

MEMORANDUM

DATE: April 18, 2024

TO: 74th General Service Conference members

FROM: Carolyn Walsh, Class B Trustee (Chair Location Plus Ad Hoc Committee)

RE: Requested suggestions for reporting to the fellowship

After presenting the comprehensive Location Plus Ad Hoc Committee report I received several requests to provide an executive summary, elevator pitch, or bullet points to summarize the 49-page report. Each person had a different idea of what was needed and in my experience the points of greatest interest vary. I hope that you will review the full report and determine for yourself what is most important for you to report to those we serve.

Since I have had a few requests to do so I will offer a few suggestions:

- Office lease for GSO and GV expires December, 2025 and consistent with past practice a study of location options, benefits, and costs was conducted. The work on this study began in January 2022.

- Due to the significant changes in the commercial real estate market during and after covid, and the opportunity to assess the impacts of a hybrid work model it was the right time to engage an experienced consultant to ensure an effective, objective, data-driven process.

- The outcome was that the initial costs for a move, projected to be as high as \$7 million, made a relocation untenable at this time. Cost was not the only factor considered, but this had an impact on the decision to stay.

- Location criteria considered included office lease rates, accessibility to public transportation, commute impact, quality of life ranking, cost of living expenses (housing and personal taxation), operating expenses, wages, professional talent, moving costs, and proximity to air transportation.

- In addition to considering renewal at the current location, other nearby options such as New Jersey were considered. There was also a comprehensive look at long-distance locations. Starting with a high-level screen of 116 Metro Areas, reduced to the top 11, these were closely examined looking at population demographics, migration patterns, language capabilities and relocation environment. Subsequently, they drilled down on the five semi-finalist locations to gain a much better rendering of costs and screening for qualifications such as being at least a 60-mile proximity to a large or medium airport hub, industry employment indicators, labor costs, and other factors. The list of five long-distance options was reduced to three finalists: Atlanta, Indianapolis, and Philadelphia. Further analysis and comparison to our current location were conducted using these locations.

- Initial lease renegotiations with the Interchurch Center at 475 Riverside Drive have resulted in a favorable letter of intent, with the actual lease to follow. Initial numbers are a base rent of \$25.46 per square foot for the 35,370 square feet we occupy on the 11th floor. We will not be renewing the 8th floor.

- Renovations to the 11th floor will be required to accommodate the 21 employees who currently occupy ten offices on the 8th floor. Now that the leasing and location decisions have been made we will be building the renovation budget and plan. Early estimates are \$1.4 million.

-Named "location plus" this ad hoc also looked at office needs, processes, and work configurations with the assistance and input of AAWS and AAGV. Work completed here included the consultant doing a review of all employee job descriptions, work schedules, and office utilization and the application of a remote work index to quantify hybrid and remote impacts and do an analysis of overall square footage needs agnostic to location choice.