WSDOT Space Use Study

Report to the Legislature

September 2024

JLL

Prepared for:

State of Washington, Washington State Department of Transportation

Prepared by:

JLL Consulting
200 E Randolph St
Floor 43-48
Chicago, IL
60601

Table of Contents

Glossary

Amenity Areas – Portions of an office floor plan that provide additional services to employees, e.g. lunchrooms, break areas.

Cost Avoidance – Difference in the cost to occupy, operate, and maintain space under the current state from the cost to occupy, operate, and maintain space under the recommended action.

Cost to Implement – Capital costs and move associated with requirements for a consolidation, collocation or move.

Deferred Maintenance / Backlog – Cost of fundamental building system maintenance and capital repair costs that are backlogged or not addressed at the time of report.

Density – In relation to the number of people or desks per square foot with an office space.

FTE – Full-time equivalent for WSDOT facilities.

Headcount (HC) – Metric to denote the number of employees assigned to each building.

Headquarters – Refers to designated regional headquarters or the Olympia Transportation Office.

Mobility – Ability for employees to work flexibly and from multiple work environments; see also Work Styles.

Move Costs, Move Management – Assumed costs to move employee workspaces; physical move of equipment and belongings and cost to manage such a move (assuming third-party services).

Net Present Value – The result of discounting future capital and operating cash flows for a specified time period by the discount rate, representing a "current day" value.

Occupancy Cost – Total cost of occupancy for a building, inclusive of lease payments, operations, utilities, and maintenance expenses (as applicable).

Office – Office facilities include individual, multi-person, or workstation spaces specifically assigned to WSDOT employees.

Payback Period – Estimated Cost to Implement divided by projected annual Cost Avoidance for certain real estate actions; expressed in number of years.

Rentable Square Footage (RSF) – The total size of an office building, the sum of all its floors inclusive of all space types, usually the square footage included in lease or ownership documents and may be higher than the measured space.

Seat Count – Metric to denote the number of workspace seats available in each building for employee use.

Seat Demand – Calculated Seat Count based on Headcount, Mobility, Seat-Sharing and Buffer Space assumptions.

Seat/Desk-Sharing Ratio – Metric equal to seat count divided by headcount; example "2:1" denotes two employees sharing one workspace or seat.

Shared Support – Support areas in an office building include workrooms and copy areas.

Sites – A building or campus location within the WSDOT portfolio of buildings.

Space Guidelines – Policy, etiquette and procedures either documented or verbalized which inform employees how to use the physical workspace (office) either with rules or examples drawn from activities of job functions assigned to the space.

Space Utilization – Metric to denote space (square footage) per seat or workspace.

Work Points – A place within and office building either assigned or shared where an employee ordinarily works e.g. A desk, workstation, or private office.

Work Styles – Categories of workers and workspaces typically focused on Mobility and physical space and technology needs.

Workplace Strategy – Refers to the research, insights and options which make up the characteristics of how an organization enables its people to do their work, it can include details about the buildings, square footage of space, number of buildings, the policies which guide people about how to use owned or leased space and guidance about teleworking.

Figures

A - Executive Summary

Background

In the 2023-2025 transportation budget, the Washington State Legislature directed the Washington State Department of Transportation (WSDOT) to conduct a detailed space use study. This study builds upon the findings and recommendations of the "Telework Impact Study" completed in September 2022.

The current study focuses on 49 WSDOT buildings identified in the 2022 study and confirmed for this study. It aims to incorporate office space use reduction requirements as well as current and planned telework levels, with an emphasis on improving administrative office space efficiency.

Key objectives of the study as outlined in Engrossed Substitute House Bill (ESHB) 1125, Section 211 (2) (a) (i) include:

> *(1) The development of low, medium, and high scenarios based on reducing space use, with the high space reduction scenario being based on a minimum of a 30 percent reduction by 2030;*
>
> *(2) Detailed information on any increased capital and other implementation costs under each scenario;*
>
> *(3) Detailed information on reduced costs, such as leases, facility maintenance, and utilities, under each scenario;*
>
> *(4) An analysis of opportunities to collocate with other state, local, and other public agencies to reduce costs and improve cost efficiency while meeting utilization standards; and*
>
> *(5) An assessment of the commercial value and return to the state transportation funds associated with the sale of the property from consolidation and other space efficiency measures.*

This comprehensive analysis will help WSDOT optimize its space use, reduce costs, and align its facilities with evolving work patterns and organizational needs.

In August 2024, JLL was commissioned to conduct this study with a completion date of September 10, 2024. For this study, the team relied upon OFM's State Facility Space Use Guidelines updated December 2023 as a key point of data to inform their analysis and recommendations on optimization scenarios. Throughout the process, JLL held weekly consultations with key stakeholders from WSDOT to validate assumptions and review progress towards completion.

Given the accelerated nature of the study, it is recommended that WSDOT take the following near term next steps to continue to refine and advance these scenarios:

- Socialize scenarios and assumptions with DES and OFM.
- Receive approval for inflight actions from OFM.
- Refresh analysis with latest utilization data so that future optimization decisions are based on the most current information available.

Methodology

JLL took an integrated and programmatic approach to evaluating WSDOT's workplace and portfolio needs based on the data provided by WSDOT and our experience conducting similar studies. Specifically, JLL led WSDOT through a structured process of Discovery, Assessment and Option Development as illustrated below.

WSDOT Vision	A. Discovery	B. Assessments	C. Option Development
Objective	Baseline the current state of the workplace and portfolio against the future state vision using OFM State Facility Space Use Guidelines updated December 2023.	Determine low, medium, and high portfolio optimization scenarios based on an assessment of agency requirements.	Use the three optimization scenarios to achieve a 30% space reduction by 2030.

Figure 1 – JLL Integrated Approach

JLL reviewed OFM State Facility Space Use Guidelines updated December 2023 to guide baseline assumptions then considered inflight actions, building growth assumptions, and other key assumptions to further refine the scenario development.

The scope of this proviso focused on optimizing administrative office space and assumed specialty spaces (lab and workshop space) and core building components would remain status quo. Assumptions used to develop the baseline space requirement and portfolio optimization scenarios can be found in C-Workplace Strategy Demand and D-Portfolio Optimization of this report.

Noting the accelerated timeline, JLL utilized the following approach in the table below to arrive at the scenario recommendations for WSDOT.

Discovery		Current State Assessment	Real Estate Scenario Development		
Project Initiation & Alignment	Data Gathering	WSDOT Insights	Workplace Strategy	Scenario Development	Analysis and Refinement
• Mobilize internal team and prepare for Kick-off Meeting • Discuss approach, data access, and Project Charter • Develop Guiding Principles	• Portfolio data by Site • Financial data by building or lease • Property & Occupancy data • Summarize data gathered • Send out additional data requests and gather to summarize	• Assess portfolio data & review • Identify benchmarking metrics • Assess flexible workplace practices • Establish strategy and targets using OFM guidelines	• Define workplace framework • Review HR data • Define Progressive, Conservative, and Moderate hybrid work mobility assumptions	• Outline scenario parameters aligning to principles outlined in OFM guidelines • Determine Portfolio Optimization levers • Establish preliminary optimization strategies and conduct a cost benefit analysis	• Develop refined scenarios • Financial and scenario modeling • Create Strategy Implementation Roadmap • Recommendation and Implementation Workshop • Refine recommendations
Week 1	Week 1	Week 2-3	Week 3-4	Week 4	Week 5

Figure 2 - Timeline and Key Activities

Current State Assessment

Portfolio Analysis

JLL quantified square footage requirements using OFM guidelines to determine the necessary desk sharing ratio and dedicated square footage per workstation to develop a baseline scenario for the

portfolio.

In partnership with WSDOT, JLL analyzed the WSDOT portfolio to determine in-scope locations for the proviso study. JLL focused on the 49 buildings identified in the previous proviso. Given the time-sensitive nature of this project, JLL implemented a multi-faceted approach, operating several concurrent workstreams to ensure a comprehensive analysis within the required timeframe. To maintain alignment and refine the analysis, JLL conducted weekly collaborative sessions with WSDOT, which allowed for continuous improvement of the scenarios and overall assessment. Refer to Figure 6 - In-Scope Buildings for a complete list of in-scope facilities.

Workplace Strategy Demand

JLL developed a workplace strategy demand that support WSDOT's target of reducing the current square footage by 30%. The scenario accounts for an increase in density (more people for the same square footage) by following the OFM guidelines, providing 192 SF per seat needed, and resulting in a square footage reduction of 39% compared to the current area.

To arrive at low/medium/high scenarios JLL utilized OFM's definitions of "fully remote", "externally mobile", and "resident" users to inform an initial perspective on space needs. The below table outlines assumptions around each of these user personas based on an 8-hour day.

8 Hour Day	Fully Remote Users	Externally Mobile Users	Resident Users
Days in Office Every Two Weeks	0 Days	2-4 Days	6-10 Days
Percent Teleworking	100% Teleworking	60-80% Teleworking	0-40% Teleworking
Telework Percent of Head Count	54% of Total Head Count in Scope	20% of Total Head Count in Scope	26% of Total Head Count in Scope
Desk Sharing Ratio	0	3:1	1:1
RSF[1]/Seat	192 SF		

Figure 3 - Workplace Scenario Characteristics

Scenario Development

Portfolio Optimization

JLL analyzed WSDOT's in-scope portfolio for consolidation, collocation, and disposition opportunities. Across the 49 in-scope facilities, JLL's analysis indicated an opportunity for approximately 24% to 38% space savings. JLL developed three scenarios based on WSDOT's inflight actions (Scenario 1), WSDOT agency consolidations (Scenario 2), and additional agency collocations (Scenario 3).

[1] Rentable Square Footage (RSF) – The total size of an office building, the sum of all its floors inclusive of all space types, usually the square footage included in lease or ownership documents and may be higher than the measured space.

The analysis presents three scenarios:

- WSDOT optimizations that are planned or in process (inflight)
  (Scenario 1) - Results in 24% Reduction
  - Consolidating ELG Building and Aviation Office into the Transportation Building
  - Consolidating Lacey PE Office and Tumwater PE Office into the Olympic RHQ
  - Downsizing the WSF Administration Office lease
- Additional proposed optimization within the WSDOT agency using OFM guidelines
  (Scenario 2) – Results in additional 2% reduction
  - Downsizing the Bellingham Engineering Field Office lease
  - Recommendation to do further study on space needs and consolidate the Pasco Office and Conference Building and Richland PE Office into a new facility on the undeveloped Tri-Cities AHQ site
  - Recommendation to explore future consolidation opportunities of the Mottman Environmental Office into the Tumwater Materials Lab and downsizing of the Mottman campus
- Additional proposed external agency collocations using OFM guidelines
  (Scenario 3) – Results in further 12% reduction
  - Chehalis PE / Area Office & Conference Training Facility
  - Corson Ave RHQ
  - Dayton Ave NWR Headquarters Building
  - Kelso Engineering Field Office
  - Mullenix Maintenance / PE Office
  - Spokane RHQ
  - SWR HQ Admin_WSP HQ Admin Building
  - Union Gap RHQ

Key Findings:

- Full implementation of all scenarios could achieve a 38% total space reduction in the WSDOT in-scope portfolio, meeting the proviso request of at least 30% space reduction.
- This reduction equates to a 53% decrease in total office and allocated common space.
- Scenarios 2 and 3 can be pursued independently, allowing for a flexible "à la carte" approach.

Constraints

The WSDOT portfolio offers space-saving opportunities, yet several challenges, notably funding constraints, and operational costs, may hinder widespread adoption. Key scenarios, such as consolidating the ELG Building and potential collocation with other agencies, hinge on recommendations from OFM to secure funding from the State Legislature. This process requires inter-agency cooperation and independent financial support, especially for complex scenarios like collocation. Leveraging OFM's statewide insights could enhance decision-making efficiency. Initially, underutilized spaces are proposed for state collocation efforts before being offered to nonstate entities. While WSDOT is tasked with its maintenance and relocation costs, broader optimization initiatives demand legislative backing. Furthermore, upcoming energy management mandates for buildings over 20,000 square feet, effective July 2027, underscore the need for thoughtful planning to maintain compliance without increasing energy use.

Previous Proviso Recommendations and Actions

In the previous proviso, JLL's analysis of the 49 in-scope buildings (1 million square feet), revealed that 280,000 to 690,000 square feet (or 28% - 69% of the in-scope area) could be available for consolidation, disposition, or collocation with other state agencies. For this proviso, after a thorough review of the portfolio's opportunities, and considering the identified limiting factors, it was determined that the focus for optimization should be refined to center on the Olympic Region and the Transportation Building area.

Other key recommendations by region refined between the Phase 1 2022 report and this 2024 report are described in the table below.

Region	2022 Recommendation	2024 Recommendation
Central Puget Sound	• WSF Administration Office in process of downsizing • Other building opportunities to collocate	• WSF Administration lease reduction is funded and in process (Scenario 1) • Proposed collocation for Corson Ave and Dayton Ave (Scenario 3)
Eastern	• Spokane RHQ has opportunity to house additional headcount from WSDOT growth and/or collocation Capacity for 96-159 additional headcount if it were renovated to be more efficient	• Proposed additional consolidation of WSDOT-occupied space in Spokane RHQ consolidated WSDOT-occupied space for additional collocation (Scenario 3) • Demand analysis showed small opportunity for collocation at Wandermere.
Olympic	• Consolidate Tumwater PEO and Lacey PEO into Olympic RHQ • Consolidate and optimize Transportation Building for future opportunities	• The plan to consolidate the Tumwater PEO and Lacey PEO into Olympic RHQ is funded and in process. (Scenario 1) • The plan to consolidate the Aviation Office into the Transportation Building is funded and will be moving forward (Scenario 1). • Consolidating ELG into the Transportation Building has been included in WSDOT's 2025-31 Six-Year Plan; planned for funding submission in the 2027-2029 biennium (Scenario 1). • Potential consolidation opportunity for the Tumwater Materials Laboratory and Mottman campus (Scenario 2).

		• Demand analysis showed small opportunity for collocation at Central Park MF, with Port Angeles MF fully optimized and Tacoma PEO in process of moving to a new leased space.
North Central	• Potential opportunities to collocate	• Demand analysis showed small opportunity for collocation in Wenatchee.
Northwest	• Potential opportunities to collocate	• Proposed lease reduction for Bellingham (Scenario 2) • Demand analysis showed small opportunity for collocation in Eastmont and Mt Vernon, with Mt Baker fully optimized.
South Central	• Hyak dormitory site is not currently used as an office site and would require extensive renovation to convert to office space. • The Union Gap Regional Headquarters is inefficient in its layout with aging buildings, and it would not be a good receptor site. It may be a good candidate for a replacement building in the future.	• Consolidating the Pasco Office and Conference Building and Richland PE Office into a new facility on the undeveloped Tri-Cities AHQ site (Scenario 2). • Potential opportunity for collocation in Union Gap RHQ (Scenario 3).
Southwest	• Potential opportunities to collocate.	• SWR HQ has consolidated WSDOT space and is collocating with several other agencies. Proposed further consolidation for additional collocation. (Scenario 3). • Potential opportunities for collocation in Chehalis and Kelso (Scenario 3).

Figure 4 - 2022 Proviso Recommendations Compared to 2024 Proviso Recommendations

Requirements to Implement

The requirements to implement of WSDOT's space optimization initiative requires a comprehensive and strategic approach to transform the agency's workplace model and real estate portfolio. There are key gaps within the WSDOT model today that would prevent operationalizing the future state including (but not limited to):

1. WSDOT is not resourced appropriately to effectively serve as a large-scale landlord and therefore does not have the roles/skills/processes in place to move towards a landlord

model to support some of the recommendations on optimization in this report without changes to their staffing model.

2. WSDOT is constrained by legislative rulings (e.g. Amendment 18 of the Washington State Constitution) that would require policy change for them to be able to achieve the ideal future state.
3. WSDOT lacks dedicated personnel specifically assigned to implement the optimization plan. This staffing deficiency hinders the ability of the current WSDOT team to advance optimization efforts efficiently and effectively. To address this, WSDOT must either: a) Reprioritize current workloads and responsibilities, shifting focus toward optimization efforts, or b) Contract with or hire resources dedicated to this initiative. Without these changes, the team will struggle to allocate sufficient time and focus to effectively drive the necessary changes.
4. There are gaps in data to inform real time occupancy and utilization information for the buildings noted with the most opportunity. Accurate data is critical as a foundational element for informed decision-making and strategic planning. To address this, it is imperative to invest in occupancy tracking technologies for the highest-potential buildings, ensuring that limited funds are strategically allocated to maximize returns on key assets.

JLL has provided a representative approach below to how WSDOT and/or the State should consider a more holistic view to operationalizing these recommendations within this study in a programmatic way and with a lens towards this being a "journey." This is not an approach specific to WSDOT but one that could be tailored to WSDOT based on their specific needs and goals. It is important WSDOT considers resourcing to deliver on this longer-term plan either through hiring a team skilled in delivering on the above activities or partnering with a 3rd party to provide temporary resources that could help execute on the above with focus and attention over the long-term.

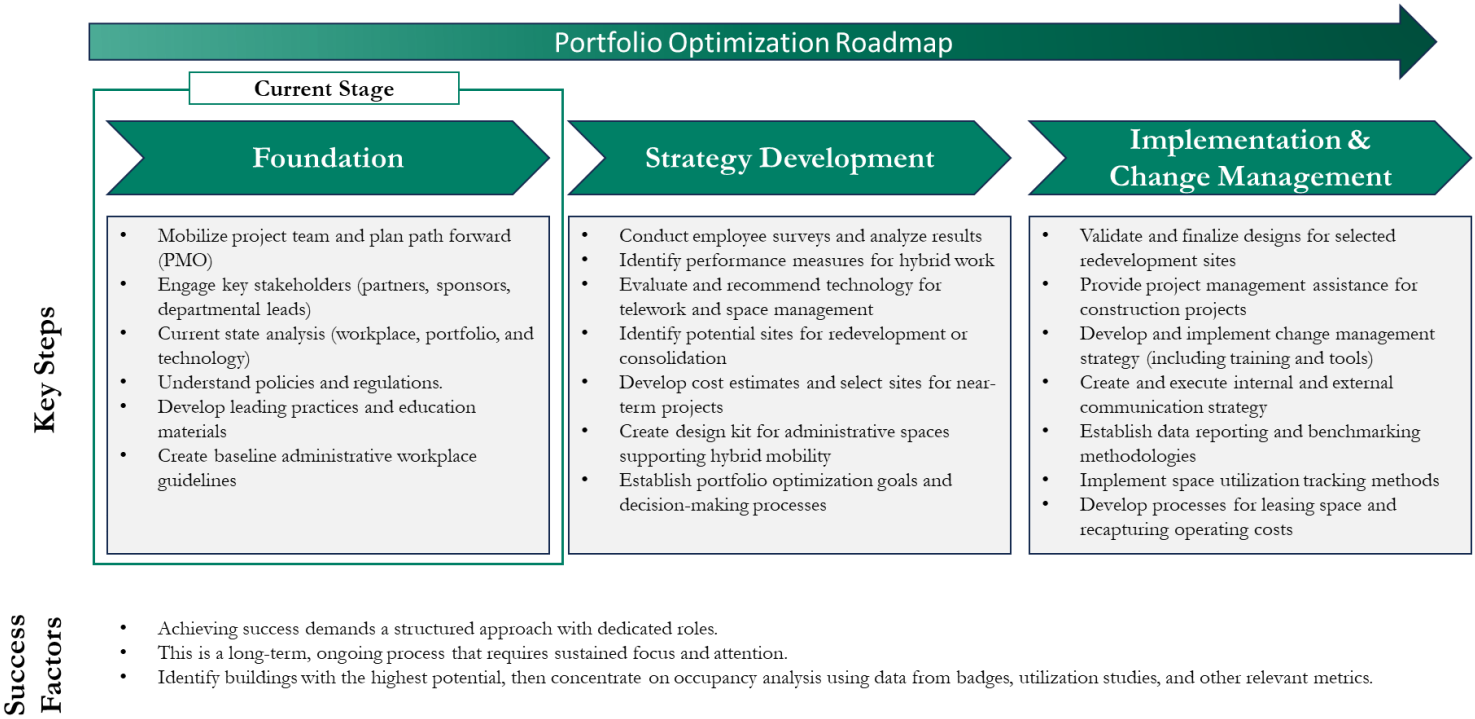


Figure 5 – Portfolio Optimization Roadmap

Foundation – Current State Analysis / Understanding of Need
Central to the implementation process is the establishment of a solid foundation based on thorough current state analysis. This involves developing a comprehensive understanding of WSDOT's space requirements, informed by workplace strategy, OFM guidelines, utilization data, and employee preferences. To drive this transformation, WSDOT must allocate dedicated resources and establish a focused team experienced in change and program management.

Strategy Development – Gap Analysis
The implementation of advanced space utilization tracking systems will be crucial for data-driven decision-making. This, coupled with stakeholder outreach and employee sentiment surveys, will provide the insights necessary to refine and tailor the optimization strategy. Furthermore, collaboration with state authorities such as OFM and DES will be essential in aligning WSDOT's specific needs with broader state objectives. This partnership approach will be particularly important in addressing the challenges associated with WSDOT's landlord role, potentially requiring policy changes and legislative action. Finally, understanding any gaps existing technology infrastructure will inform necessary investments to support a hybrid work environment effectively.

Implementation & Change Management
As the initiative progresses from planning to execution, a phased implementation approach will be crucial. This includes finalizing designs for selected redevelopment sites, providing targeted project management support, and developing comprehensive change management strategies. Clear communication plans, training programs, and data-driven progress tracking will be instrumental in ensuring a smooth transition.

While complex, this implementation process is designed to yield significant benefits in terms of cost savings, improved space utilization, and enhanced inter-agency collaboration. However, change is difficult, and this is a long-term, ongoing journey that necessitates continual focus and attention.

Additionally, information on recommendations to drive this change journey forward are included further along in this report in the Requirements to Implement and Recommendations for Change section.

B – Portfolio Assessment

In-Scope Locations

JLL leveraged existing state data to analyze WSDOT's in-scope locations for the proviso study. Using the locations from the first phase, JLL reviewed 49 buildings in 29 locations representing just over 1M GSF. This review encompassed facilities from various regions, including Central Puget Sound, Eastern, North Central, Northwest, Olympic, South Central, and Southwest Washington.

#	Region	Building	# of Buildings
1	Central Puget Sound	Corson Ave RHQ	4
2	Central Puget Sound	Dayton Ave NWR Headquarters Building	1
3	Central Puget Sound	Tacoma PEO Schubert Building	1
4	Central Puget Sound	WSF Administration Office	1
5	Eastern	Spokane RHQ	6
6	Eastern	Wandermere HQ/PE Office[2]	1
7	North Central	Wenatchee Administration and Engineering Bldg[3]	2
8	Northwest	Bellingham Engineering Field Office	1
9	Northwest	Eastmont Field Office	3
10	Northwest	Mt Baker Area Admin Office	1
11	Northwest	Mt Vernon PE Office/Lab (Foster) MF	1
12	Olympic	Aviation Office	1
13	Olympic	Central Park Maint/PE Office	1
14	Olympic	Edna Lucille Goodrich (ELG)	1
15	Olympic	Lacey P.E. Office	1
16	Olympic	Mottman HQ Environmental Office	1
17	Olympic	Mullenix Maint/PE Office	1
18	Olympic	Olympic RHQ Building	1
19	Olympic	Port Angeles Area Maint/PE Office	1
20	Olympic	Tumwater HQ Materials Lab Building	1
21	Olympic	Tumwater P.E. Office Building	1
22	Olympic (Olympia HQ)	Transportation Building	1
23	South Central	Hyak Dormitory Bldg	1
24	South Central	Pasco Office And Conference Building	1
25	South Central	Richland PE Office	1
26	South Central	Union Gap RHQ	9
27	Southwest	Chehalis PE/Area Office + Conference/Training Facility	2
28	Southwest	Kelso Engineering Field Office	1
29	Southwest	SWR HQ Admin_WSP HQ Admin Bldg	1

Figure 6 - In-Scope Buildings

[2] Note that the PE function is no longer located at the Wandemere building, only maintenance functions.
[3] Includes Wenatchee Office Building

Current State of Portfolio

The analysis revealed a diverse range of building types and sizes within WSDOT's portfolio. The total square footage of the in-scope portfolio was 1.1M SF which included approximately 0.8M SF of office space (73% of the total), with the remainder "specialty" and/or miscellaneous space (such as lab, storage, dormitories, etc.). The largest facility examined was the Transportation Building in Olympia, with 195,714 square feet, while the smallest was the 3,913 square foot Pasco Office and Conference Building. The total headcount housed within the portfolio was 4,029 employees and the portfolio contained 3,802 office workspaces. The total annual occupancy cost for all buildings in the dataset was found to be $16.8M[4].

Also, it is interesting to note that the 10 largest campuses within the portfolio consist of 84% of the total SF. The following chart shows the largest 10 sites in order of size and the comparison to the rest of the portfolio.

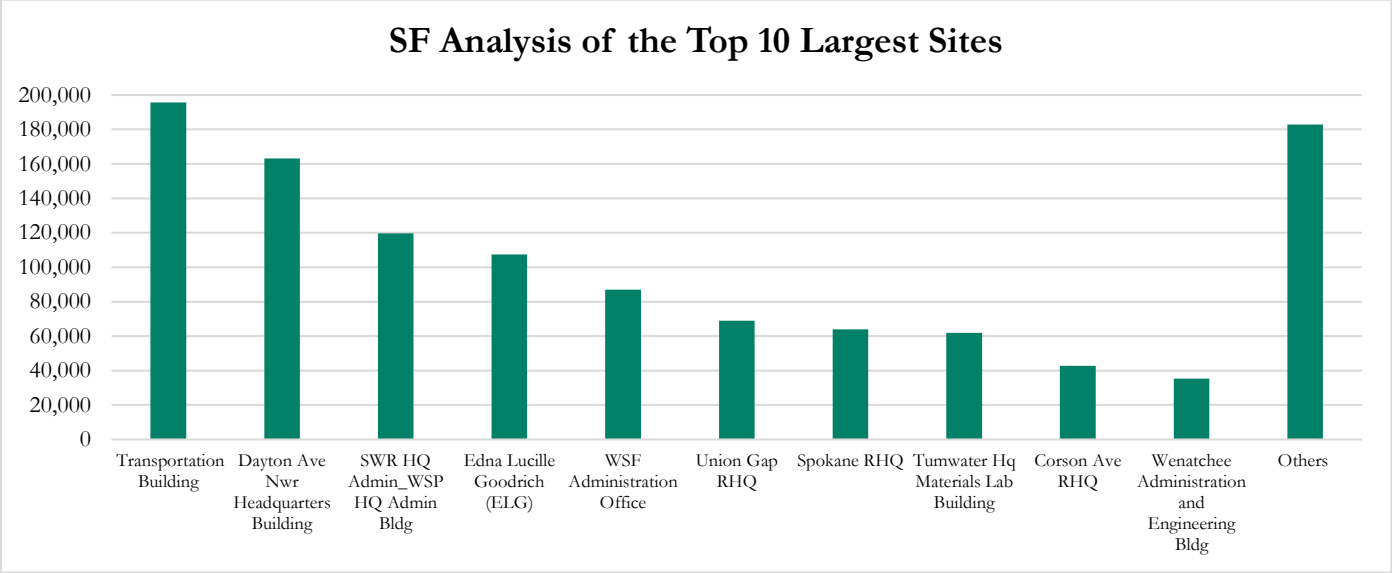


Figure 7 - Square Footage Analysis of the Top 10 Largest Sites

[4] Includes $1 million annual debt service for energy improvements, prorated by square foot across the portfolio, $250,000 annual debt service for property purchase associated with Olympic RHQ, prorated by square foot, and $2 million annual debt service for renovations of Dayton Ave NWR HQ to accommodate collocation by the Department of Ecology.

The following table (Figure 8 – Cost Analysis by Region) provides a summary of the portfolio statistics, including some key metrics, by the campus locations. In addition, the below table shows the breakdown of the key metrics by region.

Region	# of Buildings	Building Square Footage	Office Space SF (Including Common Areas)	Total Number of Workspaces	Current Headcount (All users)	Annual Operating Cost	Outstanding Capital Backlog	Building SF/HC	Office Space SF/ Workspaces	Current Headcount/ Workspaces	Annual Operating Cost/ Building SF	Annual Operating Cost/Current Headcount
Central Puget Sound	7	298,426	215,011	941	1,068	$3,082,545	$11,669,576	279	228	1.13	$10.33	$5,087
Eastern	7	72,296	55,808	243	265	$431,926	$4,400,720	273	230	1.09	$5.97	$1,630
North Central	2	35,407	28,529	140	151	$186,662	$232,956	234	204	1.08	$5.27	$1,236
Northwest	6	40,180	36,699	209	169	$216,322	$818,875	238	176	0.81	$5.38	$1,482
Olympic	10	255,379	173,152	960	1,035	$987,694	$11,236,414	247	180	1.08	$3.87	$1,796
Olympia HQ	1	195,714	154,029	709	847	N/A	-	231	217	1.19	N/A	N/A
South Central	12	93,334	58,301	285	277	$189,753	$4,731,941	337	205	0.97	$2.03	$750
Southwest	4	138,134	102,115	315	217	$577,324	$14,748,005	637	324	0.69	$4.18	$2,660
Total	**49**	**1,128,869**	**823,645**	**3,802**	**4,029**	**$5,672,226**	**$47,838,487**	**280**	**217**	**1.06**	**$8.11**	**$2,592**

Figure 8 - Cost Analysis by Region

	#	Building Name	# of Buildings	Total Square Footage	Office Space SF (Including Common Areas)	Total Number of Workspaces	Current Headcount (All users)	Building SF/ Headcount	Office Space SF/ Workspaces	Current Headcount/ Workspaces
Central Puget Sound	1	Corson Ave RHQ	4	42,835	33,501	140	142	302	239	1.01
	2	Dayton Ave Nwr Headquarters Building	1	163,084	122,160	479	464	351	255	0.97
	3	Tacoma PEO Schubert Building	1	5,442	5,442	27	25	218	202	0.93
	4	WSF Administration Office	1	87,065	53,909	295	437	199	183	1.48
Eastern	5	Spokane RHQ	6	63,983	50,999	227	246	260	225	1.08
	6	Wandermere Hq/Pe Office	1	8,313	4,809	16	19	438	301	1.19
North Central	7	Wenatchee Administration and Engineering Bldg	2	35,407	28,529	140	151	234	204	1.08
Northwest	8	Bellingham Engineering Field Office	1	10,114	8,241	33	23	440	250	0.70
	9	Eastmont Field Office	3	16,478	15,625	95	77	214	164	0.81
	10	MT Baker Area Admin Office	1	6,386	6,386	45	44	145	142	0.98
	11	Mt Vernon Pe Office/Lab (Foster) MF	1	7,203	6,448	36	25	288	179	0.69
Olympic	12	Aviation Office	1	4,369	4,369	15	15	291	291	1.00
	13	Central Park Maint/Pe Office	1	11,697	4,579	31	27	433	148	0.87
	14	Edna Lucille Goodrich (ELG)	1	107,395	87,395	505	439	245	173	0.87
	15	Lacey P.E. Office	1	5,813	4,978	35	26	224	142	0.74
	16	Mottman Hq Environmental Office	1	7,353	6,639	47	39	189	141	0.83
	17	Mullenix Maint/Pe Office	1	8,115	6,817	32	6	1352	213	0.19
	18	Olympic RHQ Building	1	31,924	29,922	139	255	125	215	1.83
	19	Port Angeles Area Maint/Pe Office	1	11,035	2,914	34	50	221	217	1.47
	20	Tumwater Hq Materials Lab Building	1	61,837	20,709	122	173	357	170	1.42
	21	Tumwater P.E. Office Building	1	5,841	4,831	N/A	5	1168	N/A	N/A
Olympic (Olympia HQ)	22	Transportation Building	1	195,714	154,029	709	847	231	217	1.19
South Central	23	Hyak Dormitory Bldg	1	12,418	2,475	17	32	388	146	1.88
	24	Pasco Office And Conference Building	1	3,913	3,705	7	4	978	529	0.57
	25	Richland Pe Office	1	8,003	6,473	29	24	333	223	0.83
	26	Union Gap RHQ	9	69,001	45,649	232	217	318	197	0.94
Southwest	27	Chehalis Pe/Area Office + Conference/ Training Facility	2	10,365	7,796	36	17	610	217	0.47
	28	Kelso Engineering Field Office	1	8,084	7,752	33	18	449	235	0.55
	29	SWR HQ Admin_WSP HQ Admin Bldg	1	119,686	86,567	246	182	658	352	0.74
		Total	**49**	**1,128,869**	**823,645**	**3,802**	**4,029**	**280**	**217**	**1.06**

Figure 9 – Workspace Analysis by Region

	#	Building Name	Annual Operating Cost	Annual Lease Cost	Outstanding Capital Backlog	Annual Operating Cost/Building SF	Annual Lease Cost / Building SF	Annual Operating Cost/ Workspaces	Annual Lease Cost/ Workspaces	Annual Operating Cost/Current Headcount	Annual Lease Cost/Current Headcount
Central Puget Sound	1	Corson Ave RHQ	$238,149	$0	$2,988,193	$5.56	N/A	$1,701	N/A	$1,677	N/A
	2	Dayton Ave Nwr Headquarters Building	$2,844,396	N/A	$8,681,383	$17.44	N/A	$5,938	N/A	$6,130	N/A
	3	Tacoma PEO Schubert Building	N/A	$130,871	-	N/A	$24.05	N/A	$4,847	N/A	$5,235
	4	WSF Administration Office	N/A	$3,380,362	-	N/A	$38.83	N/A	$11,459	N/A	$7,735
Eastern	5	Spokane RHQ	$395,146	$0	$3,662,480	$6.18	N/A	$1,741	N/A	$1,606	N/A
	6	Wandermere Hq/Pe Office	$36,780	N/A	$738,240	$4.42	N/A	$2,299	N/A	$1,936	N/A
North Central	7	Wenatchee Administration and Engineering Bldg	$186,662	$0	$232,956	$5.27	N/A	$1,333	N/A	$1,236	N/A
Northwest	8	Bellingham Engineering Field Office	N/A	$243,919	-	N/A	$24.12	N/A	$7,391	N/A	$10,605
	9	Eastmont Field Office	$152,757	$0	-	$9.27	N/A	$1,608	N/A	$1,984	N/A
	10	MT Baker Area Admin Office	$22,612	N/A	-	$3.54	N/A	$502	N/A	$514	N/A
	11	Mt Vernon Pe Office/Lab (Foster) MF	$40,953	N/A	$818,875	$5.69	N/A	$1,138	N/A	$1,638	N/A
Olympic	12	Aviation Office	N/A	$89,070	-	N/A	$20.39	N/A	$5,938	N/A	$5,938
	13	Central Park Maint/Pe Office	$74,046	N/A	$1,169,406	$6.33	N/A	$2,389	N/A	$2,742	N/A
	14	Edna Lucille Goodrich (ELG)	N/A	$3,439,929	-	N/A	$32.03	N/A	$6,812	N/A	$7,836
	15	Lacey P.E. Office	N/A	$146,193	-	N/A	$25.15	N/A	$4,177	N/A	$5,623
	16	Mottman Hq Environmental Office	$36,298	N/A	$325,476	$4.94	N/A	$772	N/A	$931	N/A
	17	Mullenix Maint/Pe Office	$47,617	N/A	$722,244	$5.87	N/A	$1,488	N/A	$7,936	N/A
	18	Olympic RHQ Building	$161,162	N/A	-	$5.05	N/A	$1,159	N/A	$632	N/A
	19	Port Angeles Area Maint/Pe Office	$87,549	N/A	$851,926	$7.93	N/A	$2,575	N/A	$1,751	N/A
	20	Tumwater Hq Materials Lab Building	$581,022	N/A	$8,167,362	$9.40	N/A	$4,762	N/A	$3,359	N/A
	21	Tumwater P.E. Office Building	N/A	$109,920	-	N/A	$18.82	N/A	N/A	N/A	$21,984
Olympic (Olympia HQ)	22	Transportation Building	N/A	$3,423,623	-	N/A	$17.49	N/A	$4,829	N/A	$4,042

Figure 10 – Cost Analysis by Region

Legend

Campus Owned by WSDOT

Campus Leased by WSDOT

	#	Building Name	Annual Operating Cost	Annual Lease Cost	Outstanding Capital Backlog	Annual Operating Cost/Building SF	Annual Lease Cost / Building SF	Annual Operating Cost/ Workspaces	Annual Lease Cost/ Workspaces	Annual Operating Cost/Current Headcount	Annual Lease Cost/Current Headcount
South Central	23	Hyak Dormitory Bldg	$26,639	N/A	-	$2.15	N/A	$1,567	N/A	$832	N/A
	24	Pasco Office And Conference Building	$10,118	N/A	$441,760	$2.59	N/A	$1,445	N/A	$2,529	N/A
	25	Richland Pe Office	N/A	$162,418	-	N/A	$20.29	N/A	$5,601	N/A	$6,767
	26	Union Gap RHQ	$152,996	$0	$4,290,181	$2.22	N/A	$659	N/A	$705	N/A
Southwest	27	Chehalis Pe/Area Office + Conference/ Training Facility	$44,557	$0	$659,527	$4.30	N/A	$1,238	N/A	$2,621	N/A
	28	Kelso Engineering Field Office	$29,123	N/A	$493,809	$3.60	N/A	$883	N/A	$1,618	N/A
	29	SWR HQ Admin_WSP HQ Admin Bldg	$503,644	N/A	$13,594,669	$4.21	N/A	$2,047	N/A	$2,767	N/A
		Total	**$5,672,226**	**$11,126,306**	**$47,838,487**	**$8.11**	**$25.89**	**$2,633**	**$6,751**	**$2,592**	**$6,044**

Figure 11 – Cost Analysis by Region (Cont.)

Legend

Campus Owned by WSDOT
Campus Leased by WSDOT

Operating costs include a $1 million annual debt service for energy improvements, prorated by square foot across the portfolio. Debt service for property purchase associated with Olympic RHQ is prorated across all buildings on the Olympic RHQ site (including those not in-scope). There is also a $2 million annual debt service payment for renovations of Dayton Ave NWR HQ to accommodate collocation by the Department of Ecology. The Department of Ecology's rental rate includes the annual debt service payment. Excluding the cost from the Dayton Ave NWR HQ results in an operating cost of $5.18 / SF.

The overall portfolio metrics (a total building SF to headcount of 280 SF / HC, an office SF to office workspaces of 217 SF / workspaces, a total HC to workspaces of 1.06 HC / workspaces and an annual operating cost per SF of $8.11 / SF for owned spaces and $25.89 / SF for full-service lease costs) – at first glance – suggests an efficient portfolio. However, after digging into the portfolio further by evaluating the space usage types, headcount distribution, utilization, and cost, it's clear that there are some opportunities to optimize the portfolio.

Portfolio Observations

The portfolio analysis encompassed four key methodologies to provide a comprehensive understanding of the real estate assets. First, JLL categorized spaces to quantify the proportion of office areas within the portfolio. Second, JLL examined headcount distribution to gauge potential space utilization by staff. Third, JLL conducted an office utilization and efficiency analysis, focusing on badge swipe utilization data and headcount per workstation ratios (for utilization) and square footage per workstation (efficiency). Finally, JLL performed a cost analysis, identifying properties with the highest cost per square foot. These methods collectively offer insights into space efficiency, occupancy patterns, and financial performance across the portfolio.

Current State Analysis: Categorization of Spaces
The current portfolio of space across in scope buildings have been analyzed in terms of office space, specialty space, common space, and miscellaneous space. Our aim was to categorize and evaluate the diverse spaces WSDOT occupies, providing critical insights into space allocation and usage across various facilities. In addition, it is critical to understand the proper amount of "office" space within the buildings as "office" space is most amenable to optimization and therefore the focus of this study.

Upon evaluating the portfolio, JLL classified the existing spaces shared by WSDOT into three distinct categories:

- **Office Space:** Encompasses areas dedicated to office-related activities, including open-plan sections, general areas, administrative spaces, etc.
- **Specialty Space:** Comprises unique spaces not related to typical office functions, such as laboratories, workshops, and other purpose-specific areas.
- **Miscellaneous Spaces:** Covers spaces not typical of conventional offices and "core" areas not included within the rentable square footage.

There also was a fourth category of space, "common areas", but these common areas were allocated to office and specialty space on a pro-rata basis, which is a standard practice to determine the "net rentable area" attributed to each space type.

- **Common Space:** Includes areas shared between office and specialty functions, such as cafeterias, bathrooms, and storage areas.

Based on the stated methodology, the following summarizes the space breakdown of the portfolio as well as the detailed space breakdown by campus.

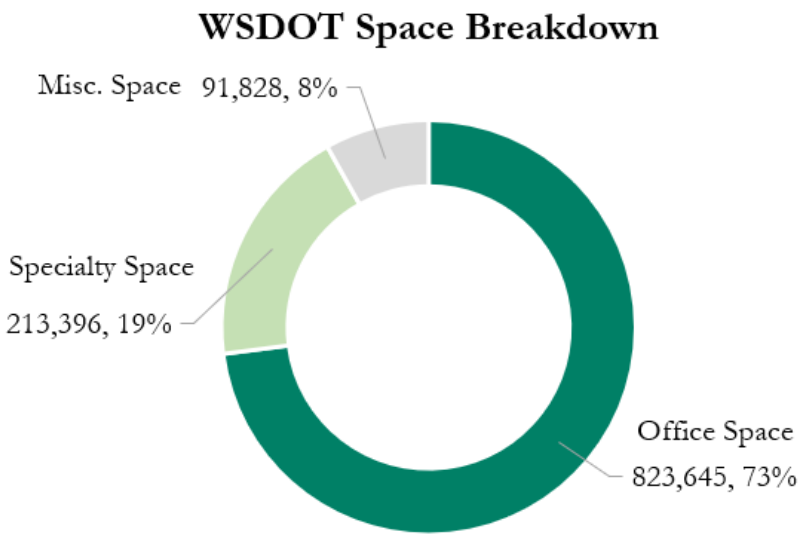


Figure 12 - WSDOT Space Breakdown

The figure above illustrates the current breakdown of space types within the buildings in scope. The square footage for the "Common" area has been distributed proportionally according to the ratio of "Office Space" to "Specialty Space" square footage in each building.

	#	Building Name	# of Buildings	Building Square Footage	SF Office + Common Space	SF Specialty + Common Space	SF Misc. Space	% Office + Common Space	% Specialty + Common Space	% Misc. Space
Central Puget Sound	1	Corson Ave RHQ	4	42,835	33,501	7,923	1,412	78%	18%	3%
	2	Dayton Ave Nwr Headquarters Building	1	163,084	122,160	22,358	18,566	75%	14%	11%
	3	Tacoma PEO Schubert Building	1	5,442	5,442	0	0	100%	0%	0%
	4	WSF Administration Office	1	87,065	53,909	33,156	0	62%	38%	0%
Eastern	5	Spokane RHQ	6	63,983	50,999	7,778	5,205	80%	12%	8%
	6	Wandermere Hq/Pe Office	1	8,313	4,809	3,383	122	58%	41%	1%
North Central	7	Wenatchee Administration and Engineering Bldg	2	35,407	28,529	4,089	2,788	81%	12%	8%
Northwest	8	Bellingham Engineering Field Office	1	10,114	8,241	1,873	0	81%	19%	0%
	9	Eastmont Field Office	3	16,478	15,625	707	145	95%	4%	1%
	10	MT Baker Area Admin Office	1	6,386	6,386	0	0	100%	0%	0%
	11	Mt Vernon Pe Office/Lab (Foster) MF	1	7,203	6,448	755	0	90%	10%	0%
Olympic	12	Aviation Office	1	4,369	4,369	0	0	100%	0%	0%
	13	Central Park Maint/Pe Office	1	11,697	4,579	7,060	59	39%	60%	1%
	14	Edna Lucille Goodrich (ELG)	1	107,395	87,395	14,982	5,018	81%	14%	5%
	15	Lacey P.E. Office	1	5,813	4,978	835	0	86%	14%	0%
	16	Mottman Hq Environmental Office	1	7,353	6,639	592	122	90%	8%	2%
	17	Mullenix Maint/Pe Office	1	8,115	6,817	1,275	22	84%	16%	0%
	18	Olympic RHQ Building	1	31,924	29,922	595	1,406	94%	2%	4%
	19	Port Angeles Area Maint/Pe Office	1	11,035	2,914	7,959	163	26%	72%	1%
	20	Tumwater Hq Materials Lab Building	1	61,837	20,709	36,912	4,217	33%	60%	7%
	21	Tumwater P.E. Office Building	1	5,841	4,831	1,010	0	83%	17%	0%
Olympic (Olympia HQ)	22	Transportation Building	1	195,714	154,029	17,487	24,198	79%	9%	12%
South Central	23	Hyak Dormitory Bldg	1	12,418	2,475	8,535	1,408	20%	69%	11%
	24	Pasco Office And Conference Building	1	3,913	3,705	208	0	95%	5%	0%
	25	Richland Pe Office	1	8,003	6,473	1,530	0	81%	19%	0%
	26	Union Gap RHQ	9	69,001	45,649	12,289	11,063	66%	18%	16%
Southwest	27	Chehalis Pe/Area Office + Conference/ Training Facility	2	10,365	7,796	2,511	57	75%	24%	1%
	28	Kelso Engineering Field Office	1	8,084	7,752	332	0	96%	4%	0%
	29	SWR HQ Admin_WSP HQ Admin Bldg	1	119,686	86,567	17,262	15,857	72%	14%	13%
			Total	**49**	**1,128,869**	**823,645**	**213,396**	**91,828**	**73%**	**19%**

Figure 13 - Square Footage Analysis by Campus

Insights from Space Categorization Analysis
After dissecting the square footage allocation across these buildings, JLL observed several key points:

- **Blended Spaces:** Most buildings contain a mixture of office space, specialty areas, and miscellaneous spaces.
- **Buildings Dedicated to Office Space:** The Aviation Office, Corson Facilities Maintenance Building, Mt Baker Area Admin Office, Tacoma PEO Schubert Building, and Union Gap Right of Way HQ Office Building allocate 100% of their square footage to office space.
- **Miscellaneous Space Allocation:** Apart from the Union Gap District Office, which allocates 40% of its space to miscellaneous areas, other buildings either do not allocate space to miscellaneous areas or their allocation is minimal.
- **High Percentage of Specialty Areas:**
    - Several buildings that have non-primary office uses have a significant proportion of their space dedicated to specialty areas:
        - Central Park Maint/PE Office (60%)
        - Chehalis Conference/Training (97%)
        - Hyak Dormitory Building (69%)
        - Spokane RHQ Materials Laboratory (86%)
        - Tumwater HQ Materials Lab Building (60%)
        - Union Gap District Soils Lab (90%)
        - Union Gap Region Wide Stores & Engineering Offices (57%)

In addition, the following table and chart evaluates the breakdown of space type for the top 10 largest sites.

2024 Current State Analysis of the Top 10 Largest Sites												
	SF	Office SF	Workspaces	Headcount	Annual Occupancy Cost	SF/ Headcount	Cost/ Headcount	Office SF/ Workspaces	Cost/ Workspaces	Space Breakdown		
										SF Office Space	SF Specialty Space	SF Misc. Spaces
Transportation Building	195,714	154,029	709	847	$3,432,950	231	$4,053	217	$4,842	79%	9%	12%
Dayton Ave Nwr Headquarters Building	163,084	122,160	479	464	$2,844,396	351	$6,130	255	$5,938	75%	14%	11%
SWR HQ Admin_WSP HQ Admin Bldg	119,686	86,567	246	182	$503,644	658	$2,767	352	$2,047	72%	14%	13%
Edna Lucille Goodrich (ELG)	107,395	87,395	505	439	$3,439,929	245	$7,836	173	$6,812	81%	14%	5%
WSF Administration Office	87,065	53,909	295	437	$3,380,362	199	$7,735	183	$11,459	72%	14%	13%
Union Gap RHQ	69,001	45,649	232	217	$152,996	318	$705	197	$659	66%	18%	16%
Spokane RHQ	63,983	50,999	227	246	$395,146	260	$1,606	225	$1,741	80%	12%	8%
Tumwater Hq Materials Lab Building	61,837	20,709	122	173	$581,022	357	$3,359	170	$4,762	33%	60%	7%
Corson Ave RHQ	42,835	33,501	107	142	$238,149	302	$1,677	313	$2,226	78%	18%	4%
Wenatchee Administration and Engineering Bldg	35,407	28,529	140	151	$186,662	234	$1,236	204	$1,333	81%	11%	8%

Figure 14 - Current State Analysis of the Top 10 Largest Sites

The figure above illustrates a breakdown of key metrics - square footage, cost, headcount, and workspace distribution - for the top ten largest sites in scope. The square footage for the "Common" area has been distributed proportionally according to the ratio of "Office Space" to "Specialty Space" square footage in each building.

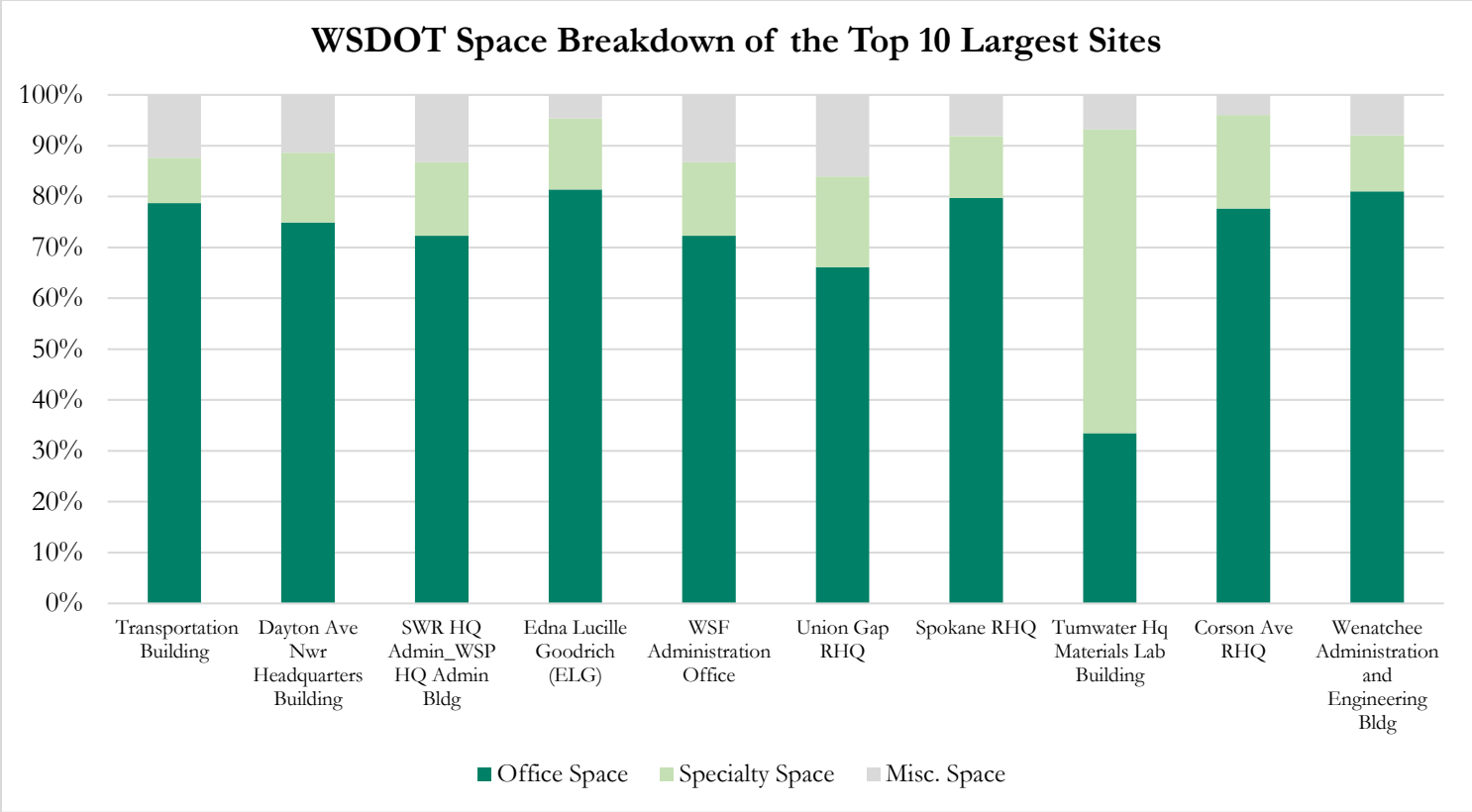


Figure 15 - Space Breakdown Analysis of the Top 10 Largest Sites

The figure above illustrates the current breakdown of space types within the top ten largest sites in scope. The square footage for the "Common" area has been distributed proportionally according to the ratio of "Office Space" to "Specialty Space" square footage in each building.

Current State Analysis: Headcount Distribution by Resident, Externally Mobile and Fully Remote

One of the key focuses of the analysis was to better understand the mobility profiles (resident, externally mobile, and fully remote following the Facilities Operations Manual (FOM) guidelines) of the employees assigned to the portfolio. The latest mobility profiles of the assigned headcount were collected from WSDOT and summarized in the following charts.

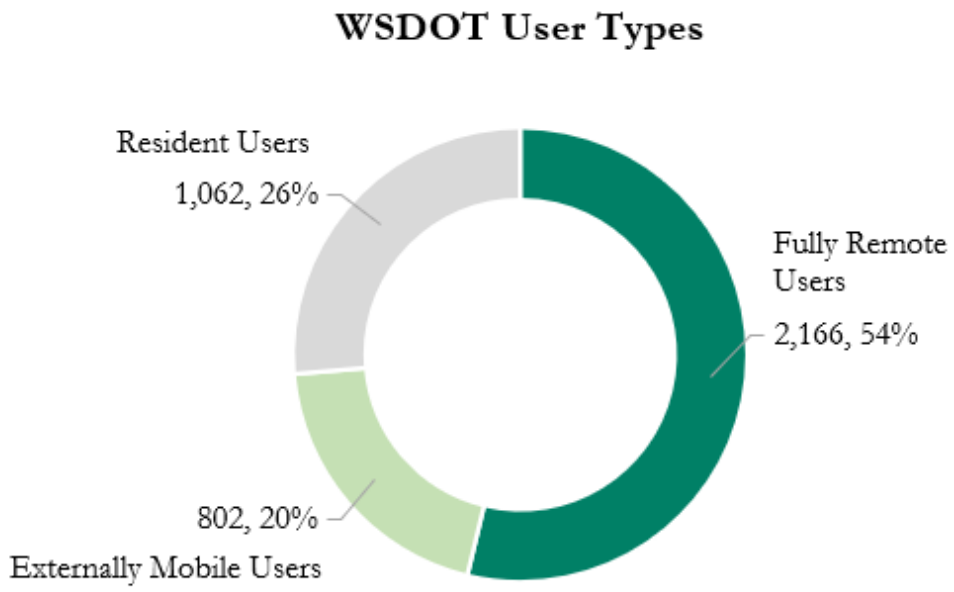


Figure 16 - User Types Breakdown

The figure above illustrates the current breakdown of users within the buildings in scope. The data utilized comes from the WSDOT reported headcount.

	#	Building Name	# of Buildings	Fully Remote Users	Externally Mobile Users	Resident Users	Total Number of Users	Fully Remote % of Total Users	Externally Mobile % of Total Users	Resident % of Total Users
Central Puget Sound	1	**Corson Ave RHQ**	4	12	18	112	142	8%	13%	79%
	2	**Dayton Ave Nwr Headquarters Building**	1	325	70	70	464	70%	15%	15%
	3	**Tacoma PEO Schubert Building**	1	2	2	21	25	8%	8%	84%
	4	**WSF Administration Office**	1	227	164	46	437	52%	38%	11%
Eastern	5	**Spokane RHQ**	6	36	80	130	246	15%	33%	53%
	6	**Wandermere Hq/Pe Office**	1	3	0	16	19	16%	0%	84%
North Central	7	**Wenatchee Administration and Engineering Bldg**	2	22	8	121	151	15%	5%	80%
Northwest	8	**Bellingham Engineering Field Office**	1	8	2	13	23	35%	9%	57%
	9	**Eastmont Field Office**	3	5	6	66	77	6%	8%	86%
	10	**MT Baker Area Admin Office**	1	9	4	31	44	20%	9%	70%
	11	**Mt Vernon Pe Office/Lab (Foster) MF**	1	4	0	21	25	16%	0%	84%
Olympic	12	**Aviation Office**	1	12	1	2	15	80%	7%	13%
	13	**Central Park Maint/Pe Office**	1	4	19	4	27	15%	70%	15%
	14	**Edna Lucille Goodrich (ELG)**	1	351	44	44	439	80%	10%	10%
	15	**Lacey P.E. Office**	1	6	4	16	26	23%	15%	62%
	16	**Mottman Hq Environmental Office**	1	27	6	6	39	70%	15%	15%
	17	**Mullenix Maint/Pe Office**	1	0	3	3	6	0%	50%	50%
	18	**Olympic RHQ Building**	1	179	38	38	255	70%	15%	15%
	19	**Port Angeles Area Maint/Pe Office**	1	7	35	8	50	14%	70%	16%
	20	**Tumwater Hq Materials Lab Building**	1	26	121	26	173	15%	70%	15%
	21	**Tumwater P.E. Office Building**	1	1	2	2	5	20%	40%	40%

Figure 17 - Headcount Analysis by Campus

	#	Building Name	# of Buildings	Fully Remote Users	Externally Mobile Users	Resident Users	Total Number of Users	Fully Remote % of Total Users	Externally Mobile % of Total Users	Resident % of Total Users
Olympic (Olympia HQ)	22	**Transportation Building**	1	677	85	85	847	80%	10%	10%
South Central	23	**Hyak Dormitory Bldg**	1	0	16	16	32	0%	50%	50%
	24	**Pasco Office And Conference Building**	1	0	0	4	4	0%	0%	100%
	25	**Richland Pe Office**	1	7	11	6	24	29%	46%	25%
	26	**Union Gap RHQ**	9	70	33	114	217	32%	15%	53%
Southwest	27	**Chehalis Pe/Area Office + Conference/ Training Facility**	2	12	2	3	17	71%	12%	18%
	28	**Kelso Engineering Field Office**	1	6	1	11	18	33%	6%	61%
	29	**SWR HQ Admin_WSP HQ Admin Bldg**	1	128	27	27	182	70%	15%	15%
		Total	**49**	**2,166**	**802**	**1,062**	**4,029**	**54%**	**20%**	**26%**

Figure 18 - Headcount Analysis by Campus (Cont.)

Insights from Headcount Distribution Analysis
After evaluating the headcount distribution across these buildings, JLL observed several key points:

- **Dominance of Remote Users:** Remote users constitute most employees in most buildings, followed by resident and externally mobile users.
- **Regional Insights:** The Olympic region records the highest number of users, while the Eastern region has the fewest users.
- **High Proportion of Remote Users (>50%):** Certain buildings have more than half of their employees categorized as remote users, including:
  - Chehalis PE/Area Office
  - Olympic RHQ Building
  - Transportation Building
  - WSF Administration Building
  - Dayton Ave NWR Headquarters Building
  - Mottman HQ Environmental Office
  - Edna Lucille Goodrich (ELG)
  - SWR HQ Admin_WSP HQ Admin Building

Current State Analysis: Space Efficiency and Utilization
Evaluating the space efficiency (via office square feet to office workstations) and utilization (headcount compared to office workstations and badge swipe data) of each campus revealed the following:

- **Space Efficiency (Office SF / Workspaces):** There is a wide range of office SF per workspaces within the portfolio, ranging from 529 office SF / workspace at the Pasco Office and Conference Building to 86 office SF / workspaces at Port Angeles Area Maintenance / PE Office with an average of 217 office SF / workspace for the portfolio (see figure 11). These outliers are mainly due to the small sizes of the buildings and the unique nature of the sites. When looking at the 10 largest campuses (see Figure 12), the range is a narrower 352 office SF / workspaces (SWR HQ Admin) to 170 office SF / workspaces (Tumwater HQ Materials Lab) with an average of 223 office SF / workspaces. The efficiency target of 192 square feet per workspace recommended by OFM guidelines suggests that there is room to be more efficient for the majority of the portfolio, especially when considering renovations or relocations.
- **Utilization (Headcount / Workspaces):** WSDOT's total headcount (4,029) was compared to the number of workspaces (3,802) and revealed an overall 1.06 total headcount to workspace ratio. While this ratio. However, when removing the Fully Remote headcount (2,166) from the total headcount since these Fully Remote employees technically don't need an allocated workspace per the OFM guidelines, the headcount to workspace ratio reduces to 0.49. This metric suggests that even if the Externally Mobile and Resident headcount were each assigned 1 workspace, there would be approximately 50% surplus workspaces. There appears to be significant opportunity to optimize the portfolio.
- **Utilization (Badge Swipe Analysis):** In terms of space utilization, JLL analyzed badge data for 14 locations in scope.
  - Twelve locations' data were gathered digitally:
    - Mottman HQ Environmental Office (A04226)
    - Tumwater HQ Materials Lab Building (A06906)

        - Union Gap District Office (A07118)
        - Union Gap Right of Way HQ Bldg. (A08440)
        - Union Gap Project Dev. Modular Office (A02440)
        - Spokane RHQ (A08557)
        - Spokane RHQ Eastern Region PEO (A01066)
        - Spokane RHQ Materials Laboratory (A01522)
        - Spokane RHQ Local Programs Office (A07688)
        - Spokane RHQ Office (A03232)
        - Corson Ave Admin Building (A08388)
        - Dayton Ave NWR Headquarters Building (A01413)
    - Two locations' data were gathered manually:
        - Edna Lucille Goodrich (A08267)
        - Transportation Building (A05265)

Current State Analysis								Badge Data Analysis				
Building	Data Timeframe	Fully Remote Users	Externally Mobile Users	Resident Users	Number of Users (All Users)	Number of Externally Mobile & Resident Users	Number of Workspaces	Lower Average Daily Attendance (Monday – Friday)	Higher Average Daily Attendance (Monday – Friday)	Average Week Peak	Peak Attendance	# of Days above Average Week Peak
Mottman Hq Environmental Office	8/1/2023 – 8/12/2024	27	6	6	39	12	47	2	16	18	27	27
Tumwater Hq Materials Lab Building	8/1/2023 – 8/12/2024	26	121	26	173	147	122	22	33	39	52	27
Union Gap District Office	6/1/2023 – 8/12/2024	19	9	29	57	38	79	7	22	27	48	25
Union Gap Right of Way HQ Bldg.	6/1/2023 – 8/12/2024	1	1	2	4	3	10	1	2	2	4	40
Union Gap Project Dev. Modular Office	6/1/2023 – 8/12/2024	9	2	9	20	11	22	3	10	13	34	24
Spokane RHQ Real Estate Services Modular	10/9/2023 – 8/20/2024	2	1	11	14	12	15	3	8	10	17	26
Spokane RHQ Eastern Region PEO	8/21/2023 – 8/20/2024	12	56	63	131	119	131	47	108	115	151	46
Spokane RHQ Materials Laboratory	8/21/2023 – 8/20/2024	2	1	7	10	8	9	7	16	19	27	27
Spokane RHQ Local Programs Office	10/9/2023 – 8/20/2024	8	1	7	16	8	16	3	6	7	12	40
Spokane RHQ Office	8/21/2023 – 8/20/2024	12	21	38	71	59	51	1	5	5	7	21
Corson Ave Admin Building	8/1/2023 – 8/1/2024	11	10	76	97	86	97	34	57	61	80	25
Dayton Ave Nwr Headquarters Building	8/1/2023 – 8/1/2024	325	70	70	464	139	479	38	135	144	257	25
Edna Lucille Goodrich (ELG)	6/1/2023 – 6/28/2024	351	44	44	439	88	505	27	51	64	88	24
Transportation Building	6/1/2023 – 6/28/2024	677	85	85	847	170	709	21	41	49	89	23
	Total	**1,482**	**428**	**472**	**2,382**	**900**	**2,292**	**216**	**510**	**573**	**893**	**400**

Figure 19 - Badge Data Analysis (Data was analyzed between 6/1/2023 and 8/20/24 depending on the building)

Legend

Data digitally collected

Data manually collected

- Leading practice suggests that the best indicator for planning the number of workspaces needed is the "average week peak", representing an average of the peak attendance day of each week analyzed in the timeframe. Per the badge swipe analysis of these 14 properties, the suggested number of workspaces to accommodate the 900 headcount (the number (428) of externally mobile users + the number (472) of resident users) is 573, which equates to a target ratio of 1.6 headcount to workspace. This badge swipe analysis further suggests that the current ratio of 0.49 headcount (excluding fully remote) can be optimized. Please note that the badge swipe analysis of 14 buildings is approximately 59% of the headcount population and that further badge swipe analysis of the broader portfolio is recommended.

Current State Analysis: Occupancy Cost Observations

The current portfolio average annual occupancy cost is $8.11 / SF for owned spaces and $25.89 / SF for full service lease costs (see figure 9), with a wide range from $0.43 / SF (Hyak Dormitory) to $38.83 (WSF Administrative Office). In general, the more costly sites are leased spaces.

The substantial variation in operating costs across the portfolio stems from multiple factors. Leased spaces typically incur higher expenses due to the inclusion of both operating and capital costs necessary to maintain market-standard conditions. In contrast, WSDOT-owned spaces are subject to available funding constraints. When resources are limited, not all owned spaces can be maintained to market standards or achieve a State of Good Repair (SoGR, defined as 90% Facility Condition Index).

Consequently, gravitating towards spaces with lower operating costs may not be a prudent strategy. A more comprehensive approach involves evaluating the total cost required to maintain all spaces at market standard or SoGR. This holistic assessment ensures a fair comparison between leased and owned properties, accounting for both immediate operating costs and long-term maintenance requirements.

By adopting this perspective, decision-makers can better allocate resources and make informed choices regarding space utilization, potentially leading to more cost-effective and sustainable portfolio management.

C - Workplace Strategy Demand

Based upon the information provided by WSDOT and the current state analysis (Section B), JLL estimated the forecasted space requirements utilizing the OFM square footage guidelines, suggesting a potential space reduction of up to 40%.

OFM Guidelines and Space Requirements

JLL utilized OFM guidelines to determine space requirement needs based on headcount. WSDOT employees are assigned designations based on their telework frequency and relative use of the office.

1. Fully remote users (EP9) have 0 regularly scheduled days in the office over a two-week period, effectively working full-time or near full-time remotely.

2. Externally mobile employees (EP8, EP7, EP6 depending on work schedule) spend between 0 to 5 days in the office every two weeks, depending on work schedule (8, 9 or 10-hour days), and it translates to 0% to 56% of their time in the office.

3. Resident employees (EP6 depending on work schedule, EP5, EP0, NP) spend between 6 to 10 days in the office every two weeks, depending on work schedule (8, 9 or 10-hour days), and it translates which is 60% to 100% of their time in the office.

JLL utilized these guidelines to develop space requirements for each category:

- Fully remote employees are not allocated workspaces or assigned any square feet per user
- Externally mobile employees are allocated workspaces at 3:1 ratio (3 employee to 1 workspace), which equates to 64 rentable square feet per user
- Resident employees are allocated workspaces at a 1:1 ratio (1 employee to 1 workspace), which equates to 192 rentable square feet per user

These space allocations include user space, conference/shared spaces, circulation, and building services. JLL used these requirements to develop optimization scenarios for the portfolio (see table below)

Standards	Fully Remote	Externally Mobile	Resident
User space	0	26	79
Conference/shared spaces	0	13	40
Circulation=40% of spaces	0	16	48
Building Services=15% total	0	8	25
Rentable Square Footage Per User (rounded to next square foot)	**0**	**64**	**192**

Figure 20 - OFM Space Guidelines

Demand Analysis – Based on OFM Guidelines

Our analysis of building space requirements, based on OFM guidelines, incorporates:

- Office Space Requirements:
    - Calculate workspaces required based upon target ratios per user type
    - Target of 192 SF per workspace
    - Assume 10% vacancy assumption to accommodate growth over 6 years (excluding Spokane RHQ)
- Add: Existing specialty and miscellaneous space allocations
- Add: Space used by other agencies or contractors

Utilizing these assumptions, the space requirement calculations suggest WSDOT can reduce building footprint by up to 39% within the buildings in scope. The following table (Figure 20) highlights the square footage required and potential space reduction by campus. The SF reduction percentages are color-coded: red indicates reductions below the 30% target, while green denotes reductions meeting or exceeding the 30% threshold.

	#	Building Name	# of Buildings	Total Square Footage	Fully Remote Users	Externally Mobile Users	Resident Users	Total Number of Users	Seats Required for Fully Remote Users	Seats Required for Externally Mobile Users	Seats Required Resident Users	Total Seats Required	Office SF Required (192 SF per seat)	6-year Employee Growth (10%)[3]	Specialty Spaces + Misc Spaces	Third Party Space[2]	Total Square Footage Required[1]	SF Reduction (%)
Central Puget Sound	1	Corson Ave RHQ	4	42,835	12	18	112	142	0	8	112	120	23,040	2,304	9,334	0	34,678	19%
	2	Dayton Ave Nwr Headquarters Building	1	163,084	325	70	70	464	0	24	70	94	18,048	1,805	40,924	60,852	121,629	25%
	3	Tacoma PEO Schubert Building	1	5,442	2	2	21	25	0	1	21	22	4,224	422	0	0	4,646	15%
	4	WSF Administration Office	1	87,065	227	164	46	437	0	55	46	101	19,392	1,939	33,156	0	54,487	37%
Eastern	5	Spokane RHQ	6	63,983	36	80	130	246	0	29	130	159	30,528	7,949	12,983	507	51,967	19%
	6	Wandermere Hq/Pe Office	1	8,313	3	0	16	19	0	0	16	16	3,072	307	3,504	0	6,884	17%
North Central	7	Wenatchee Administration and Engineering Bldg	2	35,407	22	8	121	151	0	3	121	124	23,808	2,381	6,877	0	33,066	7%
Northwest	8	Bellingham Engineering Field Office	1	10,114	8	2	13	23	0	1	13	14	2,688	269	1,873	0	4,830	52%
	9	Eastmont Field Office	3	16,478	5	6	66	77	0	2	66	68	13,056	1,306	853	0	15,214	8%
	10	MT Baker Area Admin Office	1	6,386	9	4	31	44	0	2	31	33	6,336	634	0	0	6,386	0%
	11	Mt Vernon Pe Office/Lab (Foster) MF	1	7,203	4	0	21	25	0	0	21	21	4,032	403	755	0	5,190	28%
Olympic	12	Aviation Office	1	4,369	12	1	2	15	0	1	2	3	576	58	0	0	634	85%
	13	Central Park Maint/Pe Office	1	11,697	4	19	4	27.0	0	7	5	12	2,304	230	7,119	0	9,653	17%
	14	Edna Lucille Goodrich (ELG)	1	107,395	351	44	44	439	0	15	44	59	11,328	1,133	20,000	0	32,461	70%
	15	Lacey P.E. Office	1	5,813	6	4	16	26	0	2	16	18	3,456	346	835	0	4,636	20%
	16	Mottman Hq Environmental Office	1	7,353	27	6	6	39	0	2	6	8	1,536	154	714	0	2,403	67%
	17	Mullenix Maint/Pe Office	1	8,115	0	3	3	6	0	1	3	4	768	77	1,297	0	2,142	74%
	18	Olympic RHQ Building	1	31,924	179	38	38	255	0	13	39	52	9,984	998	2,001	0	12,984	59%
	19	Port Angeles Area Maint/Pe Office	1	11,035	7.0	35.0	8.0	50	0	12	8	20	3,840	384	8,122	0	11,035	0%
	20	Tumwater Hq Materials Lab Building	1	61,837	26	121	26	173	0	41	26	67	12,864	1,286	41,129	0	55,279	11%
	21	Tumwater P.E. Office Building	1	5,841	1	2	2	5	0	1	2	3	576	58	1,010	0	1,644	72%

Figure 21 - Demand Analysis following the OFM Guidelines

	#	Building Name	# of Buildings	Total Square Footage	Fully Remote Users	Externally Mobile Users	Resident Users	Total Number of Users	Seats Required for Fully Remote Users	Seats Required for Externally Mobile Users	Seats Required Resident Users	Total Seats Required	Office SF Required (192 SF per seat)	6-year Employee Growth (10%)[3]	Specialty Spaces + Misc Spaces	Third Party Space[2]	Total Square Footage Required[1]	SF Reduction (%)
Olympic (Olympia	22	**Transportation Building**	1	195,714	677	85	85	847	0	29	85	114	21,888	2,189	41,685	0	65,762	66%
South Central	23	**Hyak Dormitory Bldg**	1	12,418	0	16	16	32	0	6	16	22	4,224	422	9,943	0	12,418	0%
	24	**Pasco Office And Conference Building**	1	3,913	0	0	4	4	0	0	4	4	768	77	208	0	1,053	73%
	25	**Richland Pe Office**	1	8,003	7	11	6	24	0	4	6	10	1,920	192	1,530	0	3,642	54%
	26	**Union Gap RHQ**	9	69,001	70	33	114	217	0	14	114	128	24,576	2,458	23,352	0	50,385	27%
Southwest	27	**Chehalis Pe/Area Office + Conference/ Training Facility**	2	10,365	12	2	3	17	0	1	3	4	768	77	2,568	0	3,413	67%
	28	**Kelso Engineering Field Office**	1	8,084	6	1	11	18	0	1	11	12	2,304	230	332	0	2,867	65%
	29	**SWR HQ Admin_WSP HQ Admin Bldg**	1	119,686	128	27	27	182	0	9	27	36	6,912	691	33,119	38,775	79,497	34%
		Total	**49**	**1,128,869**	**2,166**	**802**	**1,062**	**4,029**	**0**	**284**	**1,064**	**1,348**	**258,816**	**30,778**	**305,225**	**100,134**	**690,886**	**39%**

Figure 22 - Demand Analysis following the OFM Guidelines (Cont.)

[1] If the analysis shows that a campus needs more space than its current size, JLL will represent the existing space as the required square footage. For example, if the campus is currently 3,500 SF but our analysis determines the total of all buildings needs 4,000 SF, JLL will indicate 3,500 SF as the required space. Campuses with primary functions as maintenance or lab will also be resized in this manner. For the first scenario these are campuses affected: MT Baker Admin Office, Port Angeles Area Maint/PE Office, and Hyak Dormitory Bldg.

[2] The space calculation for other agencies and contractors is based on square footage information from WSDOT staff: Dayton Ave NWR Headquarters Building, Spokane RHQ, and SWR HQ Admin_WSP HQ Admin Bldg.

[3] All buildings within scope have been projected to grow by 10% over 6 years, with one exception. For the Spokane RHQ, a forecast of 30 employees has been applied. These employees are classified as "Resident" users, each allocated 192 square feet of workspace.

D - Portfolio Optimization

As required by the proviso, JLL developed three scenarios based on the space requirements utilizing the OFM square footage guidelines. JLL developed these three scenarios using information provided by WSDOT. Each of these scenarios act independently from one another and all contribute toward reducing the current square by at least 30 percent by 2030.

The portfolio optimization scenarios and properties contained in each are:

- WSDOT optimizations that are planned or in process (inflight) (**Scenario 1**)
  - Consolidating ELG Building and Aviation Office into the Transportation Building
  - Consolidating Lacey PE Office and Tumwater PE Office into the Olympic RHQ
  - Downsizing the WSF Administration Office lease
- Additional proposed optimization within the WSDOT agency using OFM guidelines (**Scenario 2)**
  - Downsizing the Bellingham Engineering Field Office lease
  - Recommendation to do further study on space needs and consolidate the Pasco Office and Conference Building and Richland PE Office into a new facility on the undeveloped Tri-Cities AHQ site
  - Recommendation to explore future consolidation opportunities of the Mottman Environmental Office into the Tumwater Materials Lab and downsizing of the Mottman campus
- Additional proposed external agency collocations using OFM guidelines (**Scenario 3**)
  - Chehalis PE / Area Office & Conference Training Facility
  - Corson Ave RHQ
  - Dayton Ave NWR Headquarters Building
  - Kelso Engineering Field Office
  - Mullenix Maintenance / PE Office
  - Spokane RHQ
  - SWR HQ Admin_WSP HQ Admin Building
  - Union Gap RHQ

Based on discussions with WSDOT staff and the portfolio analysis, there are also a number of in-scope properties recommended to remain as-is at the current time ("Status Quo").

- Central Park Maintenance / PE Office
- Eastmont Field Office
- Hyak Dormitory Building
- Mt Baker Area Admin Office
- Mt Vernon PE Office/Lab (Foster)
- Port Angeles Area Maintenance / PE Office
- Tacoma PEO Schubert Building
- Wandermere HQ / PE Office
- Wenatchee Administration and Engineering Office

These recommendations and their impacts are discussed further at the conclusion of this section.

Constraints

While significant space savings opportunities exist within the portfolio, challenges limit the opportunity for wide-scale adoption.

Funding for capital improvements and operational costs presents a significant challenge for the WSDOT. In Scenario 1, the consolidation of the ELG Building into the Transportation Building requires a recommendation from OFM to the State Legislature for upfront funding of the project, due to a cash flow constraint associated with the biennial funding cycle. This financial constraint also directly impacts the implementation of Scenarios 2 and 3, which would require a funding recommendation from OFM to the State Legislature. Scenario 3, involving collocation with other agencies, necessitates inter-agency cooperation and independent funding from participating entities. Given OFM's statewide purview and understanding of statewide space needs, it should also be consulted in space decision-making to maximize efficiency. Underutilized space in owned and/or state obligated facilities will be made available to the state to discover collocation opportunities before offered to a nonstate entity.

WSDOT is responsible for funding its own deferred maintenance and consolidation costs, including expenses related to relocating its employees. However, for broader space optimization initiatives, OFM and the legislature would need to recommend funding of the project for WSDOT and other agencies. Any incoming agencies would be responsible for building out and finishing their designated spaces.

It is important to note that while there may be one-time expenses associated with these changes, there could also be ongoing operational costs increases due to new tenants, of which only a portion are reimbursable[5]. The rent paid by these agencies does not directly benefit WSDOT; instead, it goes to the Motor Vehicles Account, which is managed by the State Legislature. Acting as a landlord falls outside WSDOT's typical mandate and core responsibilities and adds additional burden. Mitigating this is discussed further in Section E.

As of July 1, 2027, buildings over 20,000 square feet must comply with new energy management requirements. These include benchmarking energy use, implementing operations and maintenance programs, and creating energy management plans. When evaluating potential changes in space use for buildings over 20,000 square feet, WSDOT should carefully consider the implications of these rules. While specific performance metrics are not currently mandated, WSDOT should ensure that any space use changes do not increase energy consumption, as this would align with Washington's goal of reducing building emissions. Proactively addressing these considerations will help WSDOT stay compliant with evolving state energy standards[6].

Furthermore, some properties are strategically located, provide an agency mission need, or do not have excess space to reduce which make them unable to be optimization candidates. These in-scope properties are recommended to remain as-is at the current time ("Status Quo").

[5] Of note is the Department of Ecology collocation in the Dayton Ave NWR HQ building, where its lease payment is primarily recovering debt service associated with the renovation for collocation and does not cover "recoverable costs".
[6] Washington State Clean Buildings Performance Standard, Seattle Building Emissions Performance Standard 2022

Financial Analysis

Methodology

JLL identified opportunities for consolidation based on the space reduction shown in Figure 20 and the Portfolio Decisioning Matrix.

Consideration was given to the following factors, discussed further in the Portfolio Decisioning Matrix:

- **Size:** Building(s) current state (Section B) compared to space demand (Section C).
- **Location:** Location dependency of its current operations and proximity to other WSDOT sites.
- **Suitability:** Whether the current site meets WSDOT needs and if actions to consolidate, vacate, or collocate would continue to meet those needs[7].
- **Control Structure:** Flexibility of consolidation or collocation based on owned vs leased status.

Based on the evaluation of the above characteristics, each property is assigned a recommended action: Vacate, Consolidate, Collocate (as a receptor site to house other agencies), or Status-Quo (do nothing and remain as is).

A key difference between the Consolidate and Collocate actions lies in the location criteria. If two or more WSDOT sites could be consolidated and the space could be fully or nearly fully utilized, they were assigned to the consolidation scenario (Scenario 2). When there was no nearby WSDOT facility or the nearby site did not meet suitability characteristics for its functions but still had space opportunity, the site was assigned to the collocate scenario (Scenario 3) as it could potentially house other agencies.

The space opportunity is determined by subtracting the space demand (composed of the office space requirement, specialty and miscellaneous space, and space used by other agencies or contractors) from the total building area. The result is the amount of available office space, which can be divided by the OFM guideline of 192 SF per workstation to determine the number of workspaces available if the building were optimized to a floorplan, furniture, and technology that accommodate the OFM guidelines.

Depending on the recommended action, the applicable cost assumptions described in the next section are used to evaluate the impact of the action within its scenario. The following calculations provide a quantitative evaluation of the sites in each scenario:

- The **Cost to Implement** is the one-time capital and move cost required to implement the scenario action. This is composed of the outstanding backlog and the applicable costs above (e.g. DES fees, tenant improvements, furniture, etc.).

[7] Evaluation of suitability was discussed at a high level during the analysis. Additional characteristics for suitability, as discussed in the Portfolio Decisioning Matrix, should be evaluated further before implementing any of the recommendations.

- **Cost Avoidance** compares the cost to occupy, operate, and maintain the current state (Status Quo or Baseline) with the cost to occupy, operate, and maintain space under the recommended action. This savings is displayed on both a nominal and net present value (NPV) basis, over a 30-year period. The Annual Stabilized Year Cost Avoidance is the cost difference between the Status Quo and recommended scenario in the first year after the consolidation or collocation is complete. Note that post-project operational costs may be lower when modernizing or optimizing space. This depends on a number of specific building and use characteristics and, while it is not incorporated in this analysis, may further increase cost avoidance.

- The **Payback Period** is the Cost to Implement divided by the Annual Stabilized Year Cost Avoidance. The cost savings begin after implementation, often in the next biennium. For example, Project Plans that are submitted for the 2025-27 biennium would realize cost savings in the 2027-29 biennium. If the payback period is1.5 years, that means the Cost Avoidance in the first 18 months after implementation is complete equates to the Cost to Implement that was previously expended.

Assumptions

The financial model assumptions for WSDOT's facilities planning encompass various cost categories and economic factors. These assumptions were updated and aligned through discussions with key stakeholders in August 2024.

- **Operating costs** for owned building and full-service lease costs are based on current expenditures provided by WSDOT. Where operating costs were not available, a cost per square foot for a similar building was applied.
    - JLL used the assumption that WSDOT would be able to recover roughly 40% of operating expenses incurred by new tenants through pro rata reimbursements for third party recoverable services like custodial, energy, refuse, water/sewer, pest control and service contracts.[8]

- **Capital cost** in the Status Quo / Baseline scenario uses the average annual 10-year cost modeled to reduce the outstanding capital backlog to the State of Good Repair;

- For proposed consolidations and collocations, the model addresses the outstanding backlog amount at the time of action, assumed to occur over a two-year period. Ongoing capital needs use the estimated 30-year annual average recapitalization needs based on straight-line depreciation to maintain a State of Good Repair. This is estimated at $5.75 per square foot per year.

[8] Limited data is currently available; based on a calculation in a potential future third-party lease for the NWR Headquarters building (Dayton Facility) and recoverable costs estimated for third party spaces for SWR Headquarters building ($2.50/SF) and the Eastern Region Headquarters ($3.00/SF). This assumption should be evaluated and adjusted as collocation opportunities are implemented further.

Both operating and capital expense inflation rates are set at 2.5% annually, based on average CPI.

Where individual site Six Year Facilities Plan Project Request Forms were provided for building moves and consolidations, the costs developed by WSDOT in those plans were utilized in the Financial Analysis. JLL received plans for the Aviation Office, Edna Lucille Goodrich (ELG) Building, Lacey P.E. Office, Transportation Building, Tumwater P.E. Office Building, and WSF Administration Office.

JLL utilized the below cost assumptions in modeling the cost of potential consolidation and collocation scenarios. Costs / construction is assumed to occur over a two-year period:

- **DES architectural and engineering fees** are applicable to WSDOT-leased space and are estimated based on costs provided in the 6-year site plan for the Transportation Building / ELG Building Consolidation. DES fees are budgeted around $10,000 per quarter-floor ($189/hr for 50 hours of DES time required), with a minimum of $3,600, based on the Tumwater PE Office and Lacey PE Office consolidations into the Olympic RHQ;

- **Tenant improvements** are estimated at $150 per square foot (applicable to space fit out needs above addressing deferred maintenance / backlog above);

- **Technology infrastructure** costs are set at $1,500 per workstation, applicable to new space setup;

- **New furniture** is budgeted at $3,500 per workstation;

- **Staff relocation** costs are estimated at $500 per person for moves to a different location and $150 per person for in-building moves (based on current headcount data assigned to each location that was provided by WSDOT);

- **Building security** costs vary based on facility size and complexity. It includes the addition of keycard readers, compartmentalizing the building with other tenants, and lobby and reception desk modification[9]. A sliding cost scale for building security, based on facility size, is assumed in the financial analyses;

- A 9.7% **sales tax** is applied to all costs;

- A 5% **contingency** is factored in for projects with unconfirmed budgets, particularly those involving leased spaces; and

[9] Based on discussion with staff of physical and cloud components of the security system and an analysis of a recent security proposal at the Southwest Region HQ and other Southwest Region offices, an assumption of approximately $0.45 per total building SF was assumed, with a minimum of $10,000. Additionally, new and modified reception areas would be required in some cases. Buildings less than 10,000 SF were assumed to collocate with compatible agencies and not require additional modifications to security, while larger buildings or collocations with agencies with differing requirements may require a higher cost to accommodate.

- A 10% **project management fee** is included in Scenarios 2 and 3 to account for the cost of WSDOT Project Management staff to manage the implementation of each recommendation[10].

The weighted average cost of capital (WACC) used in the net present value calculation to evaluate Cost Avoidance is 3.99%.

Square footage demand and headcount growth assumptions are derived from separate workplace analysis assumptions.

As WSDOT evaluates future opportunities, it is recommended to review and refine these assumptions to ensure project specifics and current market conditions are accurately accounted for at the time of project consideration.

Scenario 1 – In-Flight Actions

Following the 2022 analysis, WSDOT began taking significant steps towards optimizing its real estate portfolio. The department has submitted plans to implement several key recommendations and additional consolidation actions.

The proposed changes include consolidating the ELG and Aviation Office leases into the Transportation Building, merging the Lacey PE Office and Tumwater PE Office leases into the Olympic RHQ, and substantially downsizing the Washington State Ferries (WSF) Administration Office lease from 87,000 square feet to 52,000 square feet.

The Lacey PE Office and Tumwater PE Office consolidations into the Olympic RHQ plan is funded and in process. The WSF Administration Office lease downsize plan is funded and in process. The Aviation Office consolidation into the Transportation Building is funded and will be moving forward. The component of this consolidation for the ELG Building to move into the Transportation Building has been included in WSDOT's 2025-31 Six-Year Plan; planned for funding submission in the 2027-2029 biennium.

If successfully executed, these consolidation efforts would result in a significant 24% reduction in space across the in-scope portfolio. This reduction represents a substantial step towards increasing efficiency and reducing costs in WSDOT's real estate holdings.

[10] Includes managing consultants; excludes addressing outstanding backlog, as project delivery costs are already included.

	Transportation Building Consolidation	Olympic RHQ Consolidation	WSF Downsize Consolidation	**Scenario 1 Total**
Building(s) SF Reduction	225,770	11,654	34,581	**272,005**
Space Reduction to the Total Portfolio	20%	1%	3%	**24%**
Building(s) Space Reduction	73%	27%	40%	**62%**
Cost to Implement	$8,631,239	$225,909	$1,041,529	**$9,898,677**
Nominal 30-Year Cost Avoidance	$296,847,483	$18,499,129	$51,221,478	**$366,568,090**
NPV 30-Year Cost Avoidance	$154,409,951	$9,923,917	$27,847,231	**$192,181,098**
Annual Stabilized Year Cost Avoidance	$7,398,987	$443,353	$1,413,598	**$9,255,938**
Payback Period	1.2 years	0.5 years	0.7 years	**1.1 years**

Figure 23 - Scenario 1 Analysis

Portfolio Decisioning Matrix – Scenarios 2 & 3

To better assist WSDOT in actioning Scenarios 2 and 3, or choosing to remain Status Quo, JLL created a Portfolio Decisioning Matrix in the appendix of this report to ensure that the team aligns to a consistent methodology for space optimization.

The WSDOT Portfolio Decisioning Matrix is a strategic framework designed to help determine whether a WSDOT office should remain in its current location or consider relocating. This decision-making process is based on four key criteria: Size, Location, Suitability, and Control Structure.

- **Size**: Is the current facility appropriately sized for current and near-term needs based on telework status and OFM space use standards?
- **Location**: Is the facility ideally located for operations and organizational goals?
- **Suitability**: Does the facility meet operational needs in terms of functionality, layout, amenities, etc.? Will the proposed change impact a building that is subject to sustainability/energy use legislation?[11&12]
- **Control Structure**: Is the current ownership/leasing arrangement optimal? Would the decision align to state directives? If underutilized, is there an opportunity to collocate with another state entity before being offered to a non-state entity?

When the size of the current facility does not match the space demand of the users, the matrix explores options like expanding or downsizing within the current space or relocating to a more appropriately sized facility nearby. Issues related to location may lead to consolidating into an existing location or moving to an entirely new one. Collocation with other state departments could be the outcome of downsizing to reflect the spatial needs of OFM. Suitability concerns, such as facility condition or layout efficiency, might be addressed by making improvements to the current site or by relocating. Control structure issues (owned vs. leased) are typically only considered at significant milestones and may result in sale-leaseback arrangements or property acquisitions.

[11] Examples of sustainability/energy use concerns: WA Clean Buildings Performance Standard (CBPS), Seattle Building Emissions Performance Standard (SBEPS), etc. (for any building over 20,000 S.F., after the legislation goes into effect for that building)

[12] CBPS Section 6.5 Tenant Improvements. The energy manager (EM) shall put in place a formal process to ensure that any tenant improvements involving a change in space use, or the relocation of partitions (including partial height partitions) do not change the annual net energy use except to the extent that the annual net energy use change (increase or decrease) is consistent with any change in the building's energy target.

The matrix guides users through various scenarios based on these factors. If all factors are satisfactory, the recommendation is to maintain the current location as-is. When multiple issues exist, the tree suggests assessing whether the current site can be remedied or if relocation is necessary. Use of the Portfolio Decisioning Matrix to act on either Scenario 2 or 3 requires conducting qualitative and financial analyses. The matrix also notes that all major decisions require OFM consultation, business case development, and approvals assuming funding availability for potential actions.

In cases of multiple issues, the matrix prompts an analysis of whether the current site can be remedied or if relocation is necessary. Use of the matrix should consider prioritization of WSDOT and OFM initiatives and input. G – Appendix: Portfolio Decisioning Matrix depicts the variations of potential solutions for WSDOT.

Scenario 2 – WSDOT Agency Consolidations

The WSDOT portfolio has undergone significant optimization, with numerous potential consolidations already completed or in progress (Scenario 1). WSDOT's facilities often serve dual functions, form part of larger multi-function campuses, or are strategically located to meet specific operational needs. Building on these existing efficiencies, Scenario 2 identifies additional opportunities for consolidating WSDOT employees at specific sites and facilitating collocation with other agencies. These potential changes aim to further enhance operational effectiveness and promote inter-agency collaboration, aligning with WSDOT's commitment to maximizing resource utilization and fostering synergies across the public sector.

Scenario 2 Components:

- **Bellingham Lease Downsize**
    - The Bellingham Engineering Field office occupies approximately 10,000 SF of leased space. Based on the space demand analysis, only about half of this space is needed to accommodate current employees.
    - The lease expires in September 2027, and WSDOT plans to renew it and remain in this location.
    - The possibility of reducing the leased area at renewal has not yet been explored with the landlord. If feasible, this is recommended as a near term action for consideration.

- **Pasco-Richland New Build**
    - A site was purchased in 2009 for a new facility to house the Pasco Office and Conference Building and the leased Richland PE Office on the Tri-Cities AHQ site. However, priority funding for construction has not been provided.
    - The new facility would need to accommodate office and common areas, Washington State Patrol (currently collocated in about two-thirds of the Pasco Office), and maintenance functions including shop space, storage areas, salt sheds, and wash bays.
    - While maintenance facilities are not part of the original in-scope portfolio, constructing a new campus on the undeveloped Tri-Cities AHQ site with office space and maintenance facilities, allowing for 25-50% growth, is estimated at $12-14 million.

- Within this analysis's scope, the space demand for current WSDOT occupants in both offices, assuming 10% growth, is approximately 3,000 SF. WSP space needs could likely be reduced in optimized space.
- Constructing a new office for WSDOT (Pasco and Richland) and WSP users is estimated at $4.8 million. While office space cost avoidance alone doesn't justify new construction, JLL recommends further evaluation of site needs, including maintenance space, collocation needs, and growth. Periodic reassessment of the full site opportunity and cost avoidance is advisable, considering Richland office lease rates, Pasco office condition, construction costs, and total site needs.
- Referring to the Portfolio Decisioning Matrix, the location and control structure are appropriate, but suitability and size can be improved by constructing a new facility, pending further study, approvals, and funding.

- **Tumwater Lab / Mottman Consolidation**
  - The State Materials Lab in Tumwater has approximately 6,500 SF of additional capacity. The Mottman HQ Environmental Office has an estimated demand of 2,400 SF, presenting an opportunity to consolidate and relocate the Mottman HQ Environmental Office into the Tumwater Materials Lab.
  - The 15.7-acre Mottman campus includes several buildings, storage areas, and container units (not in-scope) besides the Environmental Office. While the mostly remote Environmental Office employees could relocate to the Tumwater Materials Lab, the Mottman campus remains strategically important for maintenance and field functions based in other on-site buildings.
  - The Mottman property has potential for consolidating maintenance and field functions to a portion of the site, allowing for partial disposition. However, challenges include site characteristics (central pond, potential contamination, remediation costs) and operational considerations (large vehicle turning radius, safety clearances, storage of large materials, truck storage for nearby properties).
  - A comprehensive analysis, including a master plan for Tumwater buildings and the Mottman campus, requires additional due diligence and may extend beyond the 2030 consolidation goal. However, consolidating the Tumwater Materials Lab and Mottman HQ Environmental Office could reduce space by up to 11,500 SF across both buildings, at a one-time cost of approximately $15.5 million, warranting future exploration.

	Bellingham Lease Consolidation	Materials Lab / Mottman Consolidation	Pasco/Richland Consolidation (defer)	Scenario 2 Total
Building(s) SF Reduction	5,284	11,507	7,221	**24,012**
Space Reduction to the Total Portfolio	0.5%	1%	1%	**2%**
Building(s) Space Reduction	52%	17%	61%	
Cost to Implement	$101,799	$16,144,432	$5,292,071	**$21,538,302**
Nominal 30-Year Cost Avoidance	$3,473,183	$71,170,056	$5,607,003	**$80,250,242**
NPV 30-Year Cost Avoidance	$1,907,115	$31,824,877	$848,772	**$34,580,764**
Annual Stabilized Year Cost Avoidance	$80,680	$2,081,091	$257,007	**$2,418,778**
Payback Period	1.3 years	7.8 years	20.6 years	**8.9 years**

Figure 24 - Scenario 2 Analysis

Scenario 3 – Additional Agency Collocations

JLL and WSDOT identified sites that are essential for WSDOT agency mission needs and have additional space available for collocation by additional State agencies after consolidation. The analysis uses the space demand methodology in Section C – Workplace Strategy Demand and OFM guidelines to determine the amount of available space. This scenario considers the potential opportunities, costs, and benefits of collocating. The Cost to Implement assumes WSDOT will be responsible for the costs of addressing backlog / deferred maintenance to the building and costs related to its own space needs, while other tenant agencies will be responsible for the costs of moving into the space and additional space improvements required to collocate.[13]

For the two largest opportunities, Dayton Ave NWR HQ and SWR HQ, potential collocation opportunities were reviewed and preliminarily identified. For each of these opportunities, a more detailed space analysis of the sites would be needed to validate the space requirements needs, specialty spaces that would need to be accommodated, compatibility of agency uses, and other considerations as discussed in the Portfolio Decisioning Matrix.

- **Chehalis PE / Area Office & Conference Training Facility**
  - The Chehalis office and training facility comprises two buildings totaling approximately 10,400 SF. The conference and training facility was excluded from the optimization analysis and assumed to remain as-is.
  - Of the 17 employees assigned to the site, most work fully remotely. The space analysis estimates the demand at approximately 850 SF.
  - This leaves nearly 7,000 SF (equivalent to 36 workstations) available for potential collocation opportunities.

- **Corson Ave RHQ**
  - The Corson Avenue RHQ Regional Headquarters Campus consists of four buildings totaling approximately 43,000 SF.
  - Although most of the 142 employees are resident users, an estimated 8,100 SF (equivalent to 42 workstations) is available for potential collocation.
  - The campus includes a vehicle maintenance facility, which is currently closed due to asbestos contamination. WSDOT is in the process of requesting funds to either rebuild or construct a new facility to address this issue.

- **Dayton Ave NWR Headquarters Building ("Dayton")**
  - The Dayton Ave NWR HQ is a 163,000 SF building. The Department of Ecology occupies a large portion of the 2nd floor, the entire 3rd floor, and has a mail processing room on the 1st floor (~54,000 SF total). There's also an opportunity for a contractor to lease approximately 7,000 SF while servicing a DOT project.
  - Of the remaining ~60,000 SF of office space, WSDOT's projected space demand is approximately 20,000 SF, as most users are remote. This leaves 42,000 SF (equivalent to 215 workstations) available for potential collocation.
  - This site presents one of the greatest opportunities for space optimization and reduction (~3.7%) across the in-scope portfolio sites in Scenarios 2 and 3.

[13] Includes DES fees (where applicable), staff move costs, furniture, technology infrastructure, or additional tenant improvement / space optimization costs after backlog is addressed.

  - A preliminary review identified approximately 37,000 SF of leased space within five miles of the Dayton Ave site, currently costing $1.2 million annually. Using OFM user space guidelines, these leases could potentially consolidate into approximately 33,000 SF at the Dayton Ave site.
  - Further detailed space analysis is needed to validate:
    - Specific space requirements
    - Necessary specialty spaces
    - Compatibility of agency uses
    - Other considerations as outlined in the Portfolio Decisioning Matrix.

- **Kelso Engineering Field Office ("Kelso")**
  - Kelso is an 8,100 SF building with both maintenance and engineering functions.
  - There is approximately 5,200 SF (27 workstations) available for potential collocation.

- **Mullenix Maintenance / PE Office ("Mullenix")**
  - Mullenix is an 8,100 SF building with both maintenance and engineering functions.
  - The 6 users are split evenly as externally mobile and resident users, totaling approximately 845 SF of demand. There is approximately 6,000 SF (31 workstations) available for potential collocation.

- **Spokane RHQ**
  - The Spokane RHQ site has six in-scope buildings, the largest of which are the Eastern Region PE Office and the Spokane RHQ Office. Of the 246 users, the majority are resident or externally mobile users. WSDOT also projects growth of 30 users in the next few years to service the growing construction demand in the area.
  - Based on the demand analysis, there could be 12,000 SF (62 workstations) available for potential collocation. However, due to the building layouts and older workstation setup, it would require significant new funding to optimize the space to that level.

- **SWR HQ**
  - The SWR HQ is one of the largest buildings in the in-scope portfolio, with nearly 120,000 SF. There is currently almost 40,000 SF of collocation by other agencies and the City of Vancouver. Of the building's 182 assigned users, 70% are remote, so there is minimal space demand.
  - While WSDOT has already consolidated into the third floor and a portion of the first floor, additional funding would allow further optimization of the space and an additional collocation opportunity of over 40,000 SF (207 workstations). This analysis assumes WSDOT would fund the outstanding backlog, optimization costs for its remaining space, and other consolidation costs for its users. However, if collocation is required before typical WSDOT funding would allow, other funding would need to be provided for the costs to optimize the third-floor space.
  - This site provides one of the greatest opportunities for space optimization and reduction (~3.9%) across the in-scope portfolio sites in Scenarios 2 and 3.

- A cursory review of potential collocation opportunities identified approximately 38,000 SF of leased space nearby[14] at a current cost of nearly $1 million in lease costs in the current year. Using OFM user space guidelines, these leases could consolidate into approximately 18,000 SF in the SWR HQ site. A more detailed space analysis of the sites would be needed to validate the space requirements needs, specialty spaces that would need to be accommodated, compatibility of agency uses, and other considerations as discussed in the Portfolio Decisioning Matrix.

- **Union Gap RHQ**
  - The Union Gap Regional Headquarters campus has nine in-scope buildings totaling approximately 69,000 SF, with approximately one-fourth as lab or other specialty space.
  - The space analysis estimates approximately 18,600 SF (94 workstations) available for potential collocation.

[14] There is another large facility south of the SWR HQ and it is assumed other adjacent spaces, totaling 9,400 SF of owned space and 29,000 SF of leased space, would likely collocate there. Applying OFM space guidelines, those agencies would have approximately 15,000 SF of space need, which the SWR HQ could accommodate, subject to validation of the space requirements needs, specialty spaces that would need to be accommodated, compatibility of agency uses, and other considerations.

	Chehalis	Corson	Dayton	Kelso	Mullenix	Spokane	SWR HQ	Union Gap	Scenario 3 Total
Building(s) SF Reduction	6,952	8,158	41,455	5,217	5,973	12,015	40,188	18,615	**138,573**
Space Reduction to the Total Portfolio	0.6%	0.7%	3.7%	0.5%	0.5%	1.1%	3.6%	1.6%	**12%**
Building(s) Space Reduction	67%	19%	25%	65%	74%	19%	34%	27%	**27%**
Workstation Surplus Opportunity	36	42	215	27	31	62	209	94	**716**
Cost to Implement	$838,692	$4,400,189	$10,453,920	$641,011	$852,203	$5,255,694	$17,146,396	$6,023,418	**$45,611,523**
Nominal 30-Year Cost Avoidance	$3,161,758	$9,060,599	$68,243,858	$1,988,498	$3,960,047	$18,678,981	$65,648,826	$23,163,228	**$193,905,795**
NPV 30-Year Cost Avoidance	$1,514,066	$3,875,463	$34,456,188	$948,294	$1,925,912	$8,956,620	$30,937,809	$11,093,461	**$93,707,814**
Annual Stabilized Year Cost Avoidance	$97,994	$322,276	$1,956,453	$62,338	$119,845	$579,505	$2,071,770	$717,950	**$5,928,130**
Payback Period	8.6 years	13.7 years	5.3 years	10.3 years	7.1 years	9.1 years	8.3 years	8.4 years	**7.7 years**

Figure 25 - Scenario 3 Analysis

As previously noted, WSDOT is not able to fully recapture the costs of administering and servicing leases, staff time and requests from collocating agencies, and does not receive rent revenue, or even full reimbursement of operating costs. As an example, the below summary shows additional cost avoidance from assuming full reimbursement of operating costs from collocating agencies. On average, this lowers the payback period by nearly one year.

Alternate Cost Avoidance: Includes full proportionate cost recovery.

	Chehalis	Corson	Dayton	Kelso	Mullenix	Spokane	SWR HQ	Union Gap	Scenario 3 Total
Building(s) SF Reduction	6,952	8,158	41,455	5,217	5,973	12,015	40,188	18,615	**138,573**
Space Reduction to the Total Portfolio	0.6%	0.7%	3.7%	0.5%	0.5%	1.1%	3.6%	1.6%	**12%**
Building(s) Space Reduction	67%	19%	25%	65%	74%	19%	34%	27%	**27%**
Workstation Surplus Opportunity	36	42	215	27	31	62	209	94	**716**
Cost to Implement	$838,692	$4,400,189	$10,453,920	$641,011	$852,203	$5,255,694	$17,146,396	$6,023,418	**$45,611,523**
Nominal 30-Year Cost Avoidance	$3,912,081	$10,199,194	$86,398,107	$2,460,439	$4,840,000	$20,542,188	$69,895,089	$24,199,611	**$222,446,709**
NPV 30-Year Cost Avoidance	$1,895,245	$4,453,892	$43,678,910	$1,188,050	$2,372,946	$9,903,167	$33,094,996	$11,619,964	**$108,207,170**
Annual Stabilized Year Cost Avoidance	$118,787	$353,829	$2,459,548	$75,416	$144,230	$631,138	$2,189,443	$746,670	**$6,719,061**
Payback Period	7.1 years	12.4 years	4.3 years	8.5 years	5.9 years	8.3 years	7.8 years	8.1 years	**6.8 years**

Figure 26 - Alternate Cost Avoidance: Includes full proportionate cost recovery.

Status Quo

While some of the remaining buildings may have the opportunity for a small amount of collocation, the analysis and recommendations focused on larger opportunities for cost avoidance through consolidation and collocation. Note that the recommendation of Status Quo in this report does not necessarily affirm the facility in its current state is the right size, location, suitability, and control structure, as discussed in the Portfolio Decisioning Matrix. The Status Quo properties listed below were determined to have the opportunity for less than 10% space reduction (after growth) and/or less than 2,500 SF of remaining available space.

Building/Campus	Building Space Reduction	SF Opportunity
Central Park Maint/PE Office	17%	2,044
Eastmont Field Office	8%	1,263
Hyak Dormitory Bldg	0%	0
Mt Baker Area Admin Office	0%	0
Mt Vernon PE Office/Lab (Foster) MF	28%	2,013
Port Angeles Area Maint/PE Office	0%	0
Tacoma PEO Schubert Building	*In process of signing new lease; relocating to new location*	
Wandermere HQ/PE Office[15]	17%	1,430
Wenatchee Administration and Engineering Bldg	7%	2,341

Figure 27 - WSDOT buildings with greatest opportunity for building space reduction.

Portfolio Optimization Scenario Space Reduction Summary

When Scenario 1 is fully implemented, it will result in a 24% space reduction to the in-scope portfolio. The actions identified in Scenarios 2 and 3 can be considered and pursued independently, allowing for a flexible "à la carte" approach based on funding availability and organizational priorities. If all recommendations are implemented, a total space reduction of 38% of the WSDOT in-scope portfolio can be achieved. This reduction is equivalent to a 53% decrease in the total office and allocated common space within the in-scope portfolio. Figure 30 illustrates the contribution of each recommendation to the overall space reduction, providing a clear visual representation of the potential impact of each scenario.

	Scenario 1	Scenario 2	Scenario 3
Scenario Portfolio Space Reduction	24%	2%	12%
Cost to Implement	$9,898,677	$21,538,302	$45,611,523
Nominal 30-Year Cost Avoidance	$366,568,090	$80,250,242	$193,905,795
NPV 30-Year Cost Avoidance	$192,181,098	$34,580,764	$93,707,814
Annual Stabilized Year Cost Avoidance	$9,255,938	$2,418,778	$5,928,130
Payback Period	1.1 years	8.9 years	7.7 years

Figure 28 - Scenario Summary of Total Space Reduction

[15] Only maintenance functions remain at this location.

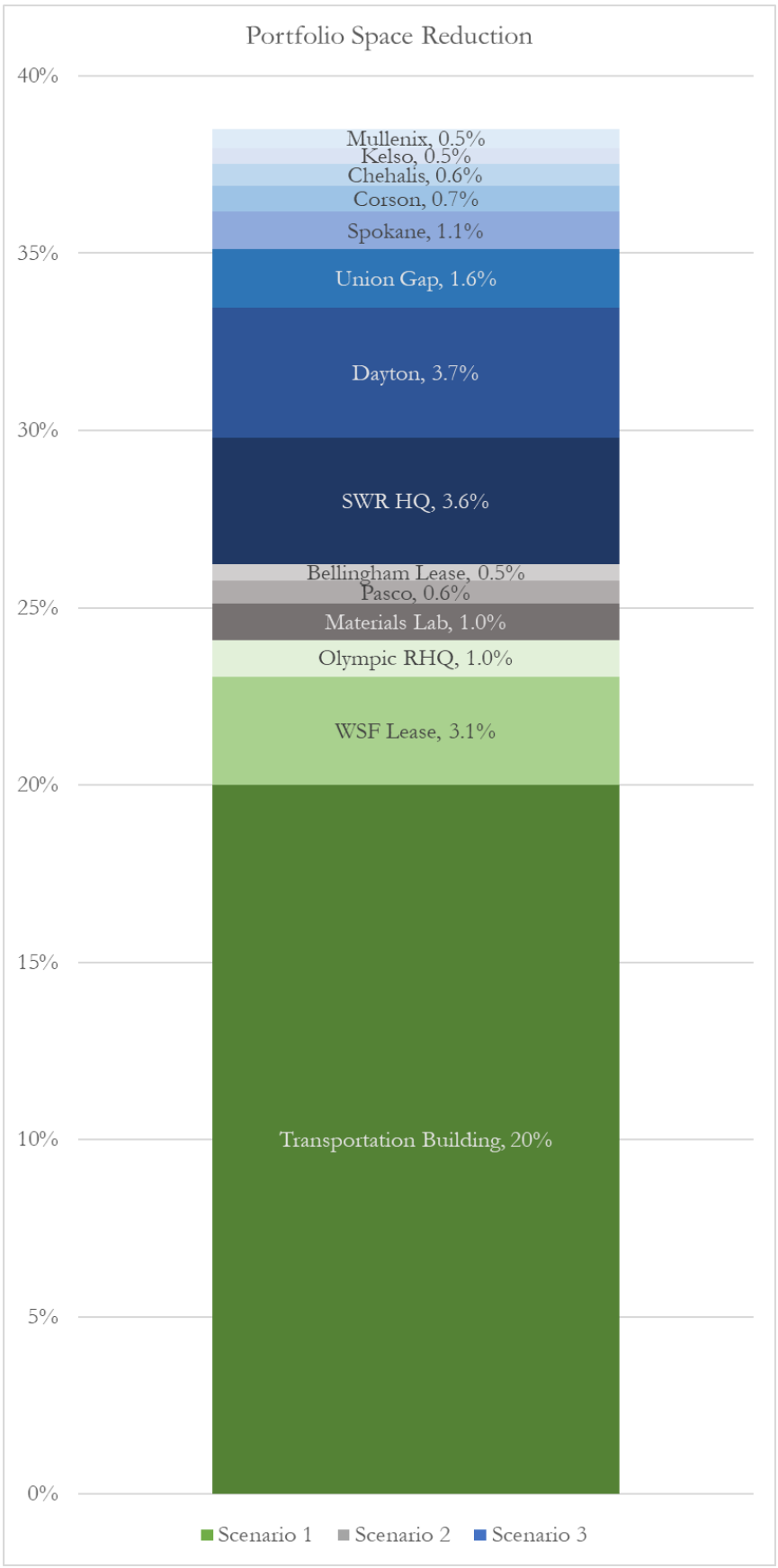


Figure 29 - WSDOT buildings with greatest opportunity.

E - Requirements to Implement and Recommendations for Change

Additional considerations and requirements to implement the scenarios presented in this analysis are below:

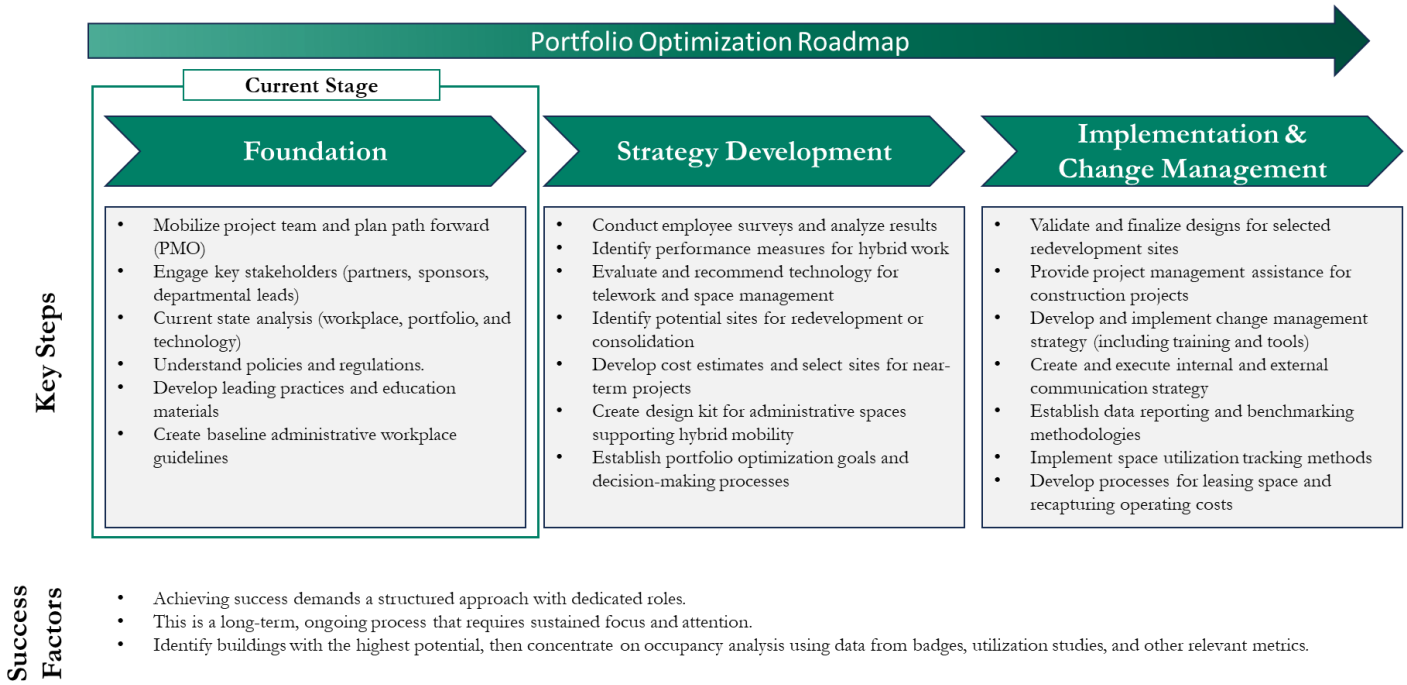


Figure 30 - Portfolio Optimization Roadmap

Foundation – Current State Analysis/Understanding of Need

Developing a comprehensive understanding of WSDOT's space requirements is crucial. This understanding should be informed by WSDOT's workplace strategy, Office of Financial Management (OFM) guidelines, utilization data, and employee preferences. Such insight will provide a solid foundation for WSDOT to evaluate and potentially implement any or all of the scenarios presented in this study, ensuring that future space decisions align with organizational needs, regulatory requirements, and workforce expectations.

- **Focused and Dedicated Resources to Drive Change:** To successfully implement any workplace transformation, WSDOT must allocate dedicated resources and establish a focused team to drive the change process. This team should be led by a resource(s) (either hired internally or from a 3rd party contractor) experienced in change and program management who are dedicated to lead this transformation and manage internal workstreams with resources provided from facilities management, human resources, information technology, etc. who can be consulted alone the journey but remain focused on their day jobs at the same time. The primary responsibility of these dedicated resources will be to develop a detailed implementation plan, coordinate cross-functional

efforts, and oversee the execution of chosen strategies. By having a dedicated team, WSDOT can ensure consistent communication, maintain momentum, and address challenges promptly throughout the transition. This focused approach will be critical in managing the complexities of space optimization, technology integration, and cultural shifts associated with new workplace models.

- **Workplace Policies and Communication:** WSDOT needs to develop policies supporting hybrid mobility and provide necessary workplace technology. This includes formalizing a workplace strategy program, establishing hybrid meeting etiquette, providing leadership training, and creating a communication strategy that clearly defines new work methods.

- **Utilization Tracking:** Accurate space utilization data is key to portfolio optimization. WSDOT has initiated badge swipe tracking at select locations and manually conducts headcounts for in-person utilization at several larger facilities. However, this data collection remains fragmented. To enhance efficiency and accuracy, WSDOT should implement a more automated and centralized system for monitoring and analyzing occupancy patterns across its properties. Furthermore, updated occupancy and utilization data that identifies who is working and how they are working in the building will allow WSDOT to revisit assumptions in this report regarding the applicability of individual spatial needs by department. An update to remote, mobile, and resident teleworking categories is also necessary as it is likely these designations have changed since the previous proviso. A review of the existing portfolio revealed that many WSDOT facilities have multiple uses and include unique specialized spaces that may not align with telework or wide-scale portfolio optimization, such as traffic operations centers, emergency operations, and lab facilities.

- **Stakeholder Outreach with Key State Stakeholders and Employee Sentiment Survey:** The previous phase of this proviso completed in 2022 included findings from an employee survey that tested employee perception of telework suitability. Facilitating a new survey with similar questions will identify changes from previous views and help align spatial assumptions with practice.

Strategy Development – Gap Analysis

Our analysis has identified several issues that extend beyond WSDOT's immediate control, necessitating collaboration with Washington State authorities such as OFM and DES and other key departments. A coordinated effort among these entities will be crucial in developing and executing solutions that align with both WSDOT's specific needs and broader state objectives.

- **Changes to Policy to Remediate Landlord Challenges:** The State of Washington must develop processes and procedures for tenant agencies to lease space and for the building owner to fully recapture operating costs, addressing the challenges of being a landlord. As previously identified, WSDOT faces ongoing challenges related to this role, as it is not currently part of WSDOT's mandate. While WSDOT is committed to renting to other agencies and working with state and local partners such as the Washington State Patrol, additional resources, policies, and procedures need to be developed to support collocation uses by other agencies. It is important to note that resources required to administer and maintain small amounts of agency space are nearly the same as the resources required for a large agency space; therefore, locating several small agencies in a

building multiplies the amount of resources required. This ensures that time and resources invested in serving as a landlord do not divert from mission-critical functions.

Further changes to WSDOT's spending authority (appropriations), necessitating legislative action will help support costs incurred by collocation. Potential changes would include the ability to recover appropriate costs covering lease, maintenance, operations, and administrative support costs. OFM should review and update State Administrative & Accounting Manual (SAAM) alignment policies impacted by telework and portfolio optimization particularly around policies regarding duty station, travel reimbursement, compensation, technology, etc.

- **Cost Estimation and Scenario Refinement:** The process of updating cost estimations for the chosen scenario components involves several critical steps. First, potential sites for redevelopment must be identified based on the stay vs. go decision tree. Once these sites are determined, a detailed cost estimation process can be initiated for both near-term redevelopment and consolidation projects. This estimation should consider current market conditions, construction costs, and any unique site-specific factors and should be prioritized based on strategic objectives. Following site selection, design development can commence for the chosen locations within the portfolio. The scale of this design work may vary depending on the specific needs and constraints of each site, but it should align with the overall strategic vision and budgetary considerations established in the earlier steps.

- **Hybrid Technology Review:** Technology plays a crucial role in enabling hybrid work. WSDOT needs to perform a gap analysis on existing technology to support a hybrid environment and procure necessary tools. Transitioning employees from desktop PCs to mobile devices like laptops and tablets will further support workplace flexibility. Additionally, implementing space utilization tracking methods will provide valuable data on how the new work environments are being used.

Implementation & Change Management

The journey from strategy to execution requires a thoughtful and comprehensive approach to implementation and change management. As WSDOT embarks on this transformative process, several key elements will work in concert to ensure success. In this phases WSDOT will begin finalizing designs for selected redevelopment sites, followed by targeted project management support during construction phases. Simultaneously, a robust change management strategy will be developed, encompassing both enterprise-wide and site-specific plans, complete with training programs and essential tools to facilitate smooth transitions. A carefully crafted communication strategy will keep both internal and external stakeholders informed throughout the process. Underpinning these efforts should be a data-driven approach, leveraging reporting and benchmarking methodologies to track progress and inform future decisions.

While the path to operationalizing this strategy is complex, the potential benefits in terms of cost savings, improved space utilization, and inter-agency collaboration make it a worthwhile endeavor for WSDOT to pursue. By taking a holistic approach that addresses people, place, and technology factors, WSDOT can successfully transition to a hybrid work model and optimize its real estate portfolio.

Additional Portfolio Optimization Considerations

Based on our comprehensive analysis of the space allocation (Section C) and usage within WSDOT's portfolio (Section B), JLL identified several key recommendations as enabling factors to help move portfolio optimization forward:

Enhance Space Utilization Through Reallocation and Collocation
Given the significant percentage of specialty spaces in certain buildings, WSDOT should consider reallocating underutilized office spaces. Telework has resulted in an opportunity for WSDOT to use space more efficiently throughout Thurston County. The agency is planning to reduce biennial lease cost, improve workflow, increase security, enhance employee experience, make office space available for others by moving WSDOT Aviation staff to the Transportation Building (TB). Furthermore, by converting some of office spaces into multipurpose or specialty areas, WSDOT could better support operational flexibility and accommodate the specialized functions required by different departments. For example, surplus office spaces could be transformed into collaborative areas, innovation labs, or training centers that align with WSDOT's objectives. Furthermore, underutilized office space could be leveraged to engage other departments through collocations like the examples explored at the TB.

Optimize Common and Miscellaneous Spaces
The analysis indicates a varied allocation of common and miscellaneous spaces across the portfolio. While buildings like the Union Gap District Office allocate a substantial proportion (40%) to miscellaneous areas, others either do not utilize such spaces or allocate minimally. To enhance overall space productivity, WSDOT should perform a detailed needs assessment to determine how common and miscellaneous spaces can be standardized and optimally utilized. Utilizing modular furniture, multipurpose rooms, and flexible workspace solutions can make these spaces more adaptable to changing needs, thus improving efficiency and employee satisfaction.

Address Discrepancies in Workspace Allocation and Headcount
Many buildings, including those with a high proportion of remote users, exhibit a surplus of workspaces relative to the number of employees. This presents an opportunity to downsize or repurpose excess space to better fit the current remote work trends. Establishing shared workspaces or implementing a hoteling system, where employees reserve workspaces as needed, could significantly reduce wasted space and lower costs. Additionally, aligning space offerings with flexible work policies can enhance productivity and employee well-being.

Leverage Technology for Space Management
Investing in technology-driven solutions such as integrated workplace management systems (IWMS) can enable WSDOT to monitor space utilization in real time and make data-driven decisions. By employing sensors, desk booking systems, and space management software, the organization can more accurately track occupancy rates and adjust space allocation dynamically. This proactive approach facilitates continuous space optimization, ensuring that facilities evolve with organizational changes and employee needs.

Future-Proof Facilities with Strategic Planning
To ensure long-term efficiency and effectiveness, WSDOT should implement strategic facilities planning that incorporates projected changes in headcount, remote work prevalence, and evolving operational needs. Engaging stakeholders in regular reviews and adopting a flexible design approach can help future-proof the facilities, making them adaptable to different scenarios. By developing a

comprehensive facilities management plan that includes scenario planning and predictive analytics, WSDOT can proactively address space challenges and leverage its real estate portfolio as a strategic asset.

F – Appendix: Current State Analysis

	#	Building Name	# of Buildings	UFI	Building Square Footage	Office Space SF (Including Common Areas)	Total Number of Workspaces	Current Headcount (All users)	Annual Operating Cost	Outstanding Capital Backlog	Building SF/Headcount	Office Space SF/Workspaces	Current Headcount/ Workspaces	Annual Operating Cost/Building SF	Annual Operating Cost/Current Headcount
Central Puget Sound	1	Corson Ave RHQ	4	A08388	22,853	21,775	97	97	$127,540	-	236	224	1.00	$5.58	$1,315
				A09094	1,174	1,146	5	22	$19,405	$122,677	53	229	4.40	$16.53	$882
				A01747	770	770	5	15	$16,041	$90,965	51	154	3.00	$20.84	$1,069
				A06999	18,039	9,810	33	8	$75,163	$2,774,551	2255	297	0.24	$4.17	$9,395
	2	Dayton Ave Nwr Headquarters Building	1	A01413	163,084	122,160	479	464	$2,844,396	$8,681,383	351	255	0.97	$17.44	$6,130
	3	Tacoma PEO Schubert Building	1	A25706	5,442	5,442	27	25	$130,871	-	218	202	0.93	$24.05	$5,235
	4	WSF Administration Office	1	A09751	87,065	53,909	295	437	$3,380,362	-	199	183	1.48	$38.83	$7,735
Eastern	5	Spokane RHQ	6	A03232	23,575	20,437	51	71	$183,890	$2,004,353	332	401	1.39	$7.80	$2,590
				A01066	22,894	21,312	131	131	$101,486	$716,633	175	163	1.00	$4.43	$775
				A07688	3,869	2,870	16	16	$30,196	$310,333	242	179	1.00	$7.81	$1,887
				A01522	7,967	816	9	10	$49,909	$563,822	797	91	1.11	$6.26	$4,991
				A08557	4,896	4,841	15	14	$23,709	$60,067	350	323	0.93	$4.84	$1,694
				A00125	781	723	5	4	$5,956	$7,272	195	145	0.80	$7.62	$1,489
	6	Wandermere Hq/Pe Office	1	A04279	8,313	4,809	16	19	$36,780	$738,240	438	301	1.19	$4.42	$1,936
North Central	7	Wenatchee Administration and Engineering Bldg	2	A25565	29,662	24,745	123	128	$130,890	-	232	201	1.04	$4.41	$1,023
				A00891	5,745	3,785	17	23	$55,773	$232,956	250	223	1.35	$9.71	$2,425
Northwest	8	Bellingham Engineering Field Office	1	A03807	10,114	8,241	33	23	$243,919	-	440	250	0.70	$24.12	$10,605
	9	Eastmont Field Office	3	A04606	4,977	4,545	35	29	$42,133	-	172	130	0.83	$8.47	$1,453
				A05809	4,621	4,603	25	16	$42,668	-	289	184	0.64	$9.23	$2,667
				A03289	6,879	6,478	35	32	$60,051	-	215	185	0.91	$8.73	$1,877
	10	MT Baker Area Admin Office	1	A25601	6,386	6,386	45	44	$22,612	-	145	142	0.98	$3.54	$514
	11	Mt Vernon Pe Office/Lab (Foster) MF	1	A08992	7,203	6,448	36	25	$40,953	$818,875	288	179	0.69	$5.69	$1,638

Figure 31 - Current State Analysis

	#	Building Name	# of Buildings	UFI	Building Square Footage	Office Space SF (Including Common Areas)	Total Number of Workspaces	Current Headcount (All users)	Annual Operating Cost	Outstanding Capital Backlog	Building SF/Headcount	Office Space SF/Workspaces	Current Headcount/ Workspaces	Annual Operating Cost/Building SF	Annual Operating Cost/Current Headcount
Olympic	12	Aviation Office	1	A20812	4,369	4,369	15	15	$89,070	-	291	291	1.00	$20.39	$5,938
	13	Central Park Maint/Pe Office	1	A09291	11,697	4,579	31	27	$74,046	$1,169,406	433	148	0.87	$6.33	$2,742
	14	Edna Lucille Goodrich (ELG)	1	A05265	107,395	87,395	505	439	$3,439,929	-	245	173	0.87	$32.03	$7,836
	15	Lacey P.E. Office	1	A05941	5,813	4,978	35	26	$146,193	-	224	142	0.74	$25.15	$5,623
	16	Mottman Hq Environmental Office	1	A04226	7,353	6,639	47	39	$36,298	$325,476	189	141	0.83	$4.94	$931
	17	Mullenix Maint/Pe Office	1	A02226	8,115	6,817	32	6	$47,617	$722,244	1352	213	0.19	$5.87	$7,936
	18	Olympic RHQ Building	1	A26726	31,924	29,922	139	255	$161,162	-	125	215	1.83	$5.05	$632
	19	Port Angeles Area Maint/Pe Office	1	A06311	11,035	2,914	34	50	$87,549	$851,926	221	86	1.47	$7.93	$1,751
	20	Tumwater Hq Materials Lab Building	1	A06906	61,837	20,709	122	173	$581,022	$8,167,362	357	170	1.42	$9.40	$3,359
	21	Tumwater P.E. Office Building	1	A03976	5,841	4,831	N/A	5	$109,920	-	1168	N/A	N/A	$18.82	$21,984
Olympic (Olympia HQ)	22	Transportation Building	1	A08267	195,714	154,029	709	847	$3,432,950	-	231	217	1.19	$17.54	$4,053
South Central	23	Hyak Dormitory Bldg	1	A10863	12,418	2,475	17	32	$5,308	-	388	146	1.88	$0.43	$166
	24	Pasco Office And Conference Building	1	A05857	3,913	3,705	7	4	$10,118	$441,760	978	529	0.57	$2.59	$2,529
	25	Richland Pe Office	1	A09331	8,003	6,473	29	24	$162,418	-	333	223	0.83	$20.29	$6,767
	26	Union Gap RHQ	9	A07118	26,247	14,364	79	57	$62,429	$2,736,264	460	182	0.72	$2.38	$1,095
				A01191	14,375	6,003	29	48	$30,500	$699,988	299	207	1.66	$2.12	$635
				A00771	1,248	1,116	2	4	$10,083	$115,679	312	558	2.00	$8.08	$2,521
				A08440	2,183	2,183	10	4	$3,472	$65,183	546	218	0.40	$1.59	$868
				A06192	3,986	3,571	21	53	$7,068	$524,228	75	170	2.52	$1.77	$133
				A07662	2,480	257	TBD	4	$7,692	$53,318	620	TBD	TBD	$3.10	$1,923
				A02440	5,723	5,501	22	20	$9,316	$10,325	286	250	0.91	$1.63	$466
				A01236	7,301	7,287	38	4	$12,291	$85,195	1825	192	0.11	$1.68	$3,073
				A07611	5,457	5,366	31	23	$10,144	-	237	173	0.74	$1.86	$441
Southwest	27	Chehalis Pe/Area Office + Conference/Training Facility	2	A08025	8,598	7,796	36	17	$34,783	$603,696	506	217	0.47	$4.05	$2,046
				A05039	1,767	0	0	0	$9,774	$55,831	N/A	N/A	N/A	$5.53	N/A
	28	Kelso Engineering Field Office	1	A01371	8,084	7,752	33	18	$29,123	$493,809	449	235	0.55	$3.60	$1,618
	29	SWR HQ Admin_WSP HQ Admin Bldg	1	A09285	119,686	86,567	246	182	$503,644	$13,594,669	658	352	0.74	$4.21	$2,767
		Total	**49**		**1,128,869**	**823,645**	**3,802**	**4,029**	**$16,778,623**	**$47,838,487**	**280**	**217**	**1.06**	**$14.86**	**$4,164**

Figure 32 - Current State Analysis (Cont.)

	#	Building Name	# of Buildings	Total Square Footage	SF Office + Common Space	SF Specialty + Common Space	SF Misc. Space	% Office + Common Space	% Specialty + Common Space	% Misc. Space
Central Puget Sound	1	Corson Ave RHQ	4	22,853	21,775	0	1,078	95%	0%	5%
				1,174	1,146	28	0	98%	2%	0%
				770	770	0	0	100%	0%	0%
				18,039	9,810	7,894	334	54%	44%	2%
	2	Dayton Ave Nwr Headquarters Building	1	163,084	122,160	22,358	18,566	75%	14%	11%
	3	Tacoma PEO Schubert Building	1	5,442	5,442	0	0	100%	0%	0%
	4	WSF Administration Office	1	87,065	53,909	33,156	0	62%	38%	0%
Eastern	5	Spokane RHQ	6	23,575	20,437	0	3,139	87%	0%	13%
				22,894	21,312	0	1,581	93%	0%	7%
				3,869	2,870	903	95	74%	23%	2%
				7,967	816	6,817	335	10%	86%	4%
				4,896	4,841	0	55	99%	0%	1%
				781	723	58	0	93%	7%	0%
	6	Wandermere Hq/Pe Office	1	8,313	4,809	3,383	122	58%	41%	1%
North Central	7	Wenatchee Administration and Engineering Bldg	2	29,662	24,745	2,157	2,760	83%	7%	9%
				5,745	3,785	1,933	28	66%	34%	0%
Northwest	8	Bellingham Engineering Field Office	1	10,114	8,241	1,873	0	81%	19%	0%
	9	Eastmont Field Office	3	4,977	4,545	382	50	91%	8%	1%
				4,621	4,603	0	19	100%	0%	0%
				6,879	6,478	325	76	94%	5%	1%
	10	MT Baker Area Admin Office	1	6,386	6,386	0	0	100%	0%	0%
	11	Mt Vernon Pe Office/Lab (Foster) MF	1	7,203	6,448	755	0	90%	10%	0%

Figure 33 - Square Foot Analysis by Building

	#	Building Name	# of Buildings	Total Square Footage	SF Office + Common Space	SF Specialty + Common Space	SF Misc. Space	% Office + Common Space	% Specialty + Common Space	% Misc. Space
Olympic	12	Aviation Office	1	4,369	4,369	0	0	100%	0%	0%
	13	Central Park Maint/Pe Office	1	11,697	4,579	7,060	59	39%	60%	1%
	14	Edna Lucille Goodrich (ELG)	1	107,395	87,395	14,982	5,018	81%	14%	5%
	15	Lacey P.E. Office	1	5,813	4,978	835	0	86%	14%	0%
	16	Mottman Hq Environmental Office	1	7,353	6,639	592	122	90%	8%	2%
	17	Mullenix Maint/Pe Office	1	8,115	6,817	1,275	22	84%	16%	0%
	18	Olympic RHQ Building	1	31,924	29,922	595	1,406	94%	2%	4%
	19	Port Angeles Area Maint/Pe Office	1	11,035	2,914	7,959	163	26%	72%	1%
	20	Tumwater Hq Materials Lab Building	1	61,837	20,709	36,912	4,217	33%	60%	7%
	21	Tumwater P.E. Office Building	1	5,841	4,831	1,010	0	83%	17%	0%
Olympic (Olympia HQ)	22	Transportation Building	1	195,714	154,029	17,487	24,198	79%	9%	12%
South Central	23	Hyak Dormitory Bldg	1	12,418	2,475	8,535	1,408	20%	69%	11%
	24	Pasco Office And Conference Building	1	3,913	3,705	208	0	95%	5%	0%
	25	Richland Pe Office	1	8,003	6,473	1,530	0	81%	19%	0%
	26	Union Gap RHQ	9	26,247	14,364	1,286	10,597	55%	5%	40%
				14,375	6,003	8,207	165	42%	57%	1%
				1,248	1,116	68	64	89%	5%	5%
				2,183	2,183	0	0	100%	0%	0%
				3,986	3,571	414	0	90%	10%	0%
				2,480	257	2,223	0	10%	90%	0%
				5,723	5,501	0	222	96%	0%	4%
				7,301	7,287	0	14	100%	0%	0%
				5,457	5,366	91	0	98%	2%	0%
Southwest	27	Chehalis Pe/Area Office + Conference/ Training Facility	2	8,598	7,796	802	0	91%	9%	0%
				1,767	0	1,709	57	0%	97%	3%
	28	Kelso Engineering Field Office	1	8,084	7,752	332	0	96%	4%	0%
	29	SWR HQ Admin_WSP HQ Admin Bldg	1	119,686	86,567	17,262	15,857	72%	14%	13%
		Total	**49**	**1,128,869**	**823,645**	**213,396**	**91,828**	**73%**	**19%**	**8%**

Figure 34 - Square Footage Analysis by Building (Cont.)

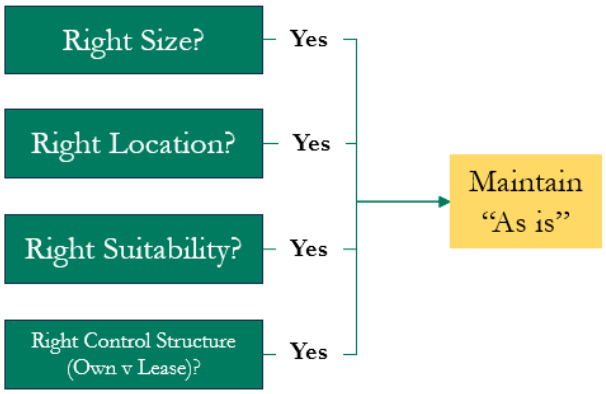
G – Appendix: Portfolio Decisioning Matrix

Portfolio Decisioning Matrix – Scenarios 2 & 3

Should I "stay" at the current office?

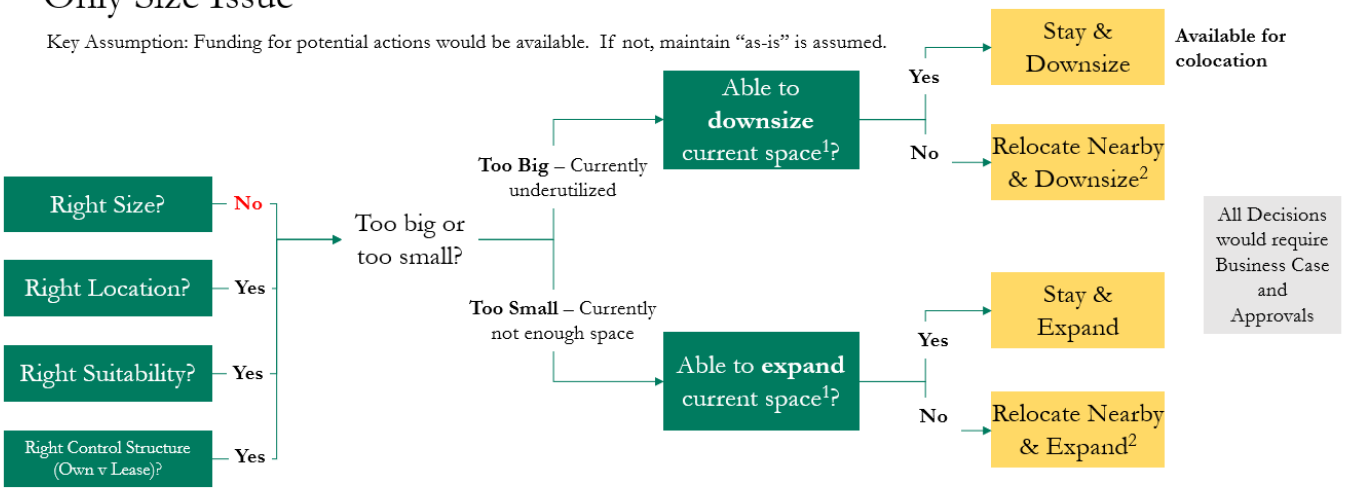
- **Size**: Is the current facility appropriately sized for current and near-term needs based on telework status and OFM space use standards?
- **Location**: Is the facility ideally located for operations and organizational goals? (e.g. customer proximity / adjacency needs, consolidation plans, etc.)?
- **Suitability**: Does the facility meet operational needs in terms of functionality, build out, layout, amenities, flexibility, building condition, cost, sustainability, resilience, etc.? Will the proposed change impact a building that is subject to sustainability/energy use legislation?[1]
- **Control Structure**: Is the current ownership/leasing arrangement optimal? Would the decision align to state directives? If underutilized, is there an opportunity to collocate with another state entity before being offered to a non-state entity? Only consider at significant milestones (e.g. lease expiration, relocations, portfolio wide initiatives, etc.)

Maintain As Is – no changes



Only Size Issue

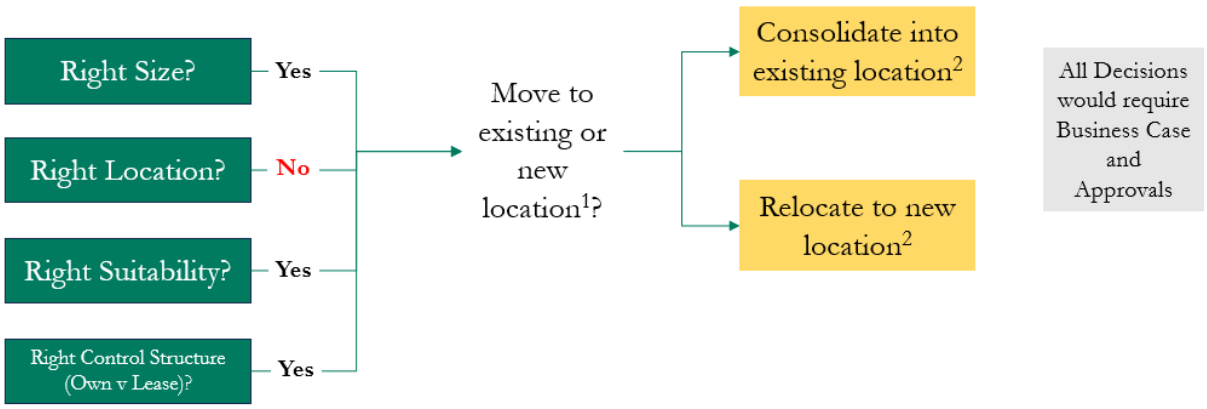
Key Assumption: Funding for potential actions would be available. If not, maintain "as-is" is assumed.



Note: 1) Conduct a qualitative and financial analysis of alternatives to determine the recommended option.
2) Develop optimal disposition strategy for exited facility. If owned and leased options available, conduct own vs. lease analysis.

Only Location Issue

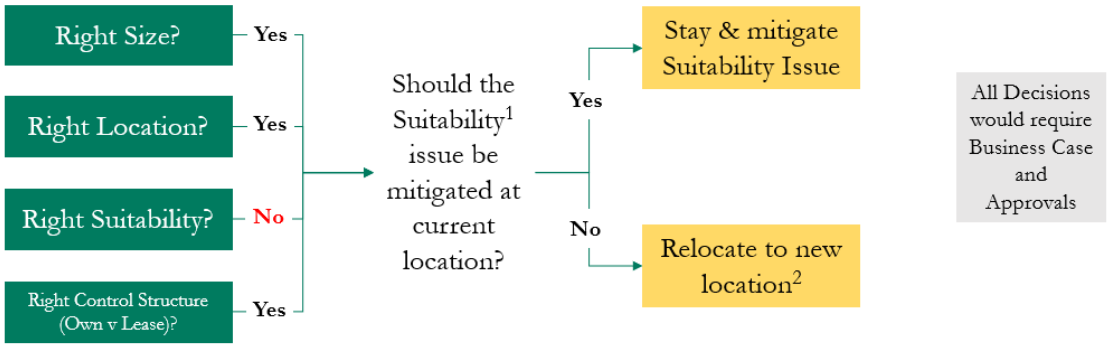
Key Assumption: Funding for potential actions would be available. If not, maintain "as-is" is assumed.



Note: 1) Conduct a qualitative and financial analysis of alternatives to determine the recommended option.
2) Develop optimal disposition strategy for exited facility. If owned and leased options available, conduct own vs. lease analysis.

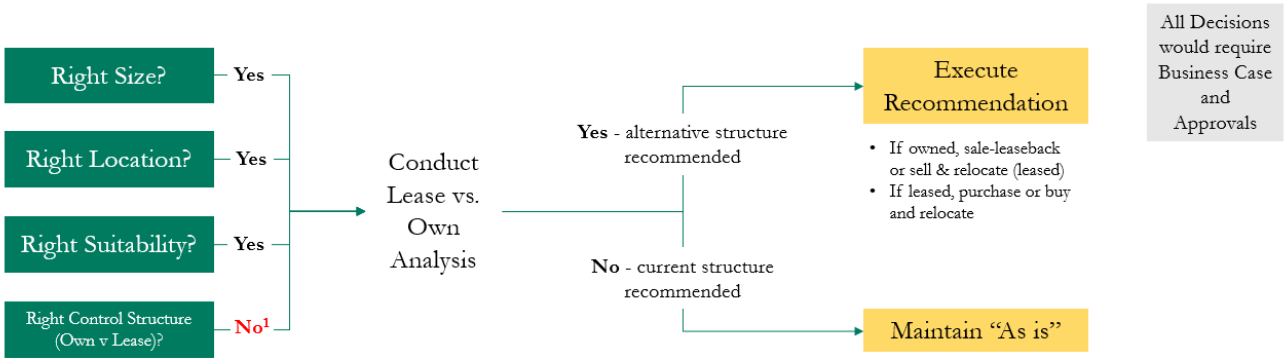
Only Suitability Issue

Key Assumption: Funding for potential actions would be available. If not, maintain "as-is" is assumed.



Note: 1) Suitability issue such as facility condition, interior build-out, layout efficiency, amenities, flexibility, cost, etc. that is critical to the organization. Conduct qualitative and financial analysis of alternatives (including new location) to determine the recommended option.
2) Develop optimal disposition strategy for exited facility. If owned and leased options available, conduct own vs. lease analysis.

Only Control Structure (Own vs. Lease) Issue

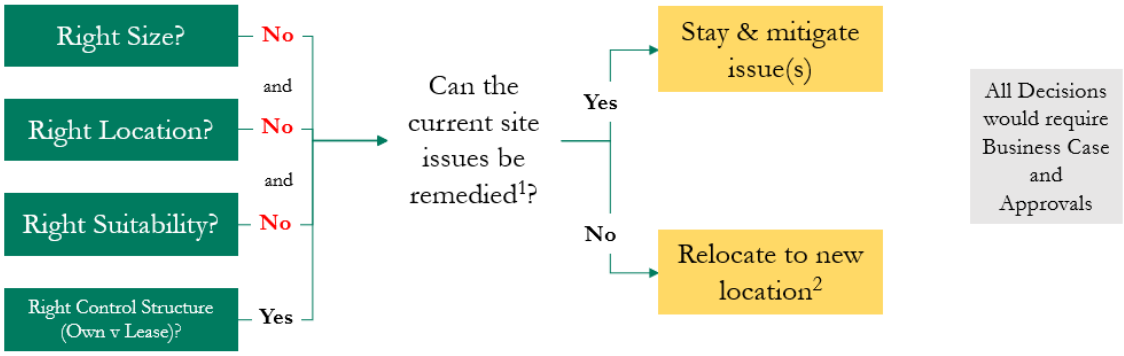


Note: 1) Only at key event / milestone such as lease expiration if leased, portfolio-wide monetization initiatives if owned, etc.

Multiple Issues – determine whether the existing site can be remedied

Key Assumption: Funding for potential actions would be available. If not, maintain "as-is" is assumed.

Example:



Note: 1) Suitability issue such as facility condition, interior build-out, layout efficiency, amenities, flexibility, cost, etc. that is critical to the organization. Conduct qualitative and financial analysis of alternatives (including new location) to determine the recommended option.
2) Develop optimal disposition strategy for exited facility. If owned and leased options available, conduct own vs. lease analysis.

H – Appendix: Demand Analysis Assumptions

Assumptions and Methodology

Our analysis was guided by several assumptions:

- **Categories Revision:** The categories were reviewed by WSDOT staff on August 30 and subsequently updated by JLL.
- **Proportional Distribution of Common Space:** Common spaces were distributed proportionally based on the ratio of office space to specialty space in each building.
- **Specific Allocations:**
  - Chehalis Conference/Training Facility's entire square footage was assigned to the specialty space category as per WSDOT directions dated August 30, 2024.
  - Rooms categorized as "N/A" were included in the largest square footage category of the building.
- **Data-Based Room Assignments:** For buildings such as the Mt Baker Area Admin Office and Tacoma PEO Schubert Office, square footage was assigned based on available data and reference plans, as room-level breakdowns were not provided.
- **Existing Headcount:** JLL gave priority to the *6-year Facilities Plan* file for headcount data as our primary source. In cases where this file did not provide the required data, JLL then referred to the *Agency Desired Six Year Facilities Plan for Department* & *EE Duty Station 2024* files. File prioritization is as follows:
    - 1 - 6-year Facilities Plan
    - 2 - Agency Desired Six Year Facilities Plan for Department
    - 3 - EE Duty Station 2024
- **Existing Square Footage:** JLL gave priority to the *WSDOTBldg_area_by_room_category* file for square footage data as our primary source. In cases where this file did not provide the required data, JLL then referred to the *Agency Desired Six Year Facilities Plan for Department* file. File prioritization is as follows:
    - 1 - WSDOTBldg_area_by_room_category
    - 2 - Agency Desired Six Year Facilities Plan for Department
- **Existing Workspaces:** For workspaces count, JLL gave priority to the Agency Desired Six Year Facilities Plan for Department file as our primary source. In cases where this file did not provide the required data, JLL then referred to the emails shared by WSDOT staff between 9/5/ & 9/6/2024 with the updated workspaces count for the following buildings:
    - Spokane RHQ (A01522)
    - Corson Ave RHQ (A06999)
    - Tumwater Hq Materials Lab Building (A06906)
    - MT Baker Area Admin Office (A25601)
    - Central Park Maint/Pe Office (A09291)
    - Port Angeles Area Maint/Pe Office (A06311)
  - No workspaces count was available for The Union Gap RHQ (A07662)
  - No workspaces count was available for the Tumwater P.E. Office Building (A03976) since it has been already moved out into the Olympic Region HQ building (A26726)

- **Exceptions to the Existing Headcount and Square Footage:**
- <u>Headcount</u>
  - The *6-year facilities plan* for headcount data is available only for few buildings in scope:
    - Lacey P.E. Office (A05941)

        - Transportation Building (A08267)
        - Tumwater P.E. Office Building (A03976)
        - WSF Administration Office (A09751)
        - Edna Lucille Goodrich (ELG) (A05265)
    - The *Agency Desired Six Year Facilities Plan for Department* file for certain building lacks headcount information:
        - Central Park Maint/Pe Office (A09291)
        - MT Baker Area Admin Office (A25601)
        - Port Angeles Area Maint/Pe Office (A06311)
        - Corson Ave RHQ (A06999)
        - Spokane RHQ (A01522)
        - Tumwater Hq Materials Lab Building (A06906)
        - Union Gap RHQ (A07662)

      To address this, JLL utilized the *EE Duty Station 2024* file as a point of reference. By following the teleworker guidelines provided on the OFM website, JLL calculated the total headcount for each user category.
    - The Chehalis Conference Facility (A05039) does not have headcount associated with it.
    - JLL referred to the consolidated *6-year facilities plan* for the Transportation Building (A08267) and Edna Lucille Goodrich (ELG) (A05265). As there was no user's breakdown specified for each of these buildings, JLL made assumptions regarding the distribution based on the breakdown provided in the *Agency Desired Six Year Facilities Plan for Department file*.
    - WSDOT staff made an adjustment on 8/30/2024 to refine the breakdown percentage of users for specific buildings, ensuring a more accurate representation:
        - Central Park Maint/Pe Office (A09291)
        - Chehalis Pe/Area Office (A08025)
        - Olympic RHQ Building (A26726)
        - Port Angeles Area Maint/Pe Office (A06311)
        - Dayton Ave Nwr Headquarters Building (A01413)
        - Tumwater Hq Materials Lab Building (A06906)
        - Mottman Hq Environmental Office (A04226)
        - SWR HQ Admin_WSP HQ Admin Bldg (A09285)
    - WSDOT staff shared an update headcount and user breakdown via email on 8/6/2024 for the Tumwater Hq Materials Lab Building (A06906).

- <u>Square Footage</u>
    1. The *WSDOTBldg_area_by_room_category* file for certain buildings lacks detailed or completed square footage information. To address this, JLL utilized the *Agency Desired Six Year Facilities Plan for Department* file as a point of reference:
        1. MT Baker Area Admin Office (A25601)
        2. Chehalis Conference Training Facility (A05039)
        3. Tacoma PEO Schubert Bldg
        4. WSF Administration Office (A09751)
    2. To provide a concise analysis, JLL proportionally distributed the "Common Space" based on the proportion of "Office Space" versus "Specialty Space" in each building. For example, if a building has 80% office space and 20% specialty space, JLL

allocated 80% of the common space to the office space and 20% to the specialty space.

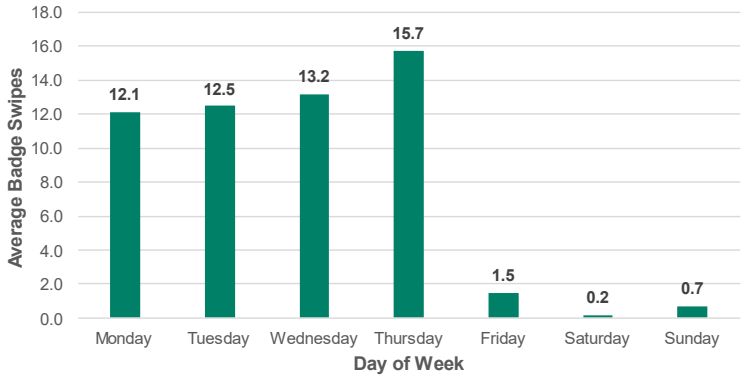
3. Any room categorized as "N/A" *WSDOTBldg_area_by_room_category* file has been included in the building category with the largest square footage. For example, if the majority of the building consists of office spaces, the N/A rooms will be included in the office space category.
4. For the MT Baker Area Admin Office (A25601), JLL assigned all the square footage to the office space category since room breakdown data is not available.
5. The square footage of the Chehalis Conference/Training Facility (A05039) JLL assigned all the square footage to the specialty space category as per WSDOT directions on 8/30/2024.
6. For the Tacoma PEO Schubert Office (A25706), JLL used the *Agency Desired Six Year Facilities Plan for Department* file as a reference for the square footage, and JLL assigned all the square footage to the office space category since room breakdown data is not available (leased space).
7. For the WSF Administration Office (A09751), JLL used *the Agency Desired Six Year Facilities Plan for Department* file as reference for the total square footage and the 6-year facilities plan as a reference for the breakdown of office space versus specialty space, as room breakdown data is not available (leased space).
8. For the SWR HQ Admin_WSP HQ Admin Bldg (A09285), JLL received confirmation from WSDOT staff on 9/6/2024, that the atrium/cafeteria on level 1 should remain. JLL than recategorized this space as “Misc.” space rather than “Common” space.

I – Appendix: Badge Swipe Data

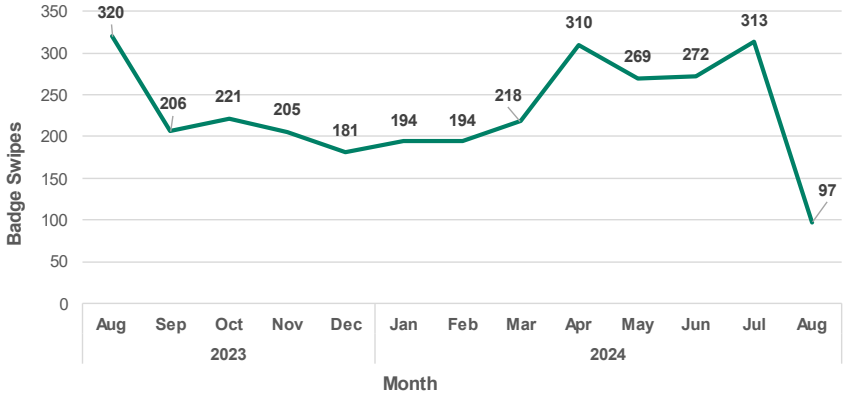
Badge Swipe: Mottman Hq Environmental Office

(8/1/2023 – 8/12/2024) – Data collected digitally by WSDOT

Average Badge Swipes per Day



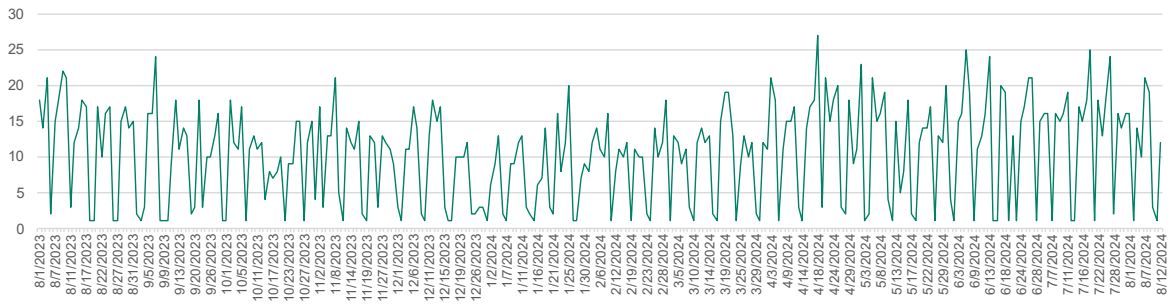
Monthly Badge Swipes



Workspaces	Quantity
Offices	5
Cubicles	37
Touchdown	5
TOTAL	**47**

Users	Quantity
Resident	6
Externally Mobile	6
TOTAL	**12**
Fully Remote	27
TOTAL	**39**

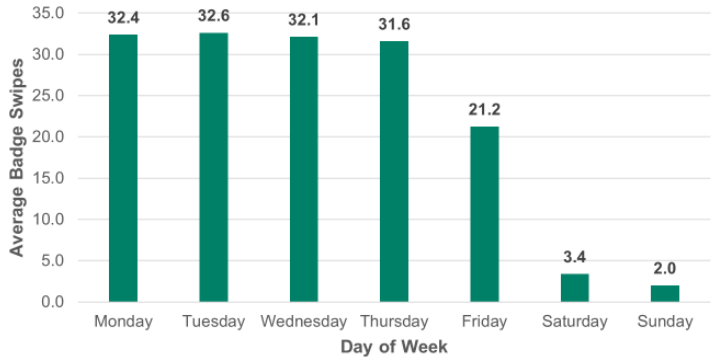
Daily Badge Swipes



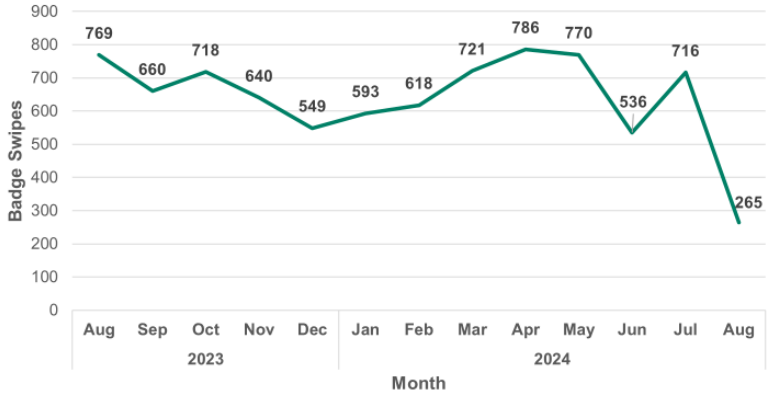
Badge Swipe: Tumwater Hq Materials Lab Building

(8/1/2023 – 8/12/2024) - Data collected digitally by WSDOT

Average Badge Swipes per Day



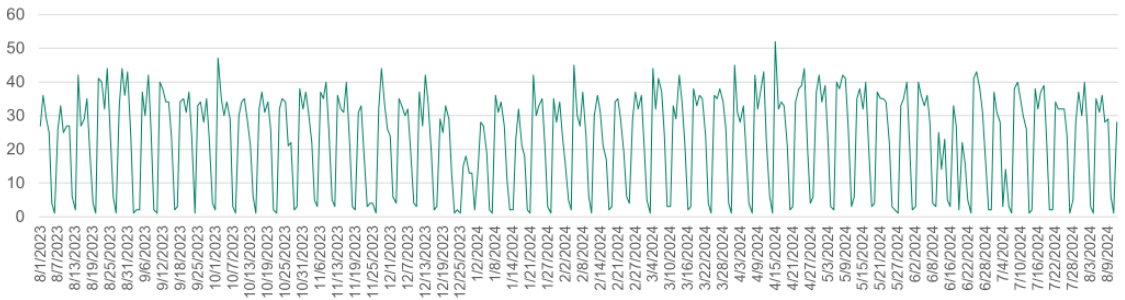
Monthly Badge Swipes



Workspaces	Quantity
Offices	58
Cubicles	64
Touchdown	-
TOTAL	**122**

Users	Quantity
Resident	26
Externally Mobile	121
TOTAL	**147**
Fully Remote	26
TOTAL	**173**

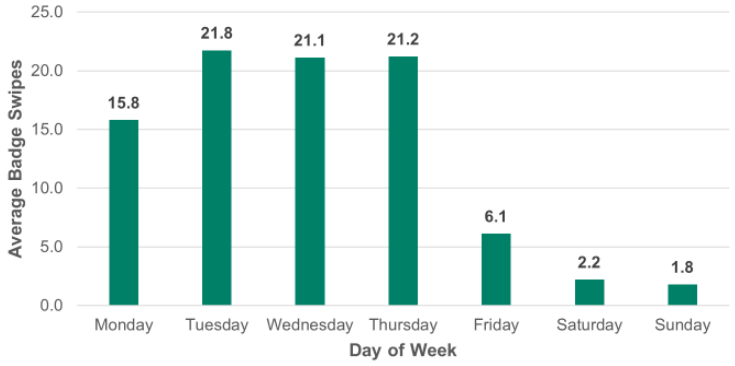
Daily Badge Swipes



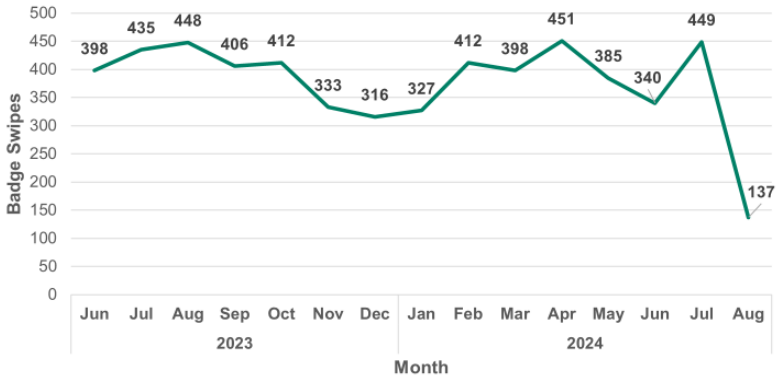
Badge Swipe: Union Gap District Office

(6/1/2023 – 8/12/2024) - Data collected digitally by WSDOT

Average Badge Swipes per Day



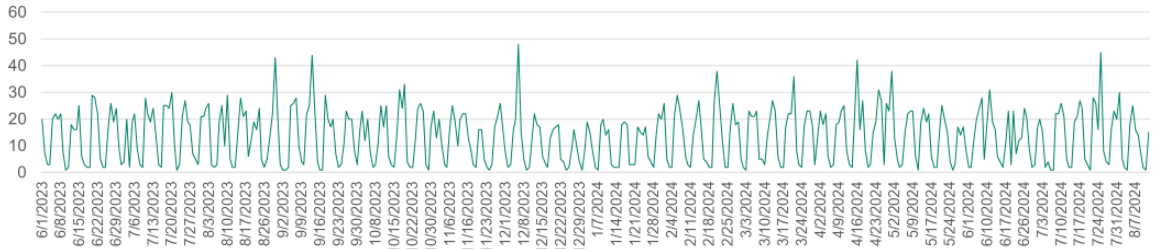
Monthly Badge Swipes



Workspaces	Quantity
Offices	32
Cubicles	45
Touchdown	2
TOTAL	**79**

Users	Quantity
Resident	29
Externally Mobile	9
TOTAL	**38**
Fully Remote	19
TOTAL	**57**

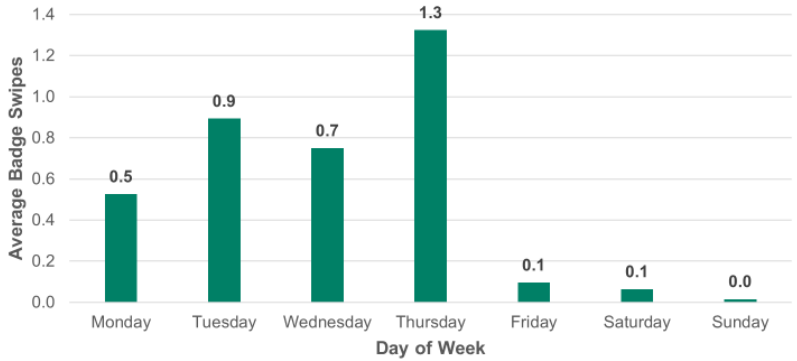
Daily Badge Swipes



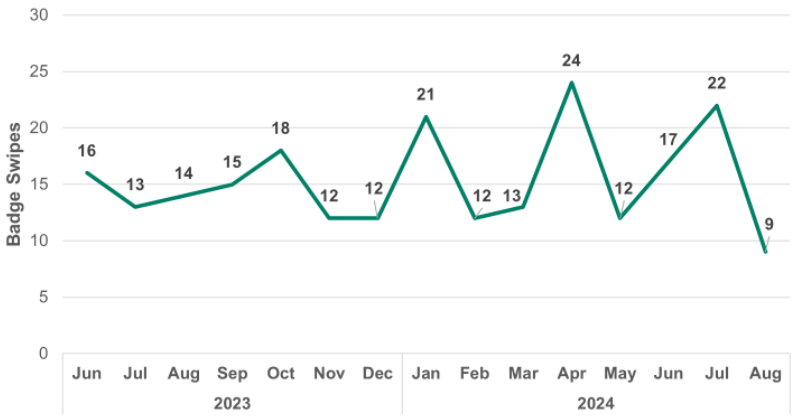
Badge Swipe: Union Gap Right of Way HQ Bldg.

(6/1/2023 – 8/12/2024) - Data collected digitally by WSDOT

Average Badge Swipes per Day



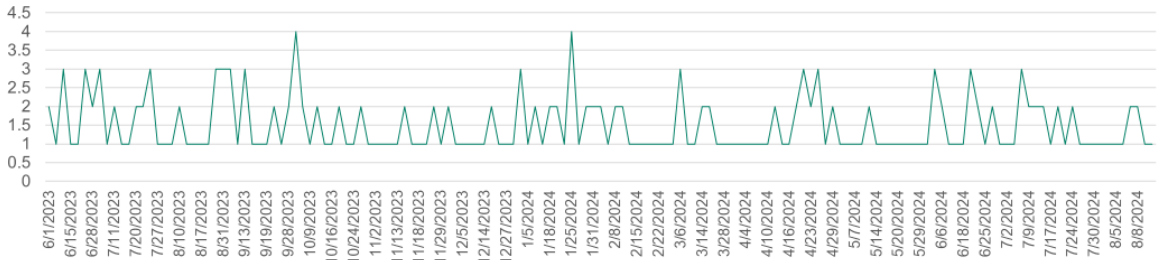
Monthly Badge Swipes



Workspaces	Quantity
Offices	3
Cubicles	7
Touchdown	-
TOTAL	**10**

Users	Quantity
Resident	2
Externally Mobile	1
TOTAL	**3**
Fully Remote	1
TOTAL	**4**

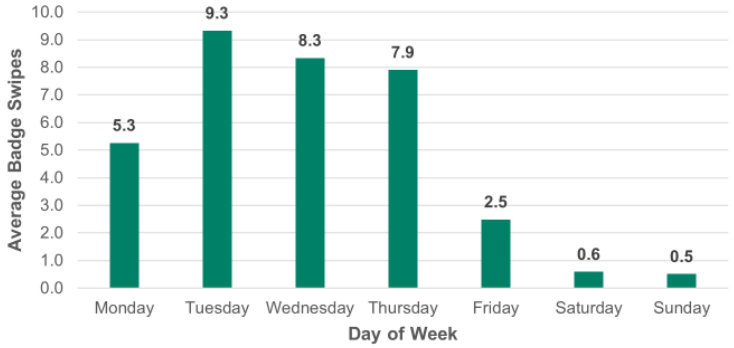
Daily Badge Swipes



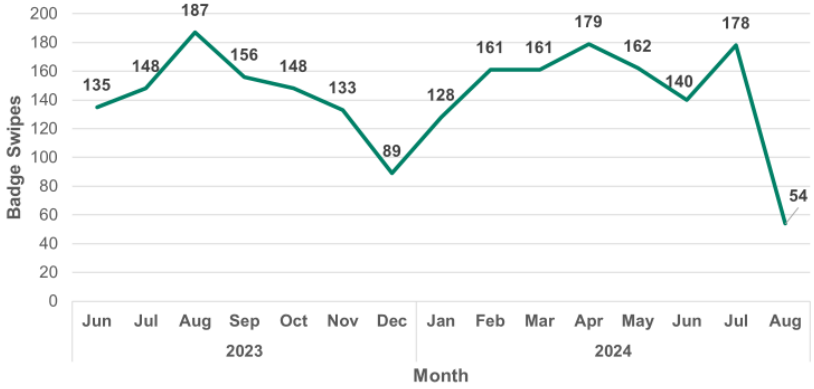
Badge Swipe: Union Gap Project Dev. Modular Office

(6/1/2023 – 8/12/2024) - Data collected digitally by WSDOT

Average Badge Swipes per Day



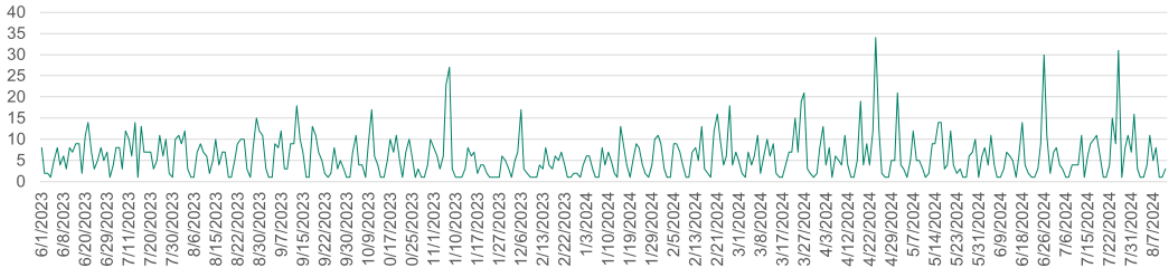
Monthly Badge Swipes



Workspaces	Quantity
Offices	6
Cubicles	13
Touchdown	3
TOTAL	**22**

Users	Quantity
Resident	9
Externally Mobile	2
TOTAL	**12**
Fully Remote	9
TOTAL	**21**

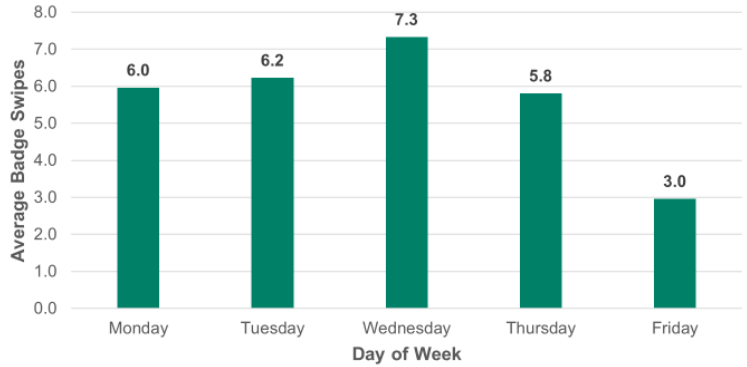
Daily Badge Swipes



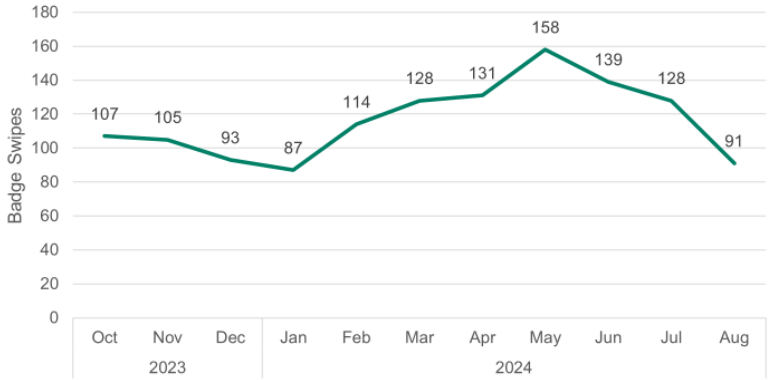
Badge Swipe: Spokane RHQ Real Estate Services Modular

(10/9/2023 – 8/20/2024) - Data collected digitally by WSDOT

Average Badge Swipes per Day



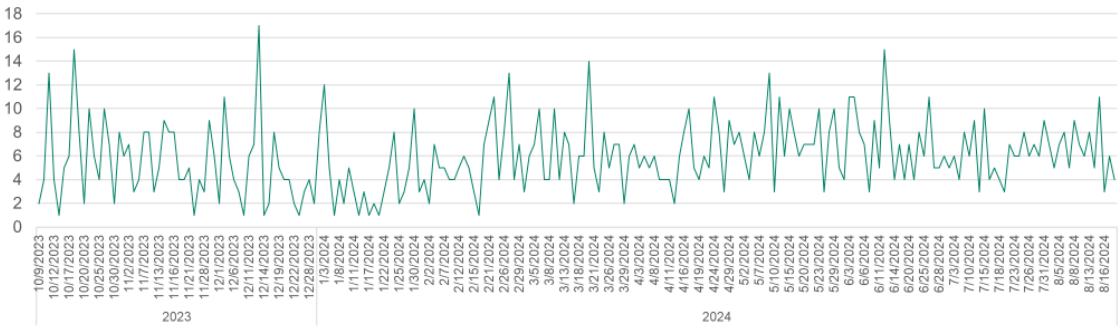
Monthly Badge Swipes



Workspaces	Quantity
Offices	9
Cubicles	6
Touchdown	-
TOTAL	**15**

Users	Quantity
Resident	11
Externally Mobile	2
TOTAL	**12**
Fully Remote	2
TOTAL	**14**

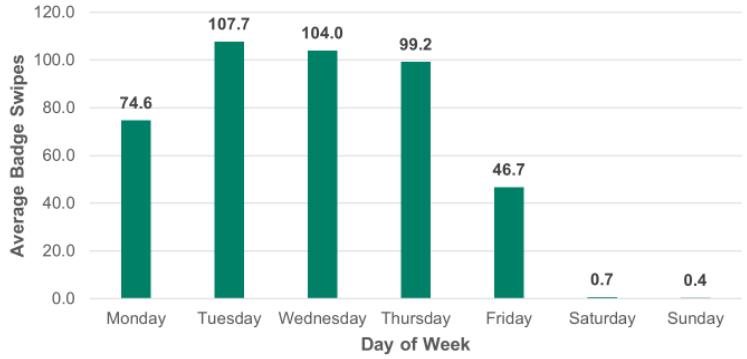
Daily Badge Swipes



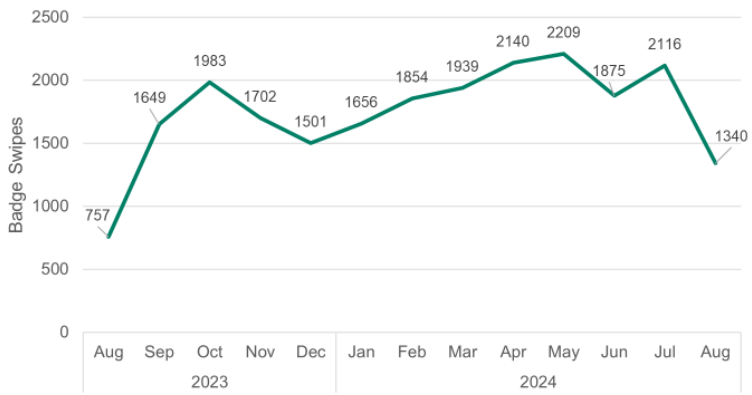
Badge Swipe: Spokane RHQ Eastern Region PEO

(8/21/2023 – 8/20/2024) - Data collected digitally by WSDOT

Average Badge Swipes per Day



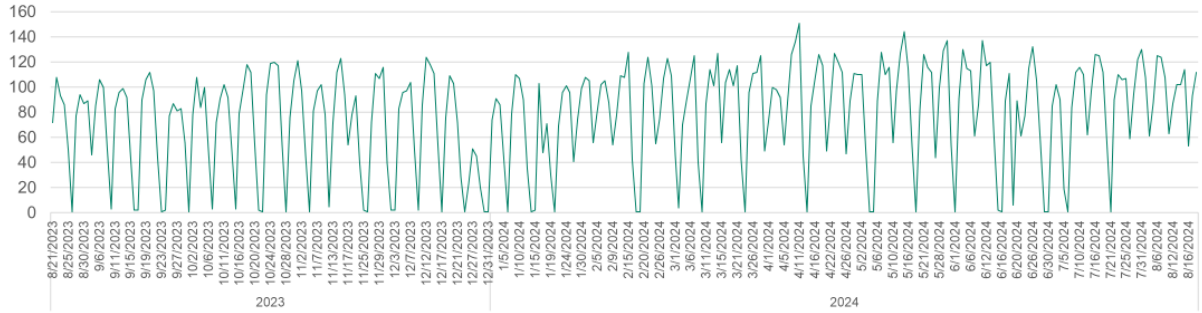
Monthly Badge Swipes



Workspaces	Quantity
Offices	11
Cubicles	110
Touchdown	10
TOTAL	**131**

Users	Quantity
Resident	63
Externally Mobile	56
TOTAL	**119**
Fully Remote	12
TOTAL	**131**

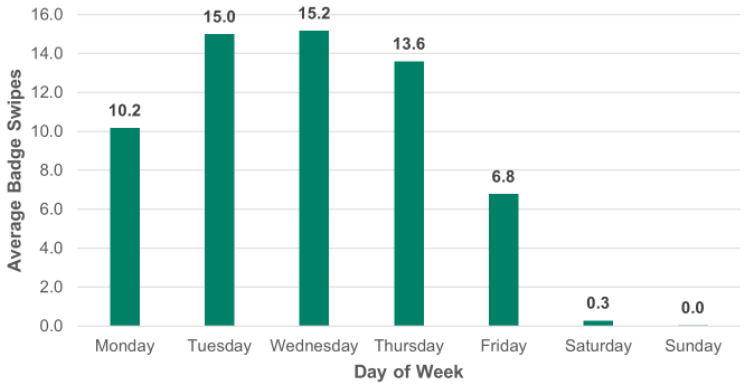
Daily Badge Swipes



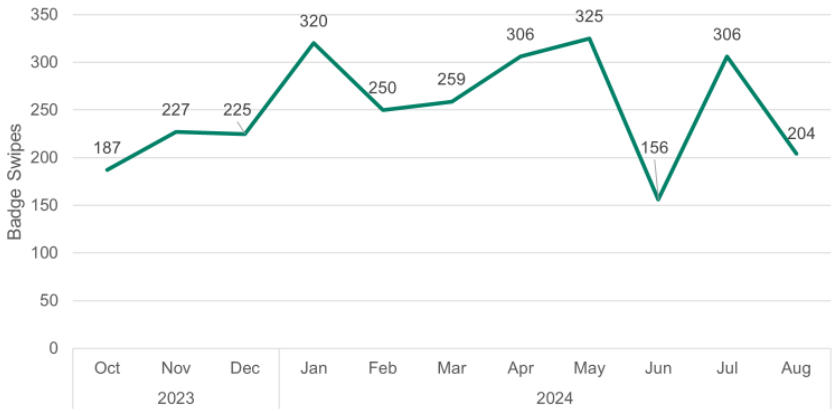
Badge Swipe: Spokane RHQ Materials Laboratory

(8/21/2023 – 8/20/2024) - Data collected digitally by WSDOT

Average Badge Swipes per Day



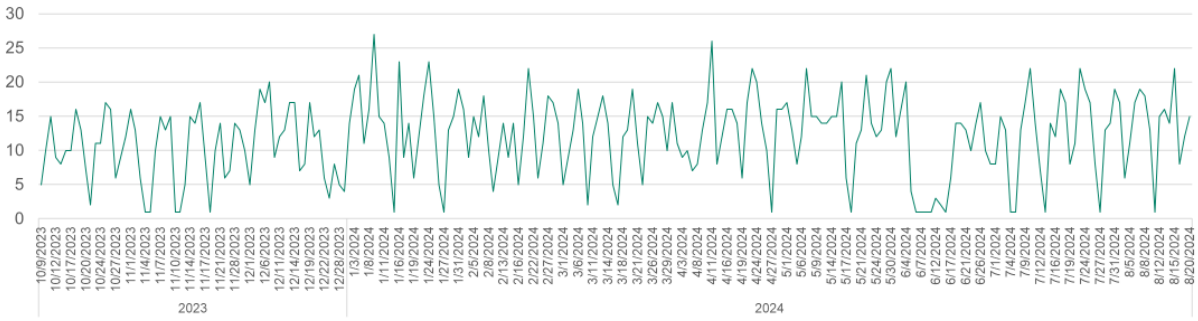
Monthly Badge Swipes



Workspaces	Quantity
Offices	-
Cubicles	9
Touchdown	-
TOTAL	9

Users	Quantity
Resident	7
Externally Mobile	1
TOTAL	8
Fully Remote	2
TOTAL	10

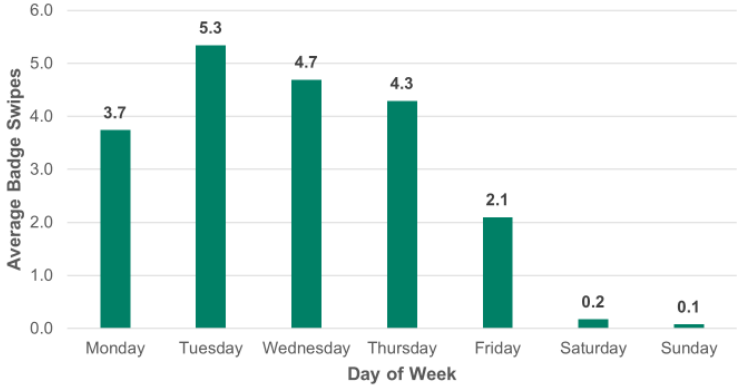
Daily Badge Swipes



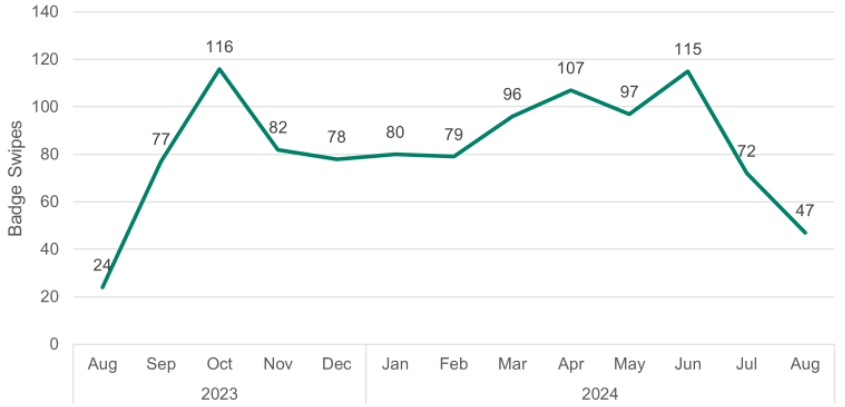
Badge Swipe: Spokane RHQ Local Programs Office

(10/9/2023 – 8/20/2024) - Data collected digitally by WSDOT

Average Badge Swipes per Day



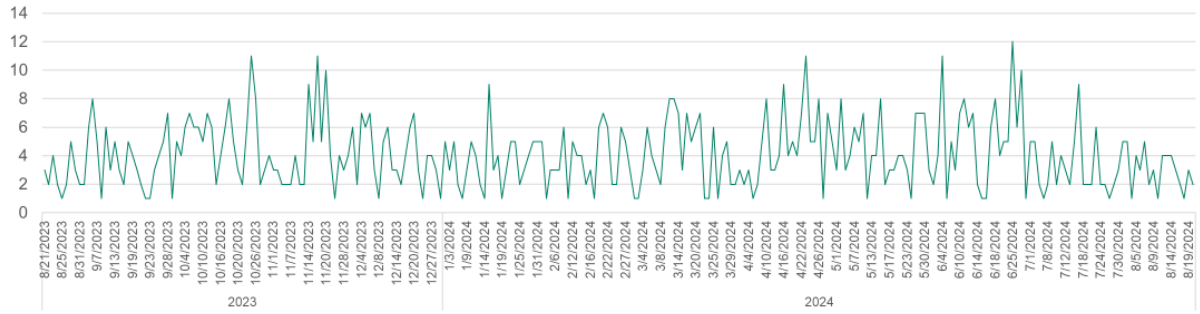
Monthly Badge Swipes



Workspaces	Quantity
Offices	8
Cubicles	7
Touchdown	1
TOTAL	**16**

Users	Quantity
Resident	7
Externally Mobile	1
TOTAL	**8**
Fully Remote	8
TOTAL	**16**

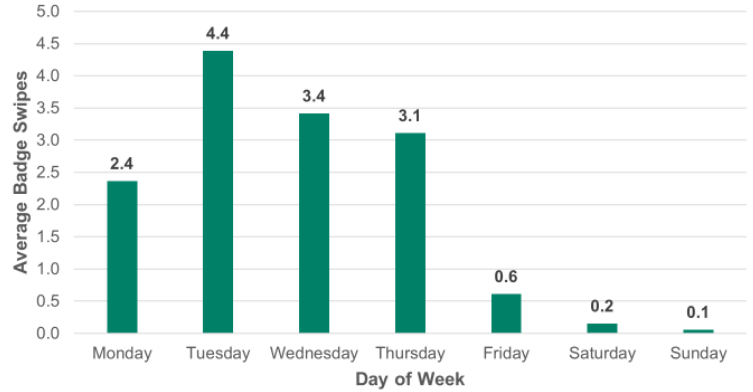
Daily Badge Swipes



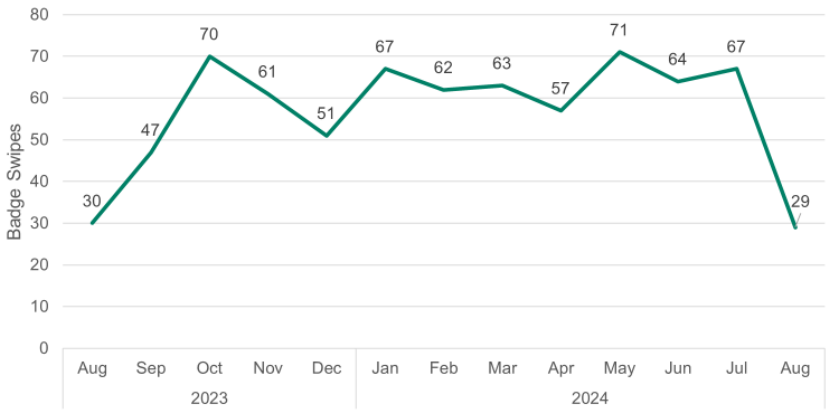
Badge Swipe: Spokane RHQ Office

(8/21/2023 – 8/20/2024) - Data collected digitally by WSDOT

Average Badge Swipes per Day



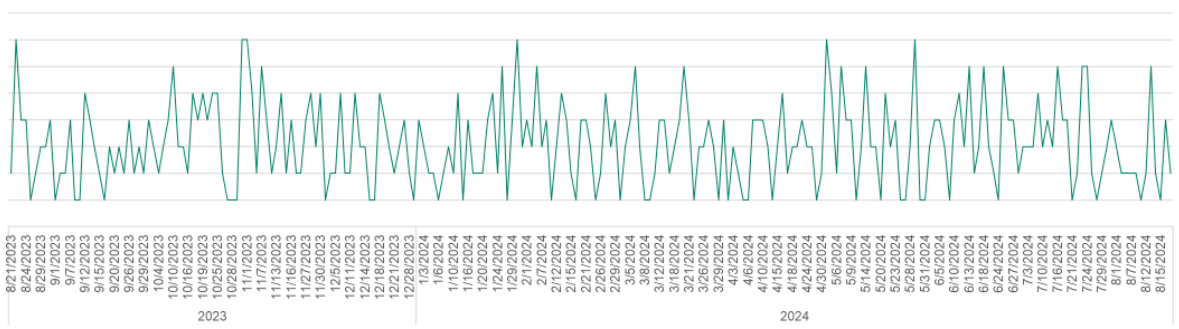
Monthly Badge Swipes



Workspaces	Quantity
Offices	28
Cubicles	18
Touchdown	5
TOTAL	**51**

Users	Quantity
Resident	38
Externally Mobile	21
TOTAL	**59**
Fully Remote	12
TOTAL	**71**

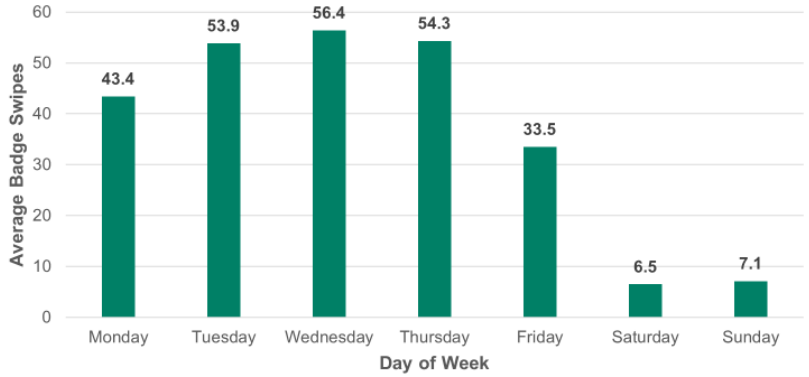
Daily Badge Swipes



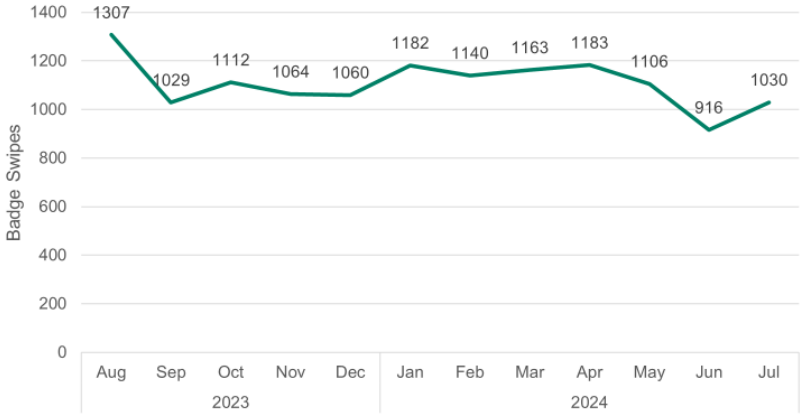
Badge Swipe: Corson Ave Admin Building

(8/1/2023 – 8/1/2024) - Data collected digitally by WSDOT

Average Badge Swipes per Day



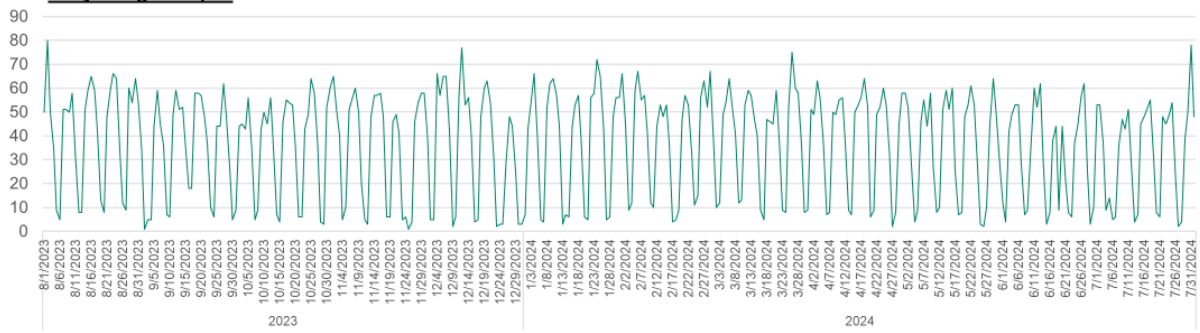
Monthly Badge Swipes



Workspaces	Quantity
Offices	14
Cubicles	83
Touchdown	-
TOTAL	**97**

Users	Quantity
Resident	76
Externally Mobile	10
TOTAL	**86**
Fully Remote	11
TOTAL	**97**

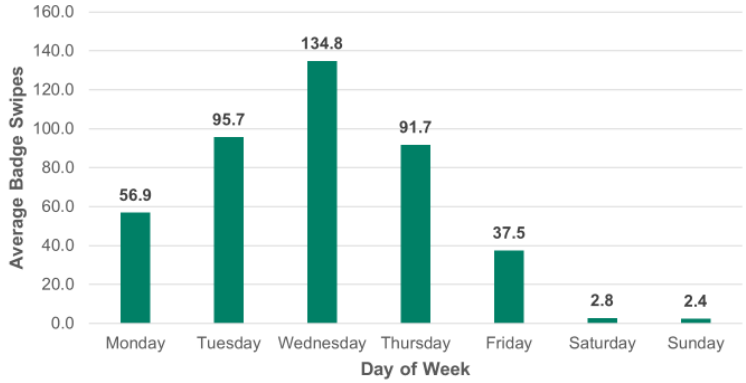
Daily Badge Swipes



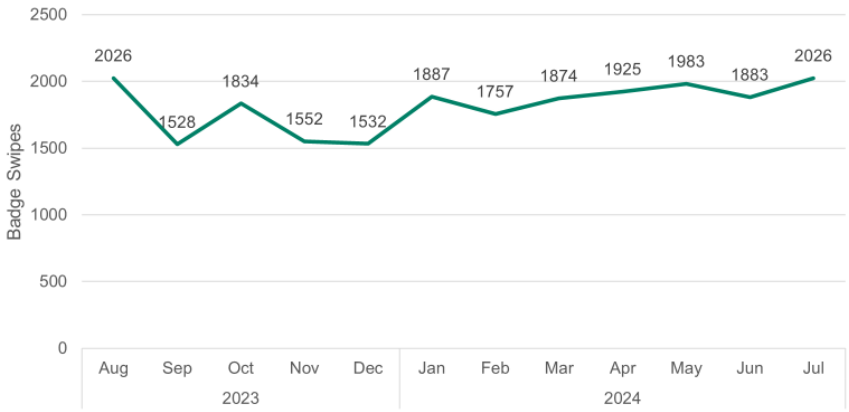
Badge Swipe: Dayton Ave Nwr Headquarters Building

(8/1/2023 – 8/1/2024) - Data collected digitally by WSDOT

Average Badge Swipes per Day



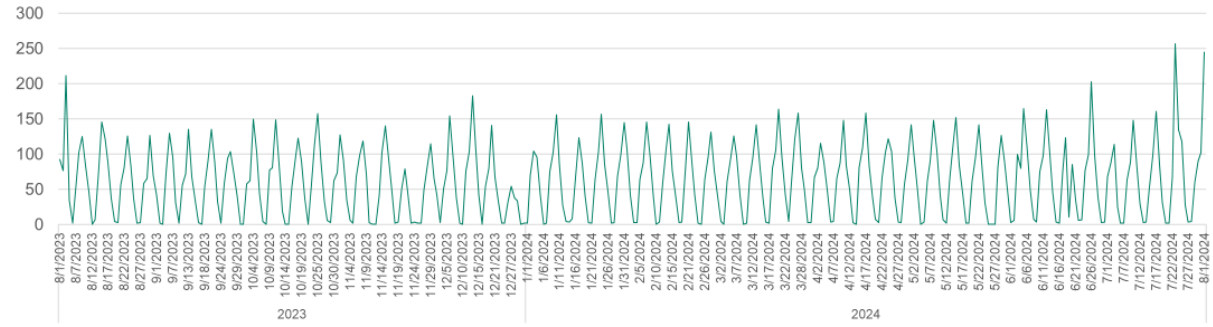
Monthly Badge Swipes



Workspaces	Quantity
Offices	10
Cubicles	455
Touchdown	14
TOTAL	**479**

Users	Quantity
Resident	70
Externally Mobile	70
TOTAL	**140**
Fully Remote	325
TOTAL	**465**

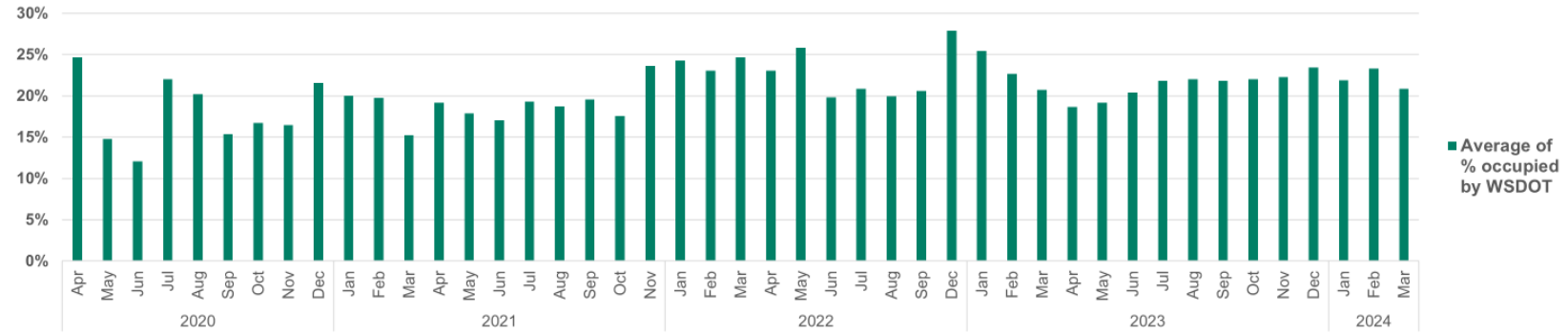
Daily Badge Swipes



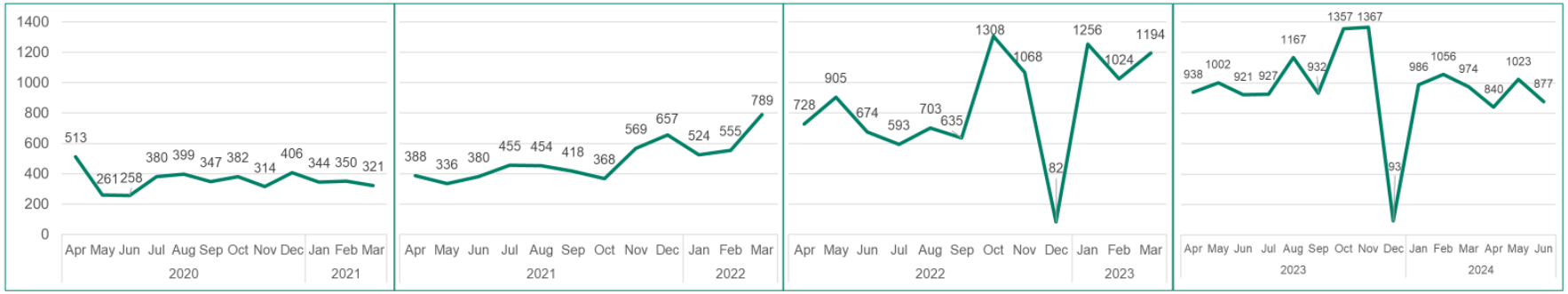
Badge Swipe: Edna Lucille Goodrich Building (1 of 2)

Data collected manually by WSDOT

% of Building Occupancy for WSDOT (4/1/2020 – 3/1/2024)



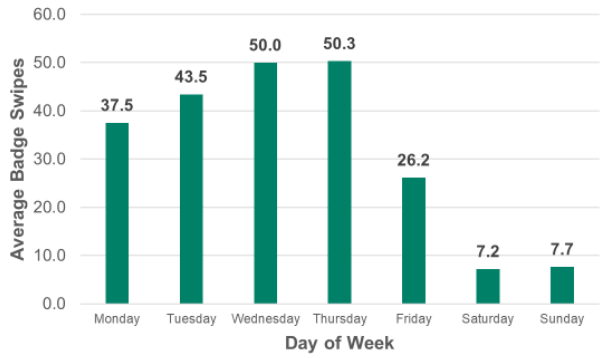
Monthly Attendance for WSDOT (4/1/2020 – 6/28/2024)



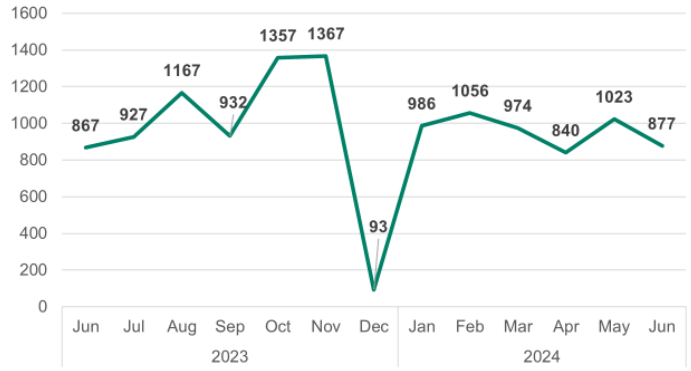
Badge Swipe: Edna Lucille Goodrich Building (2 of 2)

(6/1/2023 – 6/28/2024) - Data collected manually by WSDOT

Average Badge Swipes per Day – WSDOT



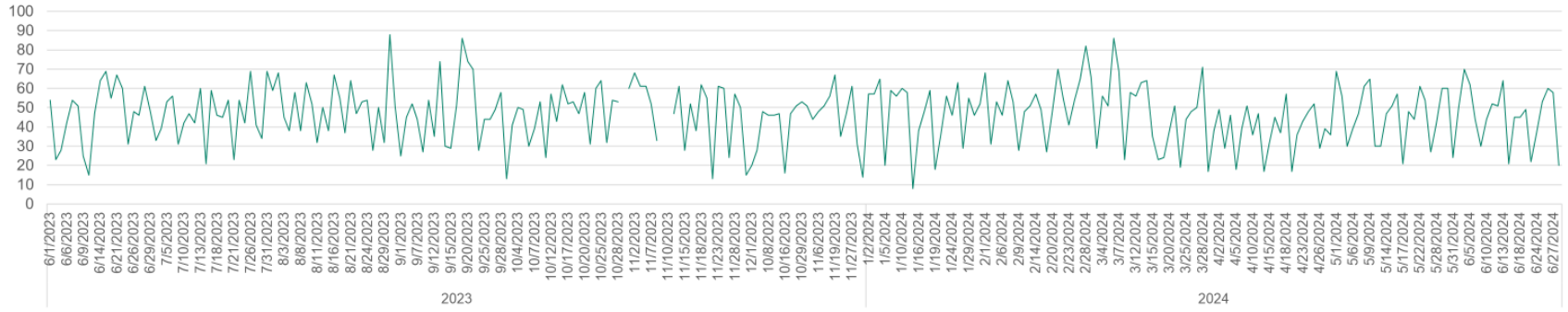
Monthly Badge Swipes – WSDOT



Workspaces	Quantity
Offices	36
Cubicles	464
Touchdown	5
TOTAL	**505**

Users	Quantity
Resident	44
Externally Mobile	44
TOTAL	**88**
Fully Remote	351
TOTAL	**439**

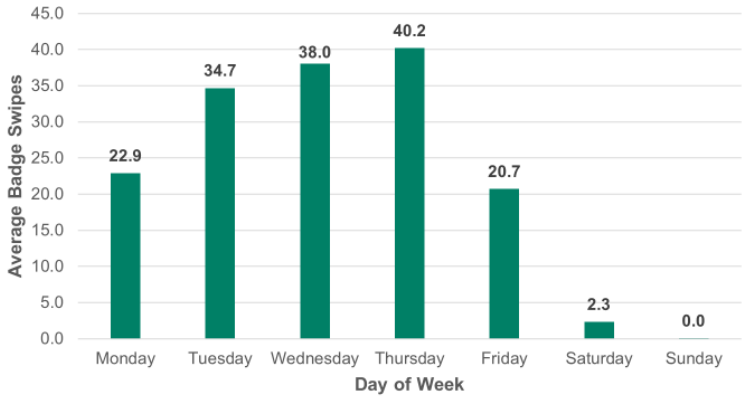
Daily Badge Swipes- WSDOT



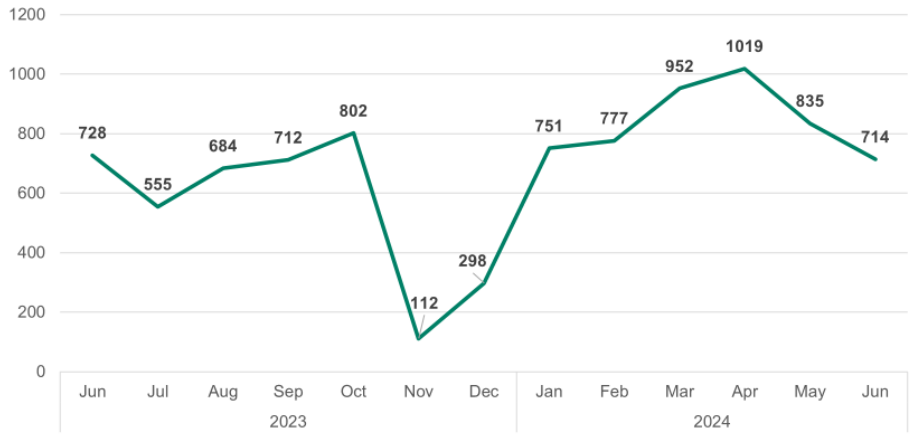
Badge Swipe: Transportation Building

(6/1/2023 – 6/28/2024) - Data collected manually

Average Badge Swipes per Day



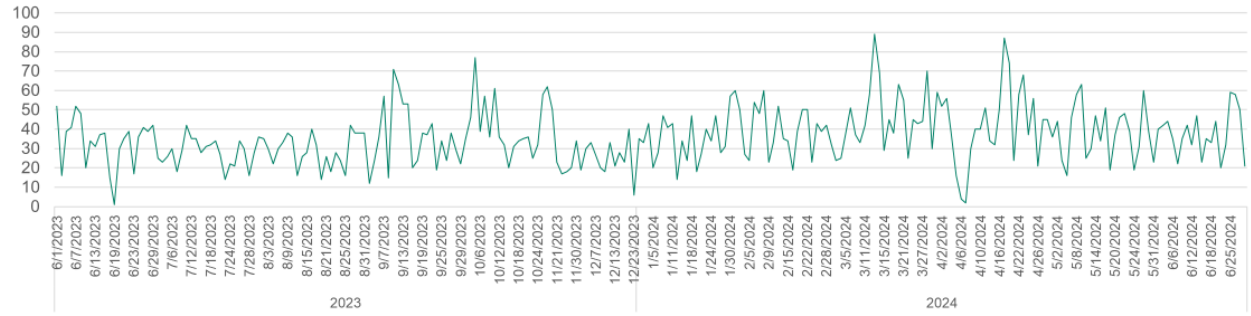
Monthly Badge Swipes



Workspaces	Quantity
Offices	158
Cubicles	533
Touchdown	18
TOTAL	**709**

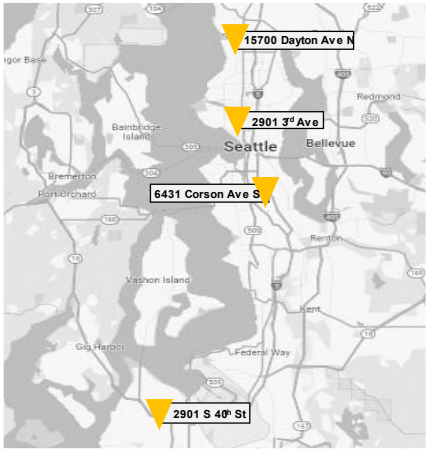
Users	Quantity
Resident	85
Externally Mobile	85
TOTAL	**170**
Fully Remote	677
TOTAL	**847**

Daily Badge Swipes



J – Appendix: Region Analysis

Central Puget Sound Region



#	Site Name / Address	UFI	Owned / Leased (LED)	Building Type	Total Current Square Footage	Office Space (inc. common areas)	Current HC	Number of Workspaces	Total Annual Occupancy Cost	Total SF / HC	Office SF / Workspaces	Total HC / Workspaces	Annual Opex / SF	Annual Opex / HC
1	**Corson Ave RHQ** 6431 Corson Ave S	A08388	Owned	Office	22,853	21,775	97	97	$127,540	236	224	1.00	$5.58	$1,314.84
		A09094	Owned	Office	1,174	1,146	22	5	$19,405	53	229	4.40	$16.53	$882.06
		A01747	Owned	Office	770	770	15	5	$16,041	51	154	3.00	$20.83	$1,069.42
		A06999	Owned	Laboratory	18,039	9,810	8	TBD	$75,163	2255	TBD	TBD	$4.17	$9,395.36
2	**Dayton Ave RHQ** 15700 Dayton Ave N	A01413	Owned	Office	163,084	122,160	464	479	$2,844,396	351	255	0.97	$17.44	$6,130.16
3	**Tacoma PEO Schubert Bldg.** 2901 S 40th St	A25706	Leased (4/30/2023)	Office	5,442	5,442	25	27	$130,871	218	202	0.93	$24.05	$5,234.84
4	**WSF Admin. Office** 2901 3rd Ave	A09751	Leased (8/31/2025)	Office	87,065	53,909	437	295	$3,380,362	199	183	1.48	$38.83	$7,735.38
				Total	298,427	215,012	1,068	908	$6,593,778	480.4	207.8	2.0	$18.20	$4,537.44

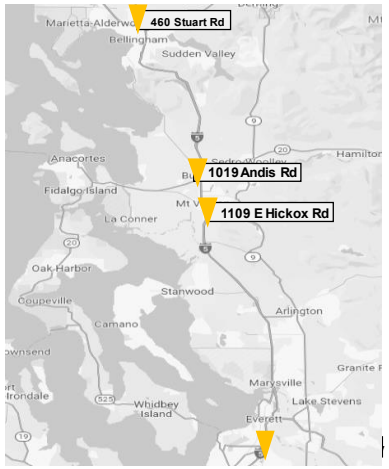
Eastern Region

#	Site Name / Address	UFI	Owned / Leased (LED)	Building Type	Total Current Square Footage	Office Space (inc. common areas)	Current HC	Number of Workspaces	Total Annual Occupancy Cost	Total SF / HC	Office SF / Workspaces	Total HC / Workspaces	Annual Opex / SF	Annual Opex / HC
5	**Spokane RHQ**[1] 2714 N Mayfair St	A03232	Owned	Office	23,575	20,437	71	51	$183,890	332	401	1.39	$7.80	$2,590.00
		A01066	Owned	Office	22,894	21,312	131	131	$101,486	175	163	1.00	$4.43	$774.70
		A07688	Owned	Office	3,869	2,870	16	16	$30,196	242	179	1.00	$7.80	$1,887.23
		A01522	Owned	Laboratory	7,967	816	10	TBD	$49,909	797	TBD	TBD	$6.26	$4,990.93
		A08557	Owned	Office	4,896	4,841	14	15	$23,709	350	323	0.93	$4.84	$1,693.51
		A00125	Owned	Office	781	723	4	5	$5,956	195	145	0.80	$7.63	$1,489.01
6	**Wandermere HQ / PEO** 12303 N Division St	A04279	Owned	Office	8,313	4,809	19	16	$36,780	438	301	1.19	$4.42	$1,935.80
				Total	72,295	55,808	265	234	$431,926	361.3	252.0	1.1	$6.17	$2,194.45

North Central Region

#	Site Name / Address	UFI	Owned / Leased (LED)	Building Type	Total Current Square Footage	Office Space (inc. common areas)	Current HC	Number of Workspaces	Total Annual Occupancy Cost	Total SF / HC	Office SF / Workspaces	Total HC / Workspaces	Annual Opex / SF	Annual Opex / HC
7	**Wenatchee Admin / Engineering Bldg.** 2830 Euclid Ave	A25565	Owned	Office	29,662	24,745	128	123	$130,890	232	201	1.04	$4.41	$1,022.58
		A00891	Owned	Office	5,745	3,785	23	17	$55,773	250	223	1.35	$9.71	$2,424.90
				Total	35,407	28,530	151	140	$186,663	241.0	212.0	1.2	$7.06	$1,723.74

Northwest Region

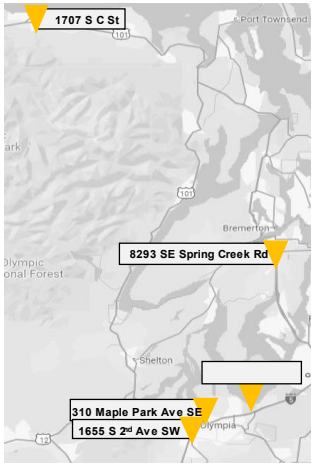


#	Site Name / Address	UFI	Owned / Leased (LED)	Building Type	Total Current Square Footage	Office Space (inc. common areas)	Current HC	Number of Workspaces	Total Annual Occupancy Cost	Total SF / HC	Office SF / Workspaces	Total HC / Workspaces	Annual Opex / SF	Annual Opex / HC
8	**Bellingham Engineering Field Office** 460 Stuart Rd	A03807	Leased (9/30/2027)	Office	10,114	8,241	23	33	$243,919	440	250	0.70	$24.12	$10,605.19
9	**Eastmont Field Office** 9021-25-29 El Capitan Way	A04606	Owned	Office	4,977	4,545	29	35	$42,133	172	130	0.83	$8.47	$1,452.85
		A05809	Owned	Office	4,621	4,603	16	25	$42,668	289	184	0.64	$9.23	$2,666.74
		A03289	Owned	Office	6,879	6,478	32	35	$60,051	215	185	0.91	$8.73	$1,876.59
10	**Mt. Baker Area Admin Office** 1019 Andis Rd	A25601	Owned	Support	6,386	6,386	44	TBD	$22,612	145	TBD	TBD	$3.54	$513.90
11	**Mt Vernon Pe Office/Lab (Foster) MF** 1109 E Hickox Rd	A08992	Owned	Office	7,203	6,448	25	36	$40,953	288	179	0.69	$5.69	$1,638.12
				Total	40,180	36,701	169	164	$452,336	258.2	185.6	0.8	$9.96	$3,125.57

Olympic Region

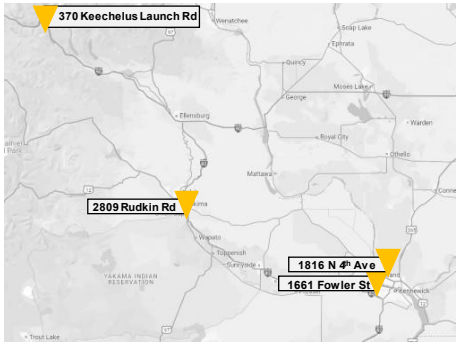
#	Site Name / Address	UFI	Owned / Leased (LED)	Building Type	Total Current Square Footage	Office Space (inc. common areas)	Current HC	Number of Workspaces	Total Annual Occupancy Cost	Total SF / HC	Office SF / Workspaces	Total HC / Workspaces	Annual Opex / SF	Annual Opex / HC
12	**Aviation Office** 7702 Terminal St SW	A20812	Leased (9/30/2023)	Office	4,369	4,369	15	15	$89,070	291	291	1.00	$20.39	$5,938.03
13	**Central Park Maint. / PEO** 4801 Olympic Hwy	A09291	Owned	Support	11,697	4,579	27	TBD	$74,046	433	TBD	TBD	$6.33	$2,742.45
14	**Edna Lucille Goodrich (ELG)** 7345 Linderson Way SW	A05265	Leased (6/30/2028)	Office	107,395	4,603	439	505	$3,439,929	245	9	0.87	$32.03	$7,835.83
15	**Lacey PEO** 7914 Martin Way	A05941	Leased (8/31/20286	Office	5,813	4,978	26	35	$146,193	224	142	0.74	$25.15	$5,622.82
16	**Mottman HQ Environmental Office** 2214 R W Johnson Blvd SW	A04226	Owned	Office	7,353	6,639	39	47	$36,298	189	141	0.83	$4.94	$930.71
				Total	136,627	25,168	546	602	$3,785,536	276.4	145.8	0.9	$17.77	$4,613.97

Olympic Region and Olympia HQ



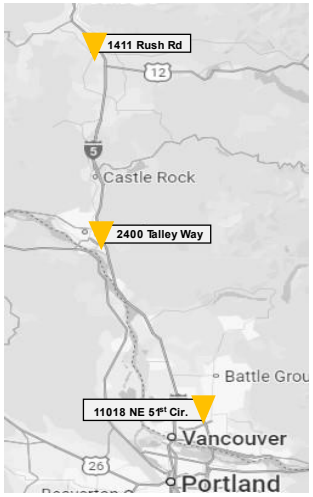
#	Site Name / Address	UFI	Owned / Leased	Building Type	Total Current Square Footage	Office Space (inc. common areas)	Current HC	Number of Workspaces	Total Annual Occupancy Cost	Total SF / HC	Office SF / Workspaces	Total HC / Workspaces	Annual Opex / SF	Annual Opex / HC
17	**Mullenix Maint. / PEO** 8293 Spring Creek Rd SE	A02226	Owned	Office	8,115	6,817	6	32	$47,617	1353	213	0.19	$5.87	$7,936.21
18	**Olympic RHQ** 7407 31st Ave NE	A26726	Owned	Office	31,924	29,922	255	139	$161,162	125	215	1.83	$5.05	$632.01
19	**Port Angeles Area 3** 1707 S C St	A06311	Owned	Suport	11,035	2,914	50	TBD	$87,549	221	TBD	TBD	$7.93	$1,750.97
20	**Tumwater HQ Mat. Lab** 1655 S 2nd Ave SW	A06906	Owned	Laboratory	61,837	20,709	150	TBD	$581,022	412	TBD	TBD	$9.40	$3,873.48
21	**Tumwater PEO** 821 Airport Ct SE	A03976	Leased (4/30/2024)	General	5,841	4,831	5	TBD	$109,920	1168	TBD	TBD	$18.82	$21,984.00
22	**Transportation Office (Olympia HQ)** 310 Maple Park Ave SE	A08267	Leased (6/30/2025)	Office	195,714	154,029	847	709	$3,432,950	231	217	1.19	$17.54	$4,053.07
				Total	314,466	219,222	1,313	880	$4,420,220	585.0	215.0	1.1	$10.77	$6,704.96

South Central Region



#	Site Name / Address	UFI	Owned / Leased (LED)	Building Type	Total Current Square Footage	Office Space (inc. common areas)	Current HC	Number of Workspaces	Total Annual Occupancy Cost	Total SF / HC	Office SF / Workspaces	Total HC / Workspaces	Annual Opex / SF	Annual Opex / HC
23	**Hyak Dormitory Bldg.** 370 Keechelus Launch Rd	A10863	Owned	Office	12,418	2,475	32	17	$5,308	388	146	1.88	$312.26	$165.89
24	**Pasco Area 3 MF** 1816 N 4th Ave	A05857	Owned	Support	3,913	3,705	4	7	$10,118	978	529	0.57	$1,445.38	$2,529.42
25	**Richland PEO** 1661 Fowler St	A09331	Leased (9/30/2024)	Office	8,003	6,473	24	29	$162,418	333	223	0.83	$5,600.60	$6,767.40
26	**Union Gap RHQ** 2809 Rudkin Rd	A07118	Owned	Office	26,247	14,364	57	79	$62,429	460	182	0.72	$790.23	$1,095.24
		A01191	Owned	Office	14,375	6,003	48	29	$30,500	299	207	1.66	$1,051.74	$635.43
		A00771	Owned	Office	1,248	1,116	4	2	$10,083	312	558	2.00	$5,041.72	$2,520.86
		A08440	Owned	Office	2,183	2,183	4	10	$3,472	546	218	0.40	$347.24	$868.11
		A06192	Owned	Office	3,986	3,571	53	21	$7,068	75	170	2.52	$336.58	$133.36
		A07662	Owned	Laboratory	2,480	257	4	TBD	$7,692	620			TBD	$1,922.99
		A02440	Owned	Office	5,723	5,501	20	22	$9,316	286	250	0.91	$423.46	$465.80
		A01236	Owned	Office	7,301	7,287	4	38	$12,291	1825	192	0.11	$323.45	$3,072.77
		A07611	Owned	Office	5,457	5,366	23	31	$10,144	237	173	0.74	$327.22	$441.04
				Total	93,334	58,301	277	285	$330,839	529.9	258.9	1.1	$1,454.53	$1,718.19

Southwest Region



#	Site Name / Address	UFI	Owned / Leased (LED)	Building Type	Total Current Square Footage	Office Space (inc. common areas)	Current HC	Number of Workspaces	Total Annual Occupancy Cost	Total SF / HC	Office SF / Workspaces	Total HC / Workspaces	Annual Opex / SF	Annual Opex / HC
27	**Chehalis Area 2 MF/PEO** 1411 Rush Rd	A08025	Owned	Office	8,598	7,796	17	36	$34,783	506	239	0.47	$4.05	$2,046.07
		A05039	Owned	Office	1,767	0	0	0	$9,774	N/A	N/A	N/A	$5.53	N/A
28	**Kelso SMF/Area PEO** 2400 Talley Way	A01371	Owned	Office	8,084	7,752	18	33	$29,123	449	245	0.55	$3.60	$1,617.95
29	**SWR HQ / WSP HQ Admin Bldg.** 11018 NE 51st Cir	A09285	Owned	Office	119,686	90,496	182	246	$503,644	658	487	0.74	$4.21	$2,767.27
				Total	138,135	106,044	217	315	$577,324	537.7	323.7	0.6	$4.35	$2,143.76