

**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM
2223 E. WELLINGTON AVENUE, SUITE 100
SANTA ANA, CALIFORNIA**

**BUILDING COMMITTEE MEETING
February 09, 2021
1:00 P.M.**

Members of the Committee

Wayne Lindholm, Chair
Charles Packard, Vice Chair
Adele Tagoloa
Chris Prevatt

Pursuant to Executive Order N-29-20, certain provisions of the Brown Act are suspended due to a State of Emergency in response to the COVID-19 pandemic. Consistent with the Executive Order, this meeting will be conducted by video/teleconference only. None of the locations from which the Committee members will participate will be open to the public.

Members of the public who wish to observe and/or participate in the meeting may do so via the Zoom app or via telephone. Members of the public who wish to provide comment during the meeting may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing * 9 on your telephone keypad.

OCERS Zoom Video/Teleconference information	
<p>Join Using Zoom App (Video & Audio)</p> <p>https://ocers.zoom.us/j/97764469393</p> <p>Meeting ID: 977 6446 9393 Passcode: 107552</p> <p>Go to https://www.zoom.us/download to download Zoom app before meeting</p> <p>Go to https://zoom.us to connect online using any browser.</p>	<p>Join by Telephone (Audio Only)</p> <p>Dial by your location</p> <ul style="list-style-type: none"> +1 669 900 6833 US (San Jose) +1 346 248 7799 US (Houston) +1 253 215 8782 US (Tacoma) +1 312 626 6799 US (Chicago) +1 929 436 2866 US (New York) +1 301 715 8592 US (Germantown) <p>Meeting ID: 977 6446 9393 Passcode: 107552</p>
<p>A Zoom Meeting Participant Guide is available on OCERS website Board & Committee meetings page</p>	

AGENDA

The Building Committee of the Orange County Board of Retirement welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Committee may take action on any item included in the agenda; however, except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda. The Committee may consider matters included on the agenda in any order, and not necessarily in the order listed.

OPEN SESSION

CALL MEETING TO ORDER AND ROLL CALL

PUBLIC COMMENTS

At this time, members of the public may comment on (1) matters not included on the agenda, provided that the matter is within the subject matter jurisdiction of the Committee; and (2) any matter appearing on the Consent Agenda. Members of the public who wish to provide comment at this time may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing * 9 on your telephone keypad. When addressing the Committee, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

In addition, public comment on matters listed on this agenda will be taken at the time the item is addressed.

CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one action unless a Committee Member requests separate action on a specific item.

C-1 COMMITTEE MEETING:

None

ACTION ITEMS

NOTE: Public comment on matters listed in this agenda will be taken at the time the item is addressed, prior to the Committee’s discussion of the item. **Members of the public who wish to provide comment in connection with any matter listed in this agenda may do so by “raising your hand” in the Zoom app, or if joining by telephone, by pressing * 9, at the time the item is called.**

A-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA

INFORMATION ITEMS

Each of the following informational items will be presented to the Committee for discussion.

Presentations

I-1 BACKGROUND OF THE BUILDING COMMITTEE AND OCERS HEADQUARTERS PROJECT

Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, OCERS

I-2 SCOPE AND RESPONSIBILITIES OF THE BUILDING COMMITTEE

Presentation by Brenda Shott, Assistant Chief Executive Officer, Internal Operations, OCERS

I-3 MARKET UPDATE AND OPTIONS FOR THE FUTURE OCERS HEADQUARTERS

Presentation by Cushman Wakefield

WRITTEN REPORTS

The following are written reports that will not be discussed unless a member of the Committee requests discussion.

None

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COMMITTEE MEMBER COMMENTS

CHIEF EXECUTIVE OFFICER/STAFF/CONSULTANT COMMENTS

COUNSEL COMMENTS

ADJOURNMENT

NOTICE OF NEXT MEETINGS

DISABILITY COMMITTEE MEETING

February 16, 2021

8:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

REGULAR BOARD MEETING

February 16, 2021

9:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

INVESTMENT COMMITTEE MEETING

February 24, 2021

9:30 A.M.

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

2223 E. WELLINGTON AVENUE, SUITE 100

SANTA ANA, CA 92701

AVAILABILITY OF AGENDA MATERIALS - Documents and other materials that are non-exempt public records distributed to all or a majority of the members of the OCERS Board or Committee of the Board in connection with a matter subject to discussion or consideration at an open meeting of the Board or Committee of the Board are available at the OCERS' website: <https://www.ocers.org/board-committee-meetings>. If such materials are distributed to members of the Board or Committee of the Board less than 72 hours prior to the meeting, they will be made available on the OCERS' website at the same time as they are distributed to the Board or Committee members. Non-exempt materials distributed during an open meeting of the Board or Committee of the Board will be made available on the OCERS' website as soon as practicable and will be available promptly upon request.

It is OCERS' intention to comply with the Americans with Disabilities Act ("ADA") in all respects. If, as an attendee or participant at this meeting, you will need any special assistance beyond that normally provided, OCERS will attempt to accommodate your needs in a reasonable manner. Please contact OCERS via email at adminsupport@ocers.org or call 714-558-6200 as soon as possible prior to the meeting to tell us about your needs and to determine if accommodation is feasible. We would appreciate at least 48 hours' notice, if possible. Please also advise us if you plan to attend meetings on a regular basis.



Memorandum

DATE: February 2, 2021
TO: Members of the Building Committee
FROM: Brenda Shott, Assistant CEO Finance and Internal Operations
SUBJECT: **Background of the Building Committee and OCERS Headquarters Project**

Written Report

Background

February 9, 2021 is the first public meeting of OCERS Building Committee. Prior to 2021, the committee was an ad hoc committee with a narrowly focused purpose of guiding staff during a renovation project for the OCERS current headquarters. The purpose of this report is to provide background about the project and how it has evolved into the need for the newly created Building Committee.

The current OCERS headquarter building is located at 2223 E. Wellington, Santa Ana Ca. The building contains 50,700 square feet and sits on a 2.92-acre lot. The building was built in 1979 and OCERS purchased it in 1996 for approximately \$2.3 million. The current estimated value of 2223 E. Wellington is \$11 million.

As part of the initial planning stage of the renovation project, OCERS hired Mark A. Smith and Associates as an Owners Representative and Project Manager and Gensler for architectural design services. A block and stack plan, space plan and a rough order of magnitude pricing plan were developed and shared with the ad hoc Committee and Board in August 2019. The \$9.4 million cost estimate was under consideration when the building adjacent to OCERS current building was marketed for sale as a potential multifamily residential opportunity. Concerned about potentially having a residential development immediately adjacent to the OCERS headquarters and seeing an opportunity to control the full parcel of land, providing OCERS with more options, the Board decided to pursue purchasing the 1200 N. Tustin Ave property. The Tustin Ave property is a 2-story; class B, Multi-tenant medical office building that contains 30,299 square feet on a 2.77-acre lot. In doing some due diligence, the team became aware that the Tustin Ave parcel along with the Wellington parcel had a Declaration of Covenants, Conditions and Restrictions (CC&Rs) recorded against the properties. The CC&Rs create several restrictions, which also played a part in the interest in purchasing the Tustin property. After several months of negotiating, OCERS' offer was accepted.

Below are the summary of activities reported to the Building Committee and to the Board through the CEO's monthly summary reports over the past year as it relates to the purchase of the property and the OCERS Headquarters project:

December 2019 Summary

On December 10, 2019 a Purchase and Sale Agreement was executed with the owners of the building adjacent to OCERS headquarters at 1200 N. Tustin Ave. The agreement includes a purchase price of \$10 million and a sixty-day due diligence period. Should OCERS approve the Due Diligence items, the condition of the property and the investigations of such, the closing date for purchasing the building will be fifteen days after the end of due diligence. The closing date is planned for February 21, 2020. Within the first week of executing the agreement, a \$1 million deposit was made to an escrow account and certain due diligence items were received from the seller as scheduled. OCERS Due Diligence team includes Cushman and Wakefield, OCERS real estate broker and Rutan & Tucker, OCERS real estate counsel along with OCERS team members. During the month, third party consultants were procured to obtain a property assessment report, zoning report and environmental conditions report. Concurrently with due diligence, OCERS is exploring project options and requirements for the future optimal use of the property being purchased and OCERS current headquarters building.

January 2020 Summary

During the month of January, staff continued to work with OCERS' Due Diligence Team to gather and review information about the new building. We received the property assessment, zoning, environmental conditions and title reports. The review of the reports received did not identify any conditions that signaled a need to extend the due diligence period. As such, the schedule remains that escrow on 1200 N. Tustin Ave. will close on February 21, 2020. I continued my quest to gather information and gain knowledge on options for the future optimal use of the new property and OCERS existing property. Mr. Ball graciously agreed to meet with Mr. Delaney and me to share some of his experience and knowledge about the land development process and offered some great advice on what the project planning process should entail. He encouraged me to reach out to previously used consultants and other experts in the land development and construction industries to gain additional insight on current trends in the market and lessons learned from other projects similar to OCERS. In that effort, several meetings were scheduled for February to further the information gathering process and prepare for the next steps once escrow closes.

February 2020 Summary

The team completed the due diligence work and closed escrow on the 1200 N. Tustin building. As the new owner of the adjacent property, insurance was secured and we immediately began transitioning property management to Cushman Wakefield. We are working on finding economies of scale on the service contracts for both buildings (janitorial, security, HVAC, landscaping etc.). Overall, it has been a successful transition. As we continue to consider and develop the various options for the full property, we continued our quest for information and gaining insight on current trends in the market. Ms. Murphy and I spent some time visiting a few local properties managed by current Investment Managers. The meetings included a tour of the Broadway complex with AEW and visiting the Park Place property with LBA Realty. Both meetings provided the opportunity to talk through land development process, industry trends and project considerations/lessons learned which was extremely helpful. In addition, Mr. Delaney and I met with Mark Smith and Associates (project manager for the Wellington remodel project that was put on hold) who has assisted in developing a pro forma look at what a new facility construction budget would contain and what some of the high level tasks would be to get the project completed. We will be using all of the information gathered as we move forward with developing options on how best to move forward.

March 2020 Summary

The COVID -19 pandemic and the related "stay at home orders" across the nation have caused our OCERS HQ project team to take a step back and pause on developing various options for the Building Committee and Board to consider. On two occasions during the month, we met with the Cushman brokerage services, valuation, and advisory team along with Mark Smith and Associates to discuss what the best course of action for the project is, given the current volatile and unprecedented times. The team agreed that the economic impact of the pandemic would affect the real estate market, both residential and commercial. In consulting with our advisors, we believe it would be prudent to watch the market while searching for the most viable options that could meet OCERS HQ needs in the long term. During this time, we will also exploring how the pandemic and the new widespread work from home conditions might change the workplace in the future. We plan to continue to have periodic meetings with the Cushman team and Mark Smith and Associates over the next few months to stay abreast on the happenings in the market and remain ready to forge ahead with an open mind to various options and opportunities that will meet OCERS HQ needs.

In the meantime, we will work with the Cushman property management team to manage both the new Tustin Ave property and the existing HQ building. The management of the properties now also includes handling rent abatement/relief requests from tenants who have been affected by the COVID-19 pandemic. The team is working with OCERS legal team to ensure we are in compliance with the newly issued Federal, State and local laws, regulations and orders related to commercial rent obligations. As of the writing of this summary, we have received three requests for rent relief from tenants.

Maintenance, repairs and upgrade projects at the current HQ building will also be pursued in the coming months.

April 2020 Summary

As reported last month, the COVID -19 pandemic and the related "stay at home orders" across the nation have had a significant disruption to the commercial real estate market. By month end, the OCERS workforce has been effectively working remotely for six weeks. With the potential for the remote workforce to continue for months into the future, we have begun to consider what this might mean for the needs of OCERS office space for the long term. The new conditions have caused our OCERS HQ project team to take a step back and pause on developing various options for the Building Committee and Board to consider. We continue to believe it is prudent to actively watch the local real estate market with an interested eye on viable opportunities and various options that could meet OCERS HQ needs in the future. During this time, we are also exploring how the pandemic and the new widespread work from home conditions might change the workplace and OCERS office space needs in the future.

May 2020 Board Meeting Update:

- Reminder - we purchased the building adjacent to our current headquarters in February
- Prior to the impacts of COVID-19 Staff and the Building planned to review various options for the property that ultimately would provide OCERS with a new Headquarters building that would meet the Agency's needs now and for 20-30 years into the future
- The plan was to explore two general paths:
 - either build a new building on the Tustin Ave parcel or
 - sell or partner with a developer to get the highest and best use out of the full combined property and find a new location for our future Headquarters building
- Pandemic and the related "stay at home orders" across the nation have had a significant disruption to the commercial real estate market
- The widespread use of remote workforce throughout the country during the past two months is creating much discussion on how a growing acceptance of employers utilizing a remote workforce will change the needs of physical commercial workspace in the future.
- Given what we have experienced in the past two months and the potential for a long-term need for enhanced sanitization social distancing protocols, we think that there is the possibility of a paradigm shift when it comes to planning for workspaces in the future.
- We cannot at this time clearly know what our needs will be for the long term.
- The Building Committee met last week with the Cushman team to discuss the status of the project. Based on that discussion and on the advice of the consultants we believe our best course of action at this time is to diligently watch the market with an interested eye on viable opportunities and various options that could meet OCERS HQ needs in the future. During this time we are also going to be exploring how the pandemic and the new widespread work from home conditions might change the workplace and OCERS office space needs in the future.

May 2020 Summary

Future OCERS HQ project update:

The Building Committee met on May 12, 2020 with the Cushman team to discuss the status of the OCERS HQ project. Based on that discussion and on the advice of the consultants we believe our best course of action at this time is to diligently watch the market with an interested eye on viable opportunities and various options that could meet OCERS HQ needs in the future. During this time we are also going to be exploring how the pandemic and the new widespread work from home conditions might change the workplace and OCERS office space needs in the future.

Update on preparing OCERS current HQ building to reopen:

A date for when OCERS employees will return to working in the office has not yet been determined. However, when it is deemed safe and is recommended by the state and local authorities, our team will return to the office. As such, we have been diligently working on developing a plan to make the necessary and prudent modifications to OCERS' offices to help reduce employee risk to COVID-19 spread in the workplace. In developing our plans, we have utilized the resources issued by the CDC, California Department of Public Health, County of Orange and our property management firm, Cushman & Wakefield. These resources have a plethora of information and guidance on developing a COVID-19 preparedness, response and control plan. In addition to these resources, we have also been consulting with legal counsel and considering their recommendations and guidance as well.

Some of the more significant changes/modifications related to the building that we would be incorporating into the plan to reopen the OCERS offices include (but not limited to) the following:

- Social distancing protocols
 - Move employees into offices when possible
 - For employees who will remain in a cubicle workspace physically spread them out
 - Modify existing cubicles to include a physical plastic barrier on all walls so that all walls will extend up to be six feet high.
 - Encourage use of virtual meetings instead of in person meetings (even when in the office)
 - Limit the use of common areas with signage and other measures such as removing chairs
 - Require the use of face masks while moving around in the office (not required while sitting at their desk)
 - Post signage throughout the office to remind employees of social distancing protocols
- Sanitization protocols
 - Regular disinfecting and cleaning of common area contact surfaces throughout the day.

- Install disinfecting wipe dispensers throughout the work areas near high touch areas/items such as copiers, kitchens and conference rooms
- Install additional hand sanitizer dispensers throughout the office and common areas as well as provide each employee an individual bottle for use at their desk.
- Post signs in restrooms and kitchen reminding individuals proper handwashing techniques
- Ventilation
 - Increase ventilation rates
 - Improve air filtration to the MERV-11 filter rack
 - Perform necessary maintenance and repairs to the HVAC system to improve the consistency of comfortable air temperature in the building.

OCERS' Executive team is committed to keeping our team member's health and safety a top priority. Our return to the office plan will reflect that priority.

- Guidance for Business and Employers Responding to Coronavirus Disease 2019 issued by the Centers for Disease Control and Prevention
- Reopening: Guidance for General Office Settings issued by AIHA (link provided within the CDC publication above)
- COVID-19: Industry Guidance: Office workspaces issued by the California Department of Public Health
- Returning Employees to the Workplace Checklist - issued by County of Orange
- Recovery Readiness For Commercial Offices; Guidelines, Considerations and Resources for Landlords and Property Managers issued by Cushman & Wakefield

June/July 2020 Summary

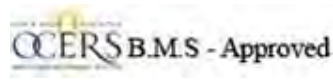
The month of June was relatively quiet concerning the Future OCERS HQ project. As a reminder, based on our last discussion with the Building Committee and our team of consultants, our best course of action at this time is to diligently watch the market with an interested eye on viable opportunities and various options that could meet OCERS HQ needs in the future. We continue to explore how the pandemic and the new widespread work from home conditions might change the workplace and OCERS office space needs in the future. Along with Mr. Packard, Building Committee Chairman, Mr. Delaney and Ms. Shott had a call with the Cushman Team on Friday July 10. The Cushman team briefed us on what they are seeing in the commercial real estate market most recently. To summarize the discussion, the office space sector of the market has been significantly impacted by the pandemic and the stay at home orders throughout the country. Transaction volume in the office space sector was estimated to be down 90% from the prior year. Work environment conditions for the future for office-based business (including operations such as OCERS) is still being debated. Some believe office space will be extinct in the longer term, while others believe it will come back but density within offices will be reduced. The timeframe for which office based businesses will return and the new normal will emerge is thought to be a year to two years away. When considering OCERS future needs, we believe that time is on our side and a slow and steady process of determining what will work best for our operations continues to be our best course

of action. Initial indications are that more space per person will be a likely change and that building with a larger footprint and less stories (1 or 2 story building so that there is no need for elevators) will be preferential. We intend to continue with our slow and steady approach of identifying OCERS future needs and watching the best practices for office space designs and layouts develop in a post COVID-19 world.

CONCLUSION

With the shifts in the industry and lack of clear understanding of the impact that the pandemic will have on OCERS long-term office needs, the plans for OCERS Headquarters project were paused by the ad hoc Building Committee as we determine the best course of action moving forward. However, we continue to monitor the industry for potential opportunities while also exploring and evaluating new practices that are emerging in office space designs and layouts. All items discussed in the May summary included above related to preparing OCERS current HQ building to reopen have since been completed and the building is ready to allow employee to come back into the office to work once health official guidelines suggest that remote work is no longer recommended.

Submitted by:

A rectangular stamp with a yellow and blue border. The text "OCERS B.M.S. - Approved" is written in a serif font. There is a horizontal line below the text.

Brenda Shott
Assistant CEO, Finance and Internal Operations



Memorandum

DATE: February 2, 2021
TO: Members of the Building Committee
FROM: Brenda Shott, Assistant CEO Finance and Internal Operations
SUBJECT: **Scope and Responsibilities of the Building Committee**

Written Report

Background/Discussion

The Board created an ad hoc Board Room/Building Review Committee in 2018. The purpose of the committee was to have a narrow focus on providing staff direction while they pursued the evaluation and implementation of upgrades and renovations to the OCERS Board Room. As the Committee and Staff began to evaluate the Board Room project, a myriad of other shortcomings of the OCERS Headquarters were discussed. The ad hoc committee evolved into participating in the evaluation and planning of a fuller building renovation that would address not only the Board Room but also several other existing needs that would result in a headquarters that would serve OCERS for twenty to thirty years into the future. The committee continued along that path throughout 2019.

In February 2020, OCERS closed escrow on the purchase of the adjacent building located at 1200 N. Tustin Ave. Options for the newly acquired property that were discussed at a high level were to either build a new OCERS building on the new parcel or combining the two adjacent parcels and selling them (or partnering with a third party) for development of the highest and best use of the property. A month after the purchase, the COVID-19 pandemic hit America and the issuance of stay at home orders by the Governor of California resulted in the vast majority of OCERS team to work remotely since March 2020. The continued widespread remote workforce found throughout the nation has had significant impacts on the real estate industry (both commercial and residential) and on the best practices in office space use and design. With the shifts in the industry and lack of clear understanding of the impact that the pandemic will have on OCERS long-term office needs, the plans for OCERS Headquarters project were paused by the ad hoc Building Committee as we determine the best course of action moving forward.

The Assistant CEO, Finance and Internal Operations Charter provides for the authority to:

- Approve building, tenant and owner improvements that are deemed necessary by the CEO within the resources and fiscal limits set by the Board and;
- Authorize requests for purchase or lease of major items of property and equipment and repair of existing property and equipment

The expansion of the originally envisioned project has exceeded Staff's delegated authority. The change in project plans and timing has resulted in the need to keep the Committee and the Board actively involved in the vetting of options and ultimately setting the fiscal limits of the headquarters project. Ad hoc committees are intended to be for a short term and for a specific project. With the Headquarters project extending into 2021 and most likely beyond as well as having multiple options on how to move forward with existing properties or



Memorandum

other opportunities for a headquarters, the Committee's purpose would be more accurately categorized as a standing committee that meets in accordance with the Brown Act. As such, the Chairman of the Board has created the Building Committee beginning in 2021.

With the newly formed Building Committee, it is appropriate to create a charter for the committee. The purpose of a committee charter is to address the following about the committee:

- mission,
- authority,
- responsibilities,
- composition,
- frequency of meetings,
- requirements for minutes and;
- how they report their findings to the board.

Staff will engage the committee members in a discussion about the items above and ultimately are seeking direction on what to include in a charter to be presented to the Board for consideration. An example of a Committee Charter is attached for reference purposes.

Submitted by:

A logo for OCERS B.M.S. - Approved, featuring the OCERS logo and the text "B.M.S. - Approved" in a stylized font.

Brenda Shott

Assistant CEO, Finance and Internal Operations



OCERS Board Charter Governance Committee Charter

Introduction

1. The OCERS Board of Retirement (Board) has established a Governance Committee to assist the Board in recommending, reviewing, and amending, as necessary, policies and procedures for governance of the Board. The Governance Committee is an advisory committee to the Board and its recommendations are subject to final approval by the Board.
2. The Board Chair will appoint members to the Governance Committee as provided in OCERS' By-Laws and will designate one member of the committee to serve as committee chair and one member of the committee to serve as committee vice chair.
3. The Governance Committee will be comprised of four (4) members of the Board. As provided in OCERS' By-Laws, two members of the Governance Committee constitute a quorum.

Duties and Responsibilities

4. The Governance Committee will:
 - a. In consultation with the Chief Executive Officer, develop terms of reference for the Board, the Committee Chairs, and the Chief Executive Officer, and periodically recommend to the Board such amendments as may be necessary or advisable;
 - b. Review, develop, and recommend to the Board for approval, new governance policies as may be necessary, review existing governance policies based upon the established schedule for review, and review and recommend changes to the By-Laws as directed by the Board or Board Chair;
 - c. Review the charters and policies assigned to the Governance Committee by the Board at least once every three years in accordance with the established schedule for review, and recommend the same for approval by the Board;
 - d. Monitor the implementation of and compliance with governance-related policies;
 - e. Report regularly to the Board on the Committee's activities; and
 - f. At the request of the Board Chair or the Board, undertake such other governance-related initiatives as may be necessary or desirable to guide or assist the Board and OCERS staff in carrying out their respective duties and responsibilities.



OCERS Board Charter Governance Committee Charter

Charter Review

- 5. The Governance Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant and appropriate.

Charter History

- 6. This Charter was adopted by the Board of Retirement on November 18, 2002, and amended on March 17, 2014, July 20, 2015, May 15, 2017, and April 20, 2020.

Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.

04/20/2020

Steve Delaney, Secretary of the Board

Date



Memorandum

DATE: February 2, 2021
TO: Members of the Building Committee
FROM: Brenda Shott, Assistant CEO Finance and Internal Operations
SUBJECT: **Market Update and Options for the Future OCERS Headquarters**

Written Report

Background/Discussion

In an effort to update the Committee members about current commercial real estate market conditions, OCERS real estate broker team from Cushman Wakefield will lead a discussion and provide timely insights on what is transpiring in office space here locally and more broadly across the nation. Mark Smith of Mark A. Smith and Associates will also be present to provide insight and answer questions about current commercial/office space construction activity and emerging best practices in office space locally.

We are looking forward to having an engaging discussion with open conversation from the Building Committee. Some of the questions and topics of interest Mr. Wayne Lindholm, Chairman of the Building Committee has submitted to help spur some active dialogue are attached to this memo.

Submitted by:

A rectangular stamp with a sunburst icon on the left and the text "OCERS B.M.S. - Approved" in a serif font.

Brenda Shott
Assistant CEO, Finance and Internal Operations

February 09, 2021

Building Committee:

- Summary of current facility and purchased building next door:
 - Square footage
 - Acres
 - Cost
 - Rents and income/Expenses
- Property Management Reports:
 - Income/Expense sheet
 - Contract status
 - Annual budgets
 - Tennent's and any delinquencies
- Cushman Wakefield update
 - Market Update, Office market tanked, apartments?
 - What are the two parcels worth for Office/Apartments
 - FAR for parcels, can they be built out more
- Reason For Buying the Building Next Door:
 - Space requirements
 - Aging Mechanical/Elevator systems
 - Security concerns
 - Pressure from other buyers to build apartments
 - Brown Outs
 - Budget for Renovation vs. new Construction
- OCERS needs;
 - Has COVID changed our needs
 - Programming, (Space Planning)
 - Cost to date
 - Clean Air or cleansing protocol
- Building Committee Goals and Responsibilities