



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Executive Committee

DATE: October 4, 2023

TITLE: System Office space planning update

Action

Review and Discussion

This item is required by policy

PRESENTERS

Bill Maki, Vice Chancellor for Finance and Facilities

Brian Yolitz, Associate Vice Chancellor for Facilities

PURPOSE

System office leadership is in the final steps of decision-making and will be seeking board approval for a lease of office space for the Minnesota State system office and associated functions at October 17-18 meetings. This update will provide an overview of the process that has been used in this effort along with preliminary scope and cost information.

BACKGROUND INFORMATION

The current Minnesota State system office lease in Wells Fargo Place (WFP) expires on July 31, 2024. All options to extend the lease terms have been expended. System office leadership has engaged in a deliberate process to assess, understand, evaluate, and implement best practices and procedures and workforce posture for future office space needs. Final offers are currently being sought from two (2) properties. This effort has included:

- survey of all system office employees and interviews with leadership concerning the role and function of the system office and work force posture preferences.
- creation of a system office space project plan and structure for assessing workforce strategies and needs, and to search for physical space in which to implement those strategies and needs.
- selection of a real estate consultant to assist with 1) development of a workplace strategy plan based on system office workforce policy and demonstrated space use coupled with industry practices and trends, and 2) identify candidate properties meeting the attributes highlighted as desirable for the future system office space.
- a request for proposals (RFP) for office space resulting in four (4) properties providing proposals representing a total of five (5) options for consideration.

Subject to board approval and upon final agreement with the selected property, a transition plan will be developed including the specific design for the new spaces, demolition, and construction of the space to include installation of furniture and technology systems, and the move from and clean-up of spaces to be vacated. The total costs for this work will be funded through a tenant improvement allowance as part of the lease and from annual operating savings related to the reduction in overall space. Priorities will be stewardship of resources while creating professional, equitable, and flexible workspaces for the next decade and beyond.

Below is a comparison of current and estimated space configuration:

	August 1, 2023	August 1, 2024 (Estimated*)	Estimated Change	%
Offices - Total	106	53	-53	-50.0%
Assigned	88	16	-72	-81.8%
Open/Hybrid	18	37	19	105.6%
Workstations - Total	209	132	-77	-36.8%
Assigned	163	53	-110	-67.5%
Open/Hybrid	46	79	33	71.7%
Conference Rooms	28	18	-10	-35.7%
Large (>15)	5	4	-1	-20.0%
Medium (7 to 15)	13	4**	-9	-69.2%
Small (<7)	10	10**	0	0.0%
* Pending final layout and design				
** Flexible configuration that may be used for office spaces				

Whichever property is ultimately selected, the system office expects to see annual savings on its lease in excess of 33% as total square footage will be reduced by about 35%. The annual cost of the system office's current lease at Wells Fargo Place is about \$2.9 million.