long-term opportunity
  - » Cost: High – Major capital requirements for build-out, moves and project execution will be offset in part by lower operating and capital costs due to the smaller footprint, as well as the receipt of proceeds from direct property sales.

**Target Rentable SF Per Person by Office Type**

The below graphic demonstrates illustrative space standards that are achievable in modern office contexts, and shows the percentages of different types of work areas that make up the whole. We note that rentable square footage numbers are trending on the lower side in the private sector, but that some government clients have been moving slower to embrace more aggressive standards.

Field Staff Space	General Office	Office-Intensive
Small Workstations: 65 – 75%	Small Workstations: 10 – 15%	Small Workstations: 20 – 35%
Standard Workstations: 5 – 10%	Standard Workstations: 60 – 70%	Standard Workstations: 15 – 20%
Offices: 15 – 20%	Offices: 15 – 20%	Offices: 30 – 50%
<b>Target RSF: 170 – 210</b>	<b>Target RSF: 190 – 230</b>	<b>Target RSF: 210 – 250</b>



# **FCA SUMMARY & PRIORITIZATION**

## FCA SUMMARY AND PRIORITIZATION

CBRE’s Assessment Consulting Services team was engaged to conduct 126 site visits resulting in 124 Facility Condition Assessments (FCAs) totaling 204 structures and 2,381,892 square feet throughout the City of Mobile. The purpose of this exercise was to render an opinion of the subject properties general physical condition and to form both the general opinions of the physical condition and the Short-Term Costs to remedy the physical deficiencies.

In addition to the 126 site visits conducted by CBRE, the team also relied on 18 facility reports from a previous consultant, provided to CBRE by the City of Mobile, and existing data from the City itself. In determining the overall portfolio data below, CBRE relied on 124 FCAs from CBRE and 18 reports from a previous consultant, for a total of 142 reports covering 2,445,417 square feet gross.

This element of our work had the following objectives:

- Reduce, but not eliminate, the uncertainty regarding the potential for component or systems failure and to reduce the potential that such component or system may not be initially observed.
- Determine the general condition of the facilities and provide the data in a concise format, allowing quick determination of the current replacement value and condition of the facilities.
- Establish a Facilities Condition Index (FCI) for the buildings.
- Assist the City in meeting the goals through implementation of a timely maintenance program.
- Review FCI ratings with a view to disposing of or rehabilitating “poor” or “critical” ranked facilities to lower operating costs and potentially eliminating unnecessary capital costs.
- Develop an effective maintenance strategy that at a minimum should cover the three main areas of maintenance planning:
  - Predictive Maintenance
  - Preventative Maintenance
  - Corrective Maintenance

### DEFINITIONS & ACRONYMS

**Deferred Maintenance (DM)** is all major renewal/ replacement tasks not performed on a regular schedule. DM includes the total dollar amount of existing repairs and replacements, identified by a comprehensive facilities audit of buildings, grounds, fixed equipment, and infrastructure.

**Present Replacement Value (PRV)** is the cost in current year dollars to design and construct a national facility to replace the existing one in the same location. PRV is the estimated cost of constructing a new facility containing an equal amount of space that is designed and equipped for the same use as the original building, meets the current commonly accepted standards of construction, and also complies with environmental and regulatory requirements.

### **Facility Condition Index (FCI) (Asset Prioritization)**

An FCI is a key performance indicator that is used to objectively quantify and evaluate the current condition (i.e., physical health) of a facility and to make benchmark comparisons on the relative condition of that one facility against a portfolio of facilities. The method for measuring the relative condition of a single facility or group of facilities is useful in setting annual funding targets and the duration of deferred maintenance reduction. FCI is the ratio of the deferred maintenance (cost of remedying equipment or facilities deficiencies) to the current replacement value.

### **Facility Condition Assessment (FCA)**

An assessment of a facility’s conditions.

### **Americans With Disabilities Act (ADA)**

### **Short-Term Deferred Maintenance (STDM)**

Near-term facilities maintenance.

### **Square Foot Gross – (SFG)**

## FCI FORMULA

$$\text{Facilities Condition Index (FCI)} = \frac{[\text{Deferred Maintenance (\$)} \times 100]}{\text{Present (or Plant) Replacement Value (\$)}}$$

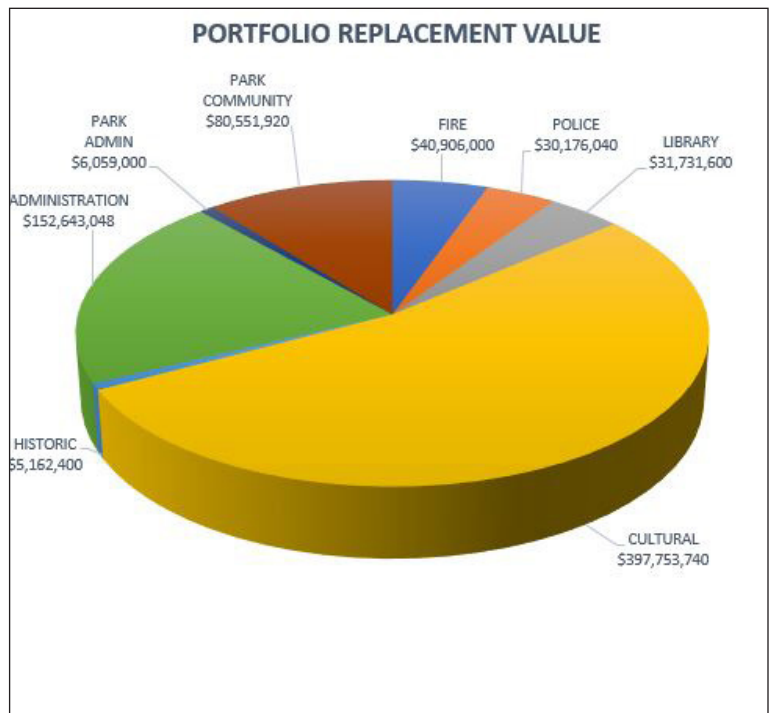
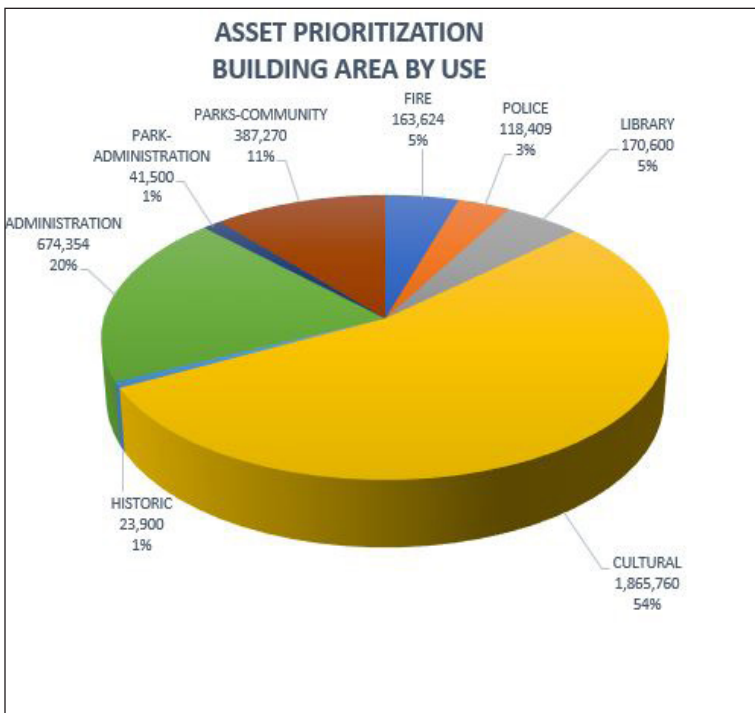
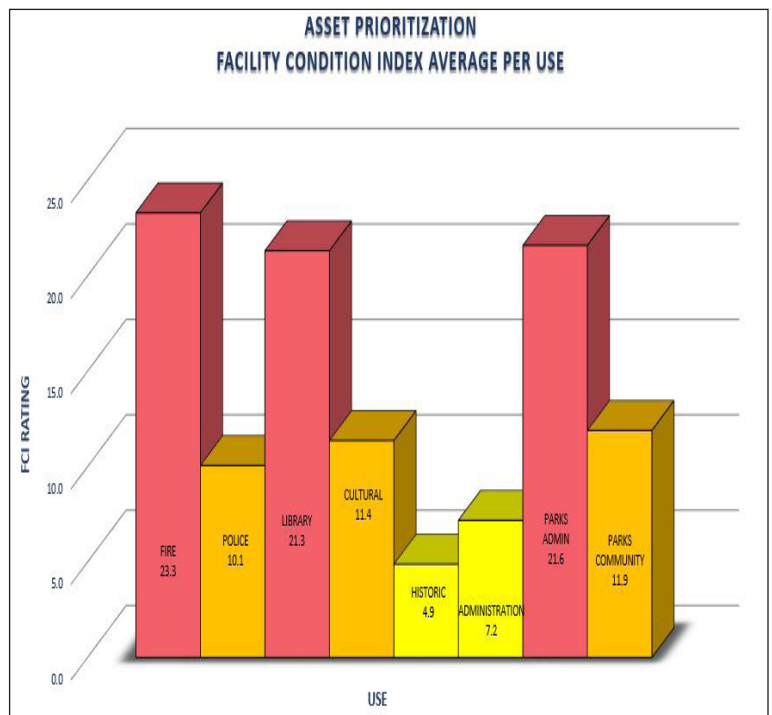
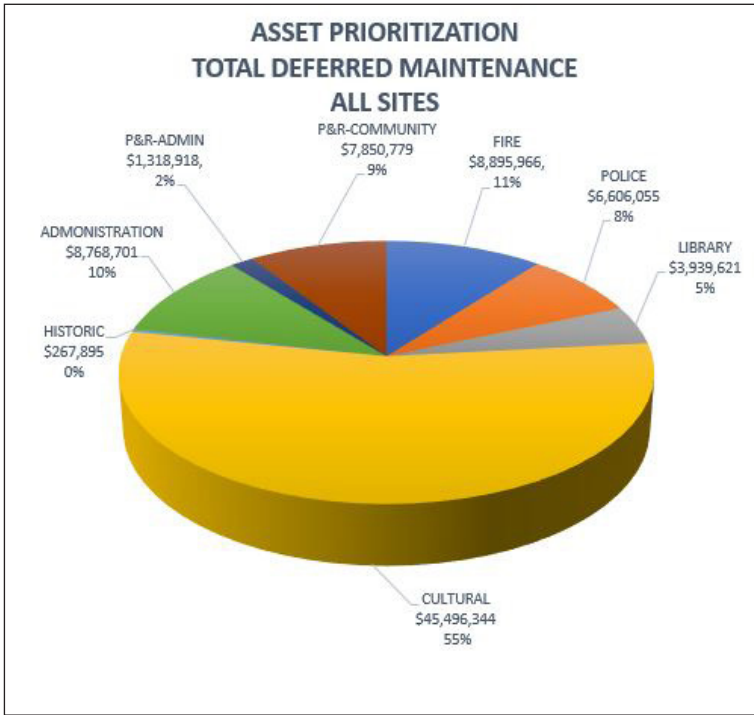
### FACILITY CONDITION INDEX RATING DESCRIPTIONS

FCI > 15%	<b>Extensive Backlog</b> - The rating of "EB" indicates that the building's deferred maintenance far outweighs the cost for replacement.
FCI >= 10% FCI <= 15%	<b>Poor:</b> The rating of "Poor" indicates that the building needs urgent attention to prevent the existing problems from affecting other building systems and compounding future repair costs.
FCI >= 5% FCI <= 10%	<b>Fair:</b> The rating of "Fair" indicates that the building systems are performing as intended. Most of the maintenance is proactive, but elevated deferred maintenance of the major systems is possible.
FCI < 5%	<b>Good:</b> Building systems are operating and are proactively being maintained.

## PORTFOLIO SUMMARY

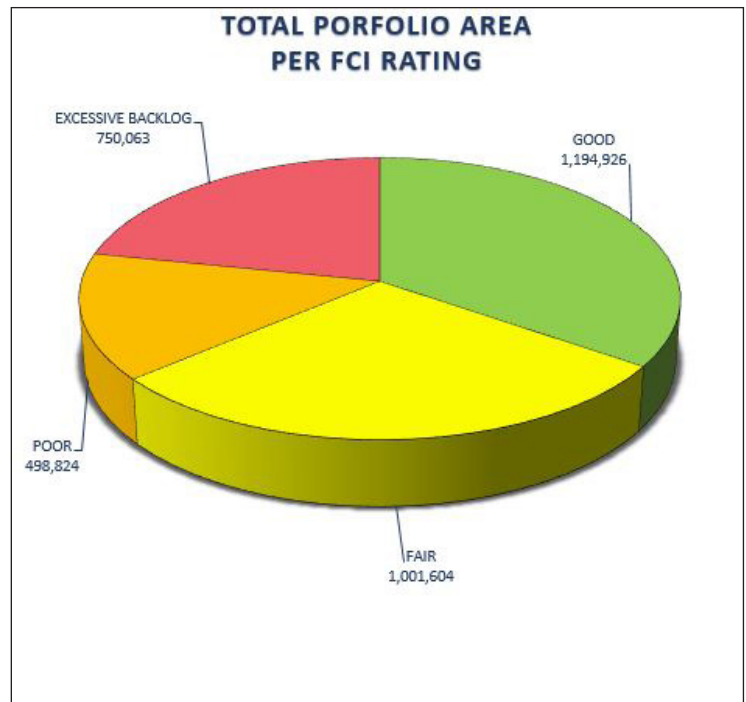
The table summarizes the attributes of the portfolio. The following observations and recommendations are based on information provided by the City of Mobile, observations during our field visits, and tabulations of the information within the FCI Table.

Portfolio Description	Quantity
Reports:	142
Area – Gross Square Footage	3,445,417
Replacement Value	\$744,983,748
Short Term Deferred Maintenance (STDM)	\$60,953,550
Portfolio Americans with Disabilities Act Deferred Maintenance (ADA DM)	\$4,206,543
Portfolio Short Term Deferred Maintenance (STDM) + Americans with Disabilities Act Deferred Maintenance (ADA DM) – SUBTOTAL	\$65,160,093
Total Portfolio – Design/Program Mgmt. Fees (15%)	\$9,774,014
Total Portfolio – Misc. Project/Bid Fees (1%)	\$651,601
Total – Contingency (10%)	\$7,558,571
Portfolio Deferred Maintenance – TOTAL	\$83,144,279
Portfolio Facility Condition Index – FAIR	8.7%
Portfolio Capital Reserve – 10 Years	\$142,533,122



## BY FCI ASSET PRIORITIZATION RATING

FCI	Sites	Area – SF	Deferred Maintenance	Capital Reserve	Replacement Cost
Good FCI < 5%	61	1,194,926	\$6,135,189	\$50,616,636	\$295,927,996
Fair FCI > 5% FCI < 10%	26	1,000,604	\$13,121,243	\$31,201,325	\$183,722,408
Poor FCI > 10% FCI < 15%	15	498,824	\$11,392,087	\$18,663,753	\$102,050,600
Extensive Backlog FCI > 15%	40	750,063	\$52,495,759	\$42,051,406	\$163,282,744



## RECOMMENDATIONS

Findings across the entire portfolio suggest the Deferred Maintenance + 10 Year Capital Reserve is over 30% of the Total Replacement Cost. This rating is considered to represent an extensive backlog, and a continued lack of deferred maintenance will increase the replacement costs substantially if not rectified.

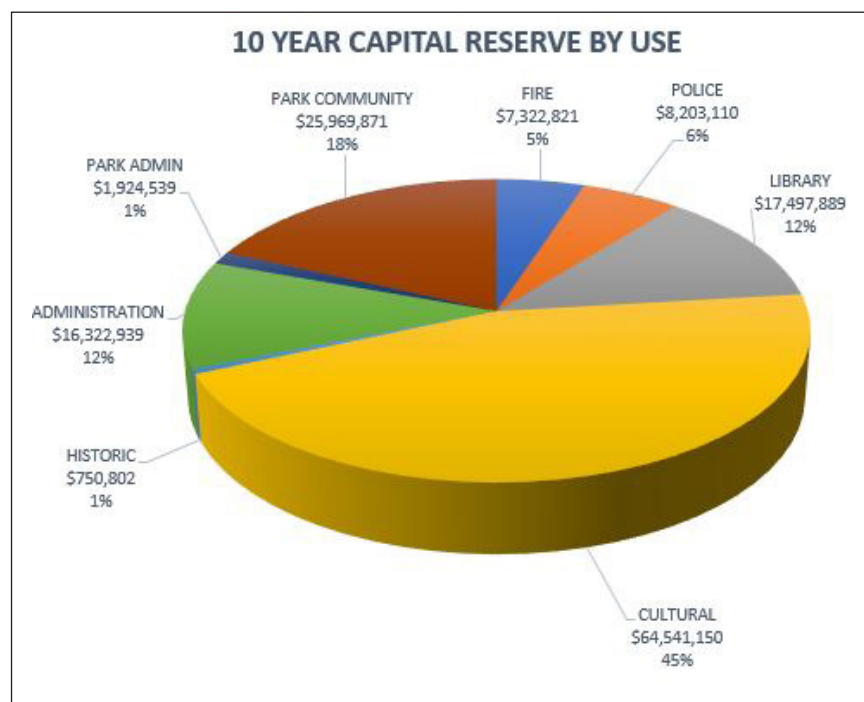
CBRE recommends, at a minimum, investing the Short-Term DM and ADA DM costs affecting life/safety issues, ADA issues, those having the greatest potential for future damage to other building components, code compliance issues, and critical mechanical and electrical issues.

Distribution of future Deferred Maintenance costs could include:

- Continued maintenance of the **good** structures is recommended. It is in the best interest of the City to make sure the sites with FCIs close to a 5% rating be maintained to ensure they do not fall to a lesser rating.
- Continued Maintenance of the **fair** structures is recommended. It is in the best interest of the City to make sure the sites with FCIs close to a 10% rating be maintained to ensure they do not reduce to a lesser rating.
- Maintenance for the remaining FCI structures which were classified as **poor** or **excessive backlog** (roughly one-third of the structures) will require further assessment to determine if the facility is Mission Critical, in a highly desirable location for the delivery of specific services, can be improved to maintain services or has historical significance that warrants preservation. If it is determined that the structure should be maintained, maintenance scheduling and project need to be developed to bring facilities up to a fair to good condition.

## LONG-TERM RECOMMENDATION

If no further deferred maintenance repair is completed, the FCI will likely increase substantially over the next 5 to 10 years. The City should consider how to best address the cumulative \$83,144,279 in issues through a combination of repairs, replacement, strategic renovation of select buildings and possible disposition of select assets to address program change and facility condition simultaneously.







# **CONSOLIDATION OPPORTUNITIES**

## CONSOLIDATION OPPORTUNITIES

### CONSOLIDATION AND COLLOCATION STRATEGIES

Consolidation and collocation strategies are a primary tool that can be used to reduce the overall cost of occupancy in a real estate portfolio. Occupied space over long periods of time tends to experience changes in headcount, utilization and functional utility. Headcounts change as funding fluctuates and programs begin and end. The utilization or use of space often changes with the impact of new technologies that leverage up staff output and requires fewer people for ongoing operations. Finally, the functional utility of space has changed, as the way we work has evolved. For example, mobile devices have enabled many people to work from remote locations and subsequently require little or no desk space in a traditional office.

### OPPORTUNITIES FOR SAVINGS FROM CONSOLIDATION AND COLLOCATION

1. Improve occupied space in mission-critical assets to accommodate consolidation and collocation, improve portfolio utilization and reduce real estate spending.
2. Sell underutilized and obsolete assets to shrink the City's real estate footprint and to redeploy funds to make the real estate portfolio more efficient and reduce future operating costs.
3. Another method of measuring potential savings is to calculate the cost of capital (primarily deferred maintenance) that does not need to be spent on properties that are sold.
4. Savings also accrue from a reduction in operating expenses as the portfolio footprint is decreased and the staff is relocated to more efficiently utilized buildings.

### CONSOLIDATION AND COLLOCATION OPPORTUNITIES IDENTIFIED

1. Consolidate Police Administration Headquarters.
2. Consolidate City Administrative Operations.
3. Consolidate Public Works Facilities.

These opportunities are described in more detail in Prioritized Recommendations 1-3 and 9.



# **DISPOSITION OF SURPLUS PROPERTY**

## DISPOSITION OF SURPLUS PROPERTY

### REDUCING THE PORTFOLIO'S SQUARE FOOTAGE AND OVERALL LAND HOLDINGS

Like many public institutions, the City of Mobile has acquired real estate over a long period of time. As administrations, programs and funding have changed, a year-over-year assessment of real estate by the department has been focused more on immediate needs without the benefit of a long-term portfolio-wide strategy.

A key recommendation for cost avoidance and revenue generation is to dispose of surplus buildings and land and exit unneeded leased space. This practice has a number of benefits including:

- Returning the property to the tax rolls.
- Reducing liability associated with ownership (e.g. trip and falls).
- Reducing operating expenses associated with maintaining the property.
- Avoiding long-term capital expenditures.

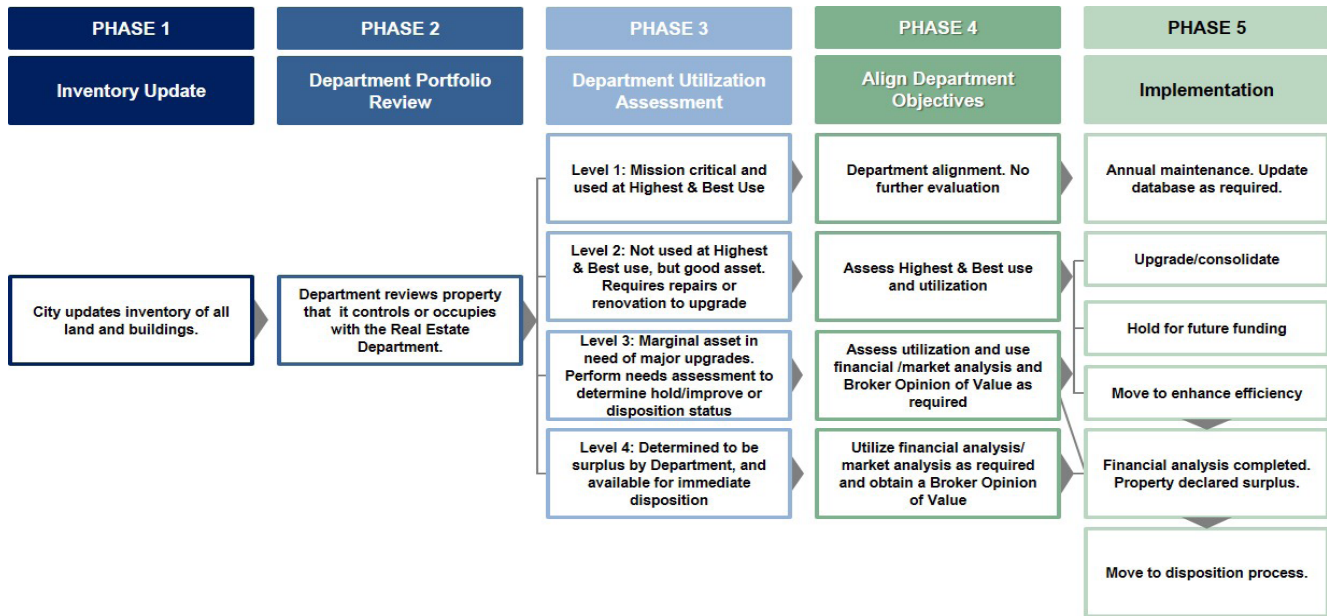
Identifying property that is surplus and executing a disposition plan has a number of elements:

- Planning
  - » Develop an inventory of City-owned property. This element is now complete and included as Appendix 1 to this report.
  - » Develop criteria to identify underperforming or surplus assets (e.g. cost of capital requirements, maintenance costs, vacant land that is not being used). This is described in more detail in the below chart.
  - » Identify "Mission Critical" or "Legacy" leased and owned locations (e.g. fire stations, City Hall, main library, etc.) that should be retained.
  - » Evaluate all third-party leased locations for opportunities to downsize or exit.
- Execution
  - » Market and sell underutilized properties.
  - » When positioning the property for disposition, evaluate zoning to determine if current zoning will achieve the highest sale price. In some cases, rezoning may achieve a higher sale price and the highest and best use.
  - » Identify vacant space through regular facility inspections.
  - » Recapture underutilized space for use by others.
  - » Renegotiate terms of leased locations to downsize based on new space standards and downsize as appropriate.
  - » Eliminate leased locations when owned space is made available.



## SAMPLE DISPOSITION EVALUATION MODEL

The following model can be used to establish whether a property is a disposition candidate. Through a diagnostic process, the City can determine if a property is used to its highest and best use and, if not, whether additional capital should be deployed to improve the asset or whether the asset should be re-zoned, disposed of by lease, sale or other means. Deploying a disposition analysis framework requires training to help departments understand how to identify surplus opportunities and to engage in discussions concerning next steps.



## SAMPLE DISPOSITION EVALUATION MODEL DETAILS

- Phase 1/Inventory Update** –A strategic review should start with making sure the asset inventory database is routinely updated.
  - Once developed through a comprehensive database review, maintaining the database should be an ongoing function that occurs when the status of any owned or leased space changes.
  - The City should develop access and reporting protocols for updates and review of property data so that the integrity is maintained.
- Phase 2/Portfolio Review** – Periodic discussions with departments are required to identify changes in space needs, both expanding and contracting. Most often, department personnel have expertise in departmental functions and should be focused on their mission-critical services, not real estate.
  - Working with City real estate staff, department managers can be trained to think about reducing overall real estate costs through an assessment of utilization and need.
  - This is a high-level review that will determine if a deeper dive is required in Phase 3 below.
- Phase 3/Department Utilization** – An assessment of how each property is used is critical to implementing a successful real estate strategy.
- This Phase identifies four levels of property utilization:
  - Level 1 - The property is considered to be critical to the department’s operations, is being used at its highest and best use and cannot be replaced without major expense, destruction of a historical asset, etc.
  - If the property is determined to be a Level One property, the property moves to Phase 5 – Implementation of annual maintenance.
  - Level 2 – The property is not being used for its highest and best use, but could become a core asset if upgraded and repaired.

- » Level 3 – Properties that need major repairs and are secondary to the core mission, should be assessed to determine if it should be held for future improvement or sold.
- » Level 4 – Properties may require expensive repairs that will still not adequately support the department’s operations. Alternatively, the asset may offer the City an opportunity to monetize an underperforming property with good market value and funding can be used for mission-critical assets.
- If the high-level portfolio review in Phase 2 indicates no substantial change in utilization, the Phase 3 activities described above may not be required.
- **Phase 4/Objectives Alignment** – The purpose of real estate is to support the department’s mission and citizen service. Department alignment is required to confirm a strategy for Level 2, 3 and 4 properties.
  - » Aligning a department’s needs with the real estate strategy for the properties it occupies, will ensure that the utilization of the asset is maximized while the needs of the department are met.
  - » Understanding the department’s mission will allow for provision of specialized space (e.g., data centers, labs, waiting rooms, interview rooms).
- **Phase 5/Implementation** – Implementing the strategy is key to realizing the desired outcome of right-sizing the City’s real estate portfolio.
  - » Phase 5 requires a centralized real estate organization for decision making and accountability.
  - » It requires educating Departments on what the real estate strategy is and how to identify space needs.
  - » Phase 5 then requires marketing and selling surplus properties and downsizing or eliminating leased locations.

CBRE has identified the following properties for disposition, identified in more detail in the Prioritized Recommendations. Many of these properties are identified due to their inability to meet mission-critical services, capital requirements, and/or locational challenges:

- 2460 Government Boulevard [Police Headquarters functions]
- 850 St. Anthony Street [Police Headquarters functions]
- 200 Government Street [office building adjacent to Government Plaza]
- 777 Gayle Street [Public Works Department]
- 701 St Francis Street [Central Fire Station]
- 2407 Old Shell Road [Ashland Fire Station]
- 6 Water Street [Parking Garage]
- 700 Government Street [Library Administration building]

In addition to the above properties which were largely identified for operational reasons and following the property inventory conducted under this assignment, CBRE has identified several additional candidates for disposition, described below. In addition to these properties, we strongly encourage the City to review the inventory database and evaluate its holdings based on the previously outlined evaluation model. City staff will have a good understanding of which properties are currently being used and whether or not they may be required for an anticipated future use, or should be declared surplus and sold.

## ADDITIONAL DISPOSITION RECOMMENDATIONS

### AZALEA CITY GOLF COURSE



**Property Address:** 1000 Gaillard Dr, Mobile, AL

**Acreage:** ±156.66 acres

#### Property Characteristics:

- Municipal public golf course with 18 holes.
- Includes a driving range.

#### Marketability:

- Located in the Springhill submarket, the strongest residential submarket in the area.
- The residential market is lacking inventory in the \$400,000+ range.
- As additional companies relocate and establish headquarters in the Mobile area, housing inventory is a competitive advantage that can keep population within the City limits.
- Heron Lakes Country Club converted its golf course to public access in mid-September 2017, providing another public option for golf in Mobile.

#### Potential Future Uses:

- Could be sold to a residential developer, creating an inventory of homes in the \$400k + range.

## SPRINGHILL FIRE STATION



**Property Address:** 700 Museum Drive, Mobile, AL

**Acreage:** ±1.2 acres

### Property Characteristics:

- Currently active fire station on 1.2 acres in a residential area.
- Museum Drive is a two-lane road, which makes access to the station challenging for fire trucks to navigate when responding to calls.

### Marketability:

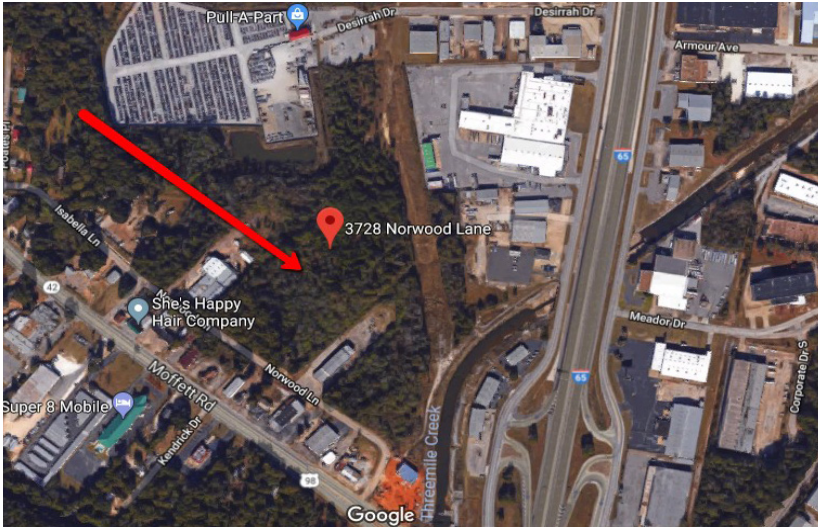
- Located in the Springhill submarket, the strongest residential market in the area.
- The site could be repurposed for residential use, while Fire Department could be relocated to existing City-owned property or site on Spring Hill Avenue with better ingress and egress for trucks.

### Potential Future Uses:

- Potentially residential use and relocate Fire Department to Spring Hill Avenue for better access.



VACANT LAND OFF MOFFETT ROAD



**Property Address:** 3278 Norwood Lane, Mobile, AL

**Acreage:** ±8.32 acres

**Property Characteristics:**

- Close Proximity to I-65.
- Surrounded by retail, office and some residential users.
- No current City use.

**Marketability:**

- Marketable size parcel with access from Moffett Road.

**Potential Future Uses:**

- Under-utilized land that could potentially be sold as industrial property.

## 809 GOVERNMENT STREET



**Property Address:** 809 Government Street, Mobile, AL

**Acreage:** ±8,363 SF building leased to BNI and a copy shop

### Property Characteristics:

- Well located in the heart of downtown on Government Street with parking in rear.
- Convenient to I-10.
- The City owns three lots behind 809 Government, creating an opportunity for redevelopment of a larger site with parking.

### Marketability:

- A marketable asset that could be expanded and redeveloped into a larger office asset with parking.

### Potential Future Uses:

- Office/Mixed Use.

**1350 MONTLIMAR DRIVE**



**Property Address:** 1350 Montlimar Drive, Mobile, AL 36608

**Acreage:** ±7 acres

**Property Characteristics:**

- Vacant lot with frontage on Montlimar Drive.
- Convenient to I-65.

**Marketability:**

- The property is bounded by property owned by an existing landowner. The 1350 Montlimar property would provide this owner with frontage along Montlimar which may be attractive.

**Potential Future Uses:**

- Possibly sold to the adjacent land owner.



# APPENDICIES