

2011 BRINGING ADMINISTRATORS TOGETHER CONFERENCE

Implementation of the Space Economy

April 27, 2011

Session 2, 1:30-2:30pm

UIC UNIVERSITY OF ILLINOIS
AT CHICAGO

Empowering Performance & Achievement through Teamwork

Workshop Presenters

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Please ...

- Turn off cell phones.
- Avoid side conversations.
- Hold until the end; presentation will be ~ 15-20 minutes.
- Sign the attendance roster.
- Complete the evaluation at the end of the workshop.

Space Economy – What is it?

- Two components:
 - Change allocation method for space costs
 - Space footprint vs. budget footprint
 - A free market for space exchanges

Space Economy Objectives

- Create incentives for the effective utilization of space
- Assign responsibility for the cost of space utilization to the occupying unit
- Empower individual units to negotiate with one another regarding the redistribution of space
- Minimize the need for campus administrative time and cost associated with orchestrating multi-lateral exchanges of space (minimize “transaction costs”)

Space Economy Objectives – Summary

- UIC intends to stop living in a barter economy and create a more dynamic mechanism for the allocation of space.

Initially:

A square foot is a square foot is a square foot



No differentiation by

- Condition
- Location (east, west, south; core or periphery)
- Type (office, lab, warehouse, etc.)

Currently budgeted costs

		FY 2010 Budgets		
			TOTAL	Notes/Description
Facility & Space Planning	O&M		\$407,035	
FM: Facility Info Mgmt	O&M		\$515,776	
*FM: Bldg Maintenance	O&M		\$7,818,793	Skilled trades/craftsmen for main/minor repairs; carpenters, electr, lampers, elevator mech, locksmiths, masons, painters, plasterers, plumbers
*FM: Bldg Operations & Laundry	O&M		\$9,563,939	Custodial, pest/rodent control; BSW & foremen, some contract svcs
*FM: Grounds Maintenance	O&M		\$1,427,576	Trees, lawns, shrubs; snow removal? Streetscape, fountains, sprinkler systems, playing fields
*FM: Heat Light & Power	O&M		\$9,893,487	Operating engineers, pipefitters; maint of HVAC, chilled water, bldg automation systems
*FM: Mail Services	O&M		\$646,814	
*FM: FM Admin	O&M		\$2,644,833	Acctg, HR, IT; manage work order system, FMWeb
*FM: PPMD/Central Supply Stores	O&M		\$431,804	Formerly Receiving? 2 locations; storekeepers, shipping/receiving clerks

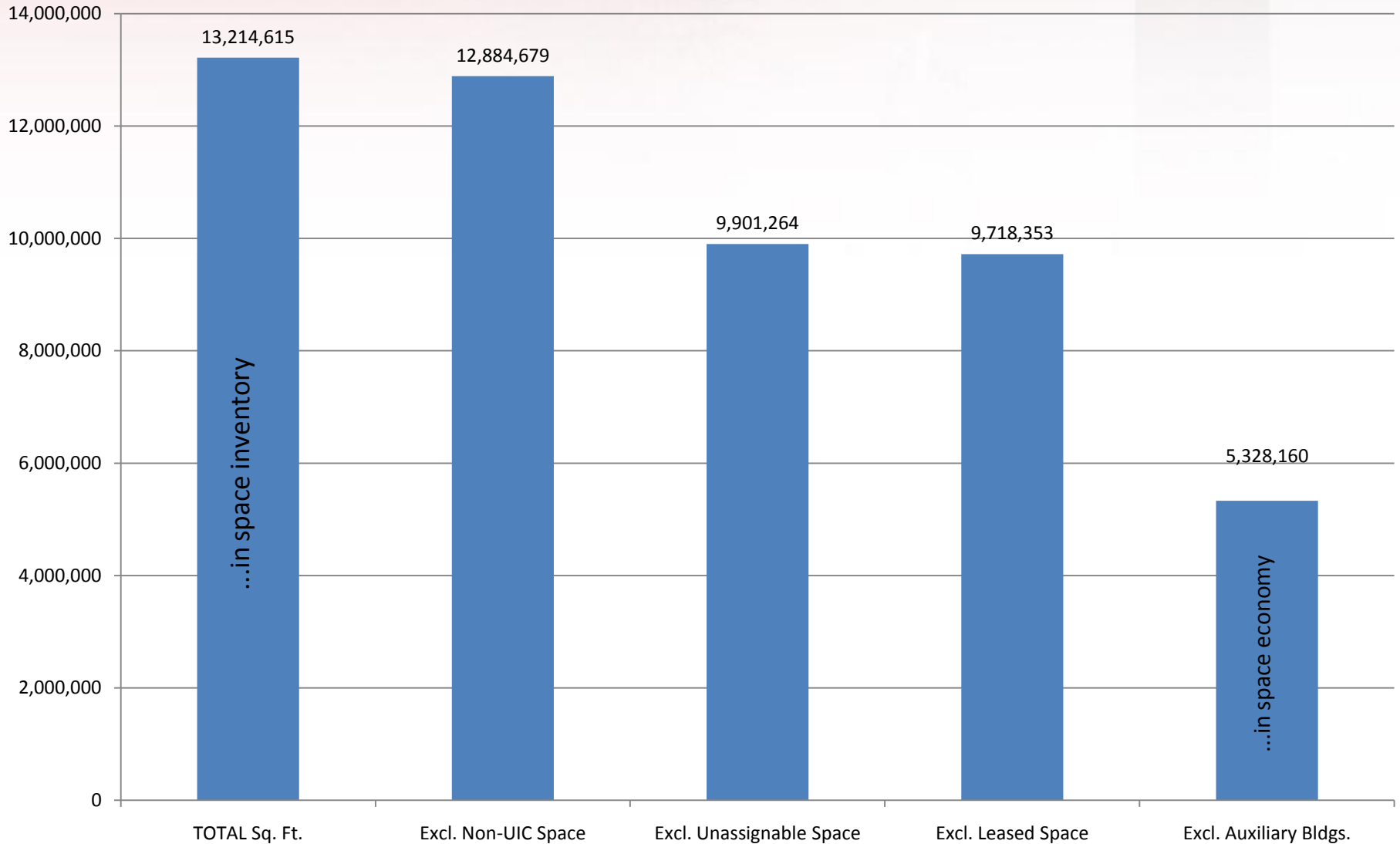
Currently budgeted costs (continued)

		FY 2010 Budgets		
			TOTAL	Notes/Description
Facility R&R	OCC		\$2,000,000	
Debt Service - COMRB	OCC		\$643,000	
Debt Service - South Campus	OCC		\$2,230,000	
UA R&R, Defer Maint	OCC		\$4,895,000	
Debt Service for COPs (Def Maint)	OCC		\$3,296,500	
Utilities - Operating Budget	UTIL		\$40,746,464	
Energy Efficiency Capital Budget	UTIL		\$2,000,000	
TOTAL			\$89,161,021	

FY 2011 space cost increments

	Occupancy	Utilities	O&M	TOTAL
FY 2010 Budget	\$13,064,500	\$42,746,464	\$33,350,057	\$89,161,021
Rate per sq. ft.	\$2.55	\$8.33	\$6.50	\$17.37
FY 2011 Increments				
Utilities - annual cost increase				\$0
Debt Service for COP's				\$0
Facility Renewal and Replacement	\$2,000,000			\$2,000,000
Utility Infrastructure R&R				\$0
Energy Efficiency Capital Budget				\$0
"Hold Harmless" Budget Reallocations			\$1,565,550	\$1,565,550
"Hold Harmless" Space Reallocations	\$196,437	\$0	\$153,766	\$350,203
TOTAL Space Costs	\$2,196,437	\$0	\$1,719,316	\$3,915,753
FY 2011 Budget	\$15,260,937	\$42,746,464	\$35,069,373	\$93,076,774
Rate per sq. ft.	\$2.97	\$8.33	\$6.83	\$18.13

The Base (square feet)



Budgets remain with the space

- Price for exchanges are determined by buyers and sellers coming to agreement – not determined centrally
- Negotiated prices are different than space costs
- Budget for space costs remain attached to the space

As exchanges occur, transfer of deed will be recorded

- Signed by buyer, seller, and recorder of deeds (FSP/FIM)
- Appeals Board(s) – East/West Space Mgmt Committees

Implementation Timetable

- FY 2012 is year 0
 - budget neutral for all units
 - see results on paper
 - chance to continue scrubbing data
- FY 2013 is year 1
 - projected incremental costs distributed under new method
 - E.g. 10 year plan to reallocate \$2M/year for facility R&R

Open Issues

- Assignment of general use classroom space
- Identification of space costs at regional campuses
- Creation of a forum for posting space wanted/space for sale ads

Questions?