

As of February 3, 2009

What has changed from the original plan?

The total cost of the acquisition and renovation of Gatehouse II has been lowered from \$110.1M to \$94.5M.

Net present value life-cycle avoidance/savings have increased from \$22.2M to \$62.2M. Inflated life-cycle avoidance/savings have increased from \$84.5M to \$193.4M under the changed plan. These additional savings are achieved from the following changes to the business model:

- **Sales Price**

- Previously at \$52M; Now \$45M (Same as what owner paid in 2006)

- **Renovation Costs**

- Previously at \$58.1M; proposing \$49.5M, a \$8.6M reduction.
- Removed funds for furniture, parking and traffic improvements:
 - We will reuse systems furniture that has been left at the building and will bring existing furniture from the facilities we are vacating.
 - Traffic flow improvements will be delayed; however, we believe these improvements can be added at a later time.
- Retained funds for building improvements that relate to sustainability such as a reflective roof, replacement of the current HVAC system with one that is energy efficient, replacement windows and lighting that are significant improvements over the existing. **FCPS will seek LEED certification for the building.**

- **Lease Costs**

- Additional lease savings of \$502K per year are obtained from vacating the Instructional Programs Support Center warehouse.

- **Position Reductions**

- Added 10 position reduction efficiencies to the model, bringing the total position reduction to 28 or an additional savings of approximately \$2.0M per year.

What are the implications if we do not acquire the BPG building?

- Two elementary schools, Lacey and Graham Road/Devonshire, will be delayed or lease costs will be incurred to relocate the current occupants.
 - Construction of a new Lacey facility adds significantly more seats since it will be an entirely new school. The net capacity deficit in surrounding elementary schools (Beech Tree, Belvedere, Annandale Terrace, Braddock, Woodburn and Columbia) is projected to be 788 students.
 - Renovation of Devonshire will add about 100 additional student seats as compared to what we could do at Graham Road. The net capacity deficit in surrounding elementary schools (Westlawn, Pine Spring, Timber Lane, Shrevewood, Stenwood and Fairhill) is projected to be 67 students.

Budget Case

- **Self-Funding:** The purchase, renovation and operation of the BPG building is self-funded through the consolidation of the 15 status quo FCPS owned and leased administrative properties. No direct school operating or capital funds are impacted.
- **Life-cycle Cost Savings:** The 31-year life-cycle cost savings and avoidance over the 15 status quo properties is a net present value of \$62.2 million. When adjusting for inflation for the same time period the cost avoidance/savings are \$193.4 million.
- **Budget Benefits:** Specifically within the life cycle cost savings, there are savings as shown below that will help address the budget deficits projected for FY 2010 and beyond. These savings are attributable to vacating (5) leases and (28) position reductions associated with the consolidation:

	FY2010	FY2011	FY2012	Total
- Position Savings	\$1,635,421	\$1,710,650	\$2,783,418	\$6,129,489
- Lease Savings	\$1,454,935	\$1,854,756	\$1,953,062	\$5,262,753
Total:	\$3,090,356	\$3,565,406	\$4,736,480	\$11,392,242

- **Potential Additional Lease Cost Avoidance:** In addition, if we do not consolidate, we will have to lease additional space to accommodate staff currently located in the Lacey and Devonshire centers that are planned within the Capital Improvement Plan (CIP) to be returned to use as schools. We estimate the annual lease costs for both buildings to be approximately \$1.7 million per year.

School Case

The consolidation will provide the following school use opportunities:

- Completion of the consolidation will allow the school system to transfer the final three properties (Leis, Sprague and Wilton Woods Centers), promised to the Board of Supervisors as a part of the transaction that resulted in \$150 million in increased funding for the school system's capital improvement program to build and renovate schools.
- Due to the size of the BPG building the School Board will be able to potentially vacate 3 administrative centers (Lacey, Devonshire and Dunn Loring Centers). Two of these sites, Lacey and Devonshire, are already planned to be returned to use as schools. Specifically:
 - Construction of a new Lacey facility adds significantly more seats since it will be an entirely new school. The net capacity deficit in surrounding elementary schools (Beech Tree, Belvedere, Annandale Terrace, Braddock, Woodburn and Columbia) is projected to be 788 students.
 - Renovation of Devonshire will add about 100 additional student seats as compared to what we could do at Graham Road. The net capacity deficit in surrounding elementary schools (Westlawn, Pine Spring, Timber Lane, Shrevewood, Stenwood and Fairhill) is projected to be 67 students.
 - The Dunn Loring site is being considered as part of the school system's needs to meet enrollment growth that will occur as a result of development at Tyson's Corner.

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Consolidation Plan - Phase II: FCPS Owned and/or Leased Facilities

There are fifteen (15) properties that will be impacted by the Phase II consolidation that are summarized below. Combined, the properties comprise 331,247 square feet and 1,084 workstations.

Property	Size (SF)	# Work Stations	Property Disposition
FCPS Owned Buildings - 6 (To be totally Vacated)			
- Devonshire Center	42,840	136	Retained by FCPS-Community School
- Dunn Loring Center	42,405	109	Retained by FCPS-ES School Site
- Lacey Center	23,193	98	Retained by FCPS-ES School Site
- Leis (Walnut Hill) Center	38,351	120	Transfer to Fairfax County
- Sprague (Chapel Square) Center	43,300	177	Transfer to Fairfax County
- Wilton Woods Center (Less NOC)	33,839	184	Transfer to Fairfax County (Network Operations Center (NOC) to remain)
FCPS Owned Buildings - 4 (To be partially Vacated)			
- Forte Center	13,600	72	Re-used by Transportation Academy
- Lorton Center	2,500	14	Re-used by Spec Ed/Area 2 Transportation
- Luther Jackson Intermediate	5,000	N/A	School Board Auditorium returned to school use
- Pickett Road Annex	750	3	Re-used by Attendance Officer Program
FCPS Leased Building - 5 (To be Terminated)			
- Brown Building Lease	7,500	59	Lease Termination 04/30/09
- Centreville Crossing Lease	4,801	N/A	Lease Termination 11/30/10 (Staff to Edsall Park)
- City Square Building Lease	20,837	84	Lease Termination 08/31/09
- Democracy Lane Lease	5,331	28	Lease Termination 06/30/09
- Instructional Svc Supt Ctr Warehse	47,000	N/A	Lease Termination 09/30/09 (Staff to Forte Ctr)
Total:	331,247	1,084	