

ULI Case Studies

ULI Global Office Headquarters



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The new ULI offices are located on two levels and feature light-filled café/common areas and flexible workspaces, all of which are designed to encourage collaboration and communication among staff.

PROJECT SUMMARY

The new headquarters space for the Urban Land Institute (ULI) in Washington, D.C., is an innovative example of office space planning driven by a desire to create a more collaborative culture for the organization. The newly occupied space, encompassing 33,481 square feet on two floors in a recently renovated building, brings together in one location the ULI global headquarters staff, the ULI Americas staff, and the local ULI Washington staff. The open-space office plan is designed to encourage interaction, communication, and collaboration, and includes a variety of work settings, including individual workstations, small workrooms, lounge areas with comfortable seating, numerous meeting rooms of various sizes, telephone rooms, two large café and kitchen areas, a member area, and a large multipurpose/conference space. Staff members are free to choose whichever work setting best suits their needs; few workstations are assigned.

QUICK FACTS

Location

Washington, D.C.

Project type

Office Building(s)

Site size

0.39 acres

Land uses

Office Space

Keywords/special features

Collaborative office space, Innovative interior design, Changing workplace, Space planning, Office relocation, Tenant improvements

Website

www.uli.org

Project address

2001 L Street, NW, Suite 200
Washington, DC 20036

Tenant

Urban Land Institute
Washington, D.C.
www.uli.org

Architect

Studios Architecture
Washington, D.C.
www.studios.com

Tenant broker

Cushman & Wakefield
Washington, D.C.

Building owners (at time of lease)

Minshall Stewart Properties
Heitman

Building owner (at time of occupancy)

Swiss Re

Building manager (at time of occupancy)

Transwestern

Construction management

Hitt Contracting

Lighting

Lutron

Furniture

Steelcase

Introduction

How does an office workplace affect productivity, organizational culture, collaboration, and an organization's overall success in today's rapidly changing world? This was the fundamental question that Patrick L. Phillips, global chief executive officer of ULI, and his leadership team pondered in late 2013 as they prepared for ULI's lease expiration and began to consider how to reshape and improve the ULI work environment.

Using a team approach that involved staff leadership, a staff advisory group, and expertise from brokers and architects, the ULI team visited a variety of workplaces and reviewed a variety of design solutions, in the end concluding that ULI as an organization would be most effective if it created a more progressive, democratic, and open work environment that reflected the best thinking in modern office workplace design. In initiating this new workplace design and strategy, Phillips firmly believed that "by design, our new workplace will change how we work, how we advance our mission, and how we interact with our members."

The Background and the Idea

ULI's existing lease was set to expire in June 2016, so in late 2013, Phillips and his leadership team began to consider the organization's options, including a lease renewal for the current ULI space in the Georgetown area of Washington or a move to a new space. Phillips initiated a process that involved evaluating the space needs of the organization, the changing nature of the office workplace, and the many new workplace design ideas developed in recent years.

Conversations started in fall 2013, and the ULI leadership team quickly determined that ULI should be located in the heart of Washington because it provided the best transit access and the right address for a global membership organization. "About a third of our staff lived in Virginia, a third in D.C., and a third in Maryland," says Mike Terseck, ULI chief financial officer. Being centrally located in the downtown was thus an important consideration.

The ULI organization and work activities. One key factor in Phillips's thinking was the changing nature of the organization and its staffing. Over the past 20 years, ULI has become both more local and more global, with offices spread across more than 50 metropolitan areas in North America, as well as in Asia and



The reception area in the main lobby, which features stairs to the third level and floor cutouts above, is designed to create physical and visual connections between the two floors.

Europe. As a result, many staff members travel extensively or work remotely and often are not in the office, leaving many dedicated offices at the headquarters building unused much of the time.

In addition, ULI work activities within the headquarters space involve many functions and departments, including meeting programming and planning, marketing and communications, research and content development, advisory services, publications editing and design, finance and accounting, fundraising, and management of various member networks, including product councils and district councils. This work involves different space requirements for each activity that were not well accommodated in the existing office layout.

The previous space. ULI had been located for nearly 20 years in its previous office space at 1025 Thomas Jefferson Street in Georgetown, an area just west of downtown Washington. While Georgetown offered a wonderful historic setting, with ready access to the Potomac River, the Chesapeake and Ohio Canal, and many shops and restaurants, it is not considered a Class A office location. It also is not well served by the Metro subway system, which has only one station nearby, about ten blocks away (0.7 miles).

In addition, the building itself was configured in a figure 8, with much of the space surrounding two central courtyards; this resulted in a layout that required employees to walk around



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Work areas feature a variety of workstations, including some with terminals and keyboards and others with tables for laptops. Casual seating areas are also available for quiet conversations or as more relaxed work settings.

these courtyards to connect with each other. While a previous redesign of the space had created a more open plan employing high cubicles, many offices remained, and in general the space was not well configured for interaction among staff or among different departments.

“There was very little collaboration, a shortage of meeting spaces, the space was ill-equipped technologically—a lot of shortcomings,” Phillips says. ULI did initially consider temporarily moving within the building while the existing space was redesigned, but this option was deemed less than ideal and was soon taken off the table.

Goals for the new space. A principal goal of the effort was to create a new headquarters that would help better fulfill the ULI mission. This involved creating a space that 1) properly reflected the brand and mission of ULI through its location and design, 2) leveraged dialogue among staff and members and that cultivated leadership, and 3) served as a destination for members. The space was also intended to be a place that would bring together members, staff, and the public.

“We wanted to create a workplace that would foster communication and collaboration. We knew we wanted to open it up,” notes Phillips. “The question was how far do we want to go. There are a lot of points along the spectrum. We decided that we were going to push it. We wanted to reflect a progressive approach to the use of commercial real estate. We wanted to convey an image of innovation and experimentation.” To make this work, notes Phillips, “I had

to be committed to operating in the same way as I was asking everyone else to operate.”

Phillips and his team also believed it was important that the new space be a symbolic and tangible reflection of the Institute’s values and key themes, including its focus on sustainability and building healthy places. Choosing a workplace that supported the mission by reusing and reconfiguring an existing building in a walkable, transit-friendly downtown environment was one way to accomplish this. And a key goal in line with the mission was creating a healthy work environment—featuring ample natural light, internal staircases connecting floors, and flexible workspaces, including op-

tional standing desks, in a building providing a fully equipped gym.

Other specific goals included the following:

- provide tools to support all ULI activities, both collaborative and focused;
- offer choice and variety in work settings; and
- create a flexible space allowing ULI to remain agile.

“We wanted to improve communication and collaboration across the organization, and we wanted to give employees the freedom to pick the space that they wanted to use,” notes Tim Cooper, ULI senior vice president for human resources.

Assembling a team. To oversee the process of finding and creating a new work environment, a team of 12 ULI staff was assembled to provide input and oversight for the process. Dubbed “Team Treehouse,” the group included key leaders from the finance and human resources departments, as well as employees from different departments and of different ages.

Phillips and this team defined the general goals for the relocation process and then began a search for a broker to assist with securing new space. The team put together a request for qualifications (RFQ) for a real estate adviser that was sent to about a dozen real estate service/broker firms. The team reviewed about eight submittals, choosing three firms that were invited to submit specific proposals. Interviews were conducted to determine which firm would be best at not only helping with the space search and lease transaction, but also helping ULI understand what its needs were.



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The second-level café/common area is used for both member and staff events, and has been programmed and designed for members to use while visiting.

Team Treehouse settled on Cushman & Wakefield, which was brought into the search process in November 2013. Because Cushman & Wakefield offered a significantly reduced fee to support ULI's relocation, the firm is acknowledged on the ULI donor wall as a significant contributor to ULI.

Following this selection, Team Treehouse began a search for a design firm that could help the team think through its space needs and workplace concepts. ULI received RFQ submittals from about eight design firms, narrowed that group to four firms, and in spring 2014 chose Studios Architecture, a national architecture firm with extensive experience in designing workplace interiors. Before making its decision, the team visited and reviewed examples of finished workplaces designed by the architect finalists.

ULI later used a similar RFQ process to select the contractor, bringing in Hitt Contracting in spring 2015. The broker, architect, and contractor had all worked together before and had developed a strong working relationship.

The vision and programming. The first meetings of ULI, the broker, and the architect were vision sessions. "One of the goals was to rethink the whole workplace strategy [for ULI]—how the operation worked and the collaborative effect of office space and how it would impact morale and productivity," says Brian Raher, executive vice president of Cushman & Wakefield.

A large part of this process involved researching and documenting existing workplace practices, a task that was undertaken by Studios, which conducted extensive employee interviews to better understand the work of ULI, what employees need, the obstacles they encounter, and what motivates and engages them. The group also looked at other associations and how they were using space. This ultimately led to a vision for the space and a rough determination of just how much space ULI actually needed given the workplace design goals and decisions.

Change management. Team Treehouse also worked with Studios to develop a charter and a change management plan to help ULI leadership communicate with ULI staff and move through the design and relocation process. Christopher Budd, managing principal with Studios, helped with the change management strategy at the outset. The key attributes of the strategy emphasized creation of a consistent message, leadership speaking with one voice, uncomplicated

messaging, a structured rollout, and the role of champions and early adopters.

The Market and the Search for Space

Once the decision was made to move, the questions became where to move and at what price. Georgetown was generally a Class B submarket, so moving to a Class A submarket would involve higher rents, which created challenges.

ULI began the search not by defining how much space was needed, but by establishing what it could afford, stipulating that ULI did not want to pay any more than it was paying in Georgetown. "We didn't know if that was achievable, but that was our going-in assumption," says Phillips. ULI leadership then established a range of square footage that it felt the program could fit within. "We visited about 40 different properties throughout D.C.," Cooper notes. Team Treehouse looked at more expensive spaces, which would have required ULI to reduce its space plans, and less expensive spaces that would have allowed a larger space.

The D.C. market in 2014–2015. When ULI initiated its search in spring 2014, the downtown Washington, D.C., office market was soft, with considerable vacancy around the city and many options for a tenant the size of ULI. Shortly after ULI finalized the lease terms in early 2015, however, the market had started to tighten up, so the timing was fortuitous. Notes Raher, "2013 was the worst leasing year in my 28 years of [D.C.] experience—about half what

it normally would be [in terms of space leased]. But 2015 was the second-best leasing year in the history of the city."

Location preferences and parameters.

Once the Georgetown option was set aside, the focus turned to a new location that would be closer to the heart of the city and also better served by transit, especially Metrorail. "The search began with a focus on transportation, notably the Metro and the Red Line, the most used line in the Metro system," notes Raher. This line, which provides service to much of the city and Maryland's northern suburbs, had not been directly accessible at the Georgetown location.

Evaluating the short list of buildings. "We had two rounds of tours—one about neighborhoods and market trends, and the other was about design," says Phillips. The initial survey found 38 available buildings. Working with Cushman & Wakefield and Studios, Team Treehouse narrowed this down to a dozen buildings, which team members then toured.

"The ULI brand meant something [to the owners] in each building that we went to," notes Terseck, and ULI was able to consider a number of good opportunities. ULI sent requests for proposals to eight building owners, and two outlier projects came into the fold later. From the responses, Team Treehouse culled the list to six buildings for further consideration, and then asked Studios to perform test fits on each of these. The prospects included historic buildings and new buildings, with rents ranging from \$50 to \$75 per square foot.



Splashes of bright colors are used in meeting rooms and other areas as accents; most meeting rooms have glass walls.

The Building and the Lease

Phillips and his team settled on 2001 L Street, N.W., because it offered a central location near two transit stations, a floor plate and availability that allowed ULI to fit comfortably on two lower-level floors, and a very reasonable rent of \$50 per square foot. The building is located on a corner and adjacent to a side alley, thus offering large continuous windows on three sides, two facing local streets.

Building location. The 2001 L Street building is located in the heart of the Golden Triangle neighborhood and near the center of downtown Washington, about nine blocks from the White House. Connecticut Avenue is three blocks to the east, K Street one block to the south, Farragut Square four blocks to the east-southeast, and Dupont Circle four blocks to the north. The site is within four blocks of two major Metro stations, with the Farragut North station serving the Red Line and the Farragut West station serving the Orange, Blue, and Silver lines. The site is about 12 blocks (one mile) east of the previous Georgetown headquarters.

The Golden Triangle area of downtown, a 43-block neighborhood that stretches northward from the front yard of the White House to Dupont Circle, is very much at the center of D.C., but much of it was built in the 1960s and 1970s and is a bit old compared with newly developing areas to the east. As a result, this area offered more reasonable rents than some of the newer areas of the city. The neighborhood is busy with pedestrian traffic, especially at lunchtime, and offers an abundant selection of restaurants and lunch destinations, including a Starbucks and a Panera Bread within the 2001 L Street building itself.

Building history and recent renovation.

The structure, 2001 L Street, is a ten-story, 167,000-square-foot building built in 1985. It was acquired in early 2012 by Minshall Stewart Properties, in a joint venture with Heitman.

In 2013, Minshall Stewart began repositioning the asset, enclosing a previously open-air entry feature, relocating the lobby from the corner to 20th Street, creating new office and retail space on the first three floors, installing a three-story glass storefront and curtain wall on these lower levels, and adding new glass to the corner of the building on all floors—all of which gave the building a refreshed and more modern look. The building heating, venting, and air-conditioning

system was also updated. Most of the tenants remained in place during the renovation, but the second and third floors were available.

When the ULI team visited, the Institute had the opportunity to become the anchor tenant with a long-term lease. Phillips and his team also suspected that if ULI signed on as the anchor and final tenant, the owner would probably sell the building, suggesting that the owner might be eager to cut a deal. In fact, that is exactly what happened.

“We got a very good deal, and we are very pleased with the economics, . . . which were very similar to a renewal in Georgetown,” says Phillips. The deal involved no net increase in ULI’s cash rent expense. “Because the real estate economics were good, that allowed us to take more space,” he says. “This allowed for a very wide variety of workplaces and physical settings for work.”

The new space on the second and third levels is slightly smaller than the previously occupied space, down to 33,000 square feet from about 37,000. While many tenants in the market view lower-level space as less desirable, ULI saw it as a virtue. “It made sense for us to get down as low as we could for two reasons,” observes Phillips. “One was to get the rent down, and the other is that it is great to embrace the street.”

Negotiating the lease. ULI went into lease negotiations with a strategy. “We went in with a goal where we would be paying no more than we were paying in our current space,” says Terseck. “We had our plan, and we stuck to it.” A letter of intent was signed in late 2014, and the basic terms were agreed to by February 2015, before

the market firmed up. Because ULI started the search process early and did its homework upfront, when the right opportunity was identified, “we were in a position to strike,” notes Sherry Cushman, executive managing director for Cushman & Wakefield. “We accomplished the transaction and negotiated the deal very quickly.”

The lease was signed in spring 2015. “The deal we struck was really competitive, both in terms of the face rent and in terms of the tenant improvement allowance, which we knew gave us the opportunity to create what we wanted,” says Phillips. ULI signed a lease for 15 years, with the rent starting at \$50 per square foot and annual increases of 2.5 percent. The lease includes a year’s free rent upfront and allows for one five-year renewal term. ULI also has a ten-year out as well as right of first refusal for the fourth floor. The tenant improvement allowance was set at \$111 per rentable square foot, or \$3,716,391, based on 33,481 rentable square feet.

The Design Process

The workplace design process involved a close collaboration among members of Team Treehouse, the broker, and the architect, all of whom were committed to developing a cutting-edge new space for ULI. “We had very close collaboration with the client, sustained through the entire process, and that doesn’t very often happen,” notes Ruben Smudde, associate principal with Studios.

The designers began with the following premise: “The new work environment will be a rich



Some workspaces are designed to be quiet and library-like, with tables and couches and no formal workstation terminals.



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There are no designated private offices in the workspace, but a few private spaces are available for use by staff members.

variety of work settings that provide a rich array of personal choices. These choices will accommodate infinite personal work styles and preferences. Rather than being assigned to individuals, work settings are resources for everyone.”

Once the building was chosen, the question became “what does this building do well, and how can it support [the ULI] business?” says Budd of Studios. The fact that the space had windows on three sides and had two existing internal stairs were two features that the architects focused on. Bringing light into the space and maximizing vertical connections, both physical and visual, were key objectives for the design. Therefore, the designers located the largest and most public spaces along the window lines, and then created floor cutouts in key public areas—one along a window line and the other in the lobby area to visually connect the two floors. “We took a building that was traditionally a dark building and enabled it to be something that felt new and bright and really worked,” notes Cushman.

The buildout costs were very reasonable compared with those of a more traditional workspace with offices and cubicles. The workstations were less expensive than traditional cubes, and there were far fewer walls and offices and cabling requirements than in

a more traditional buildout. The wi-fi was important in reducing the need for cabling and expensive personal workstations. “People who walk in probably have no idea how economical the space is,” notes Smudde. Some features were more expensive, such as the cost of technology and video within the numerous meeting rooms, and a high glass budget for the meeting rooms to meet the desire for transparency.

The Construction Process and Budget

The leased space was fully demolished at the time construction began, and part of the space had been newly created. The budget for tenant improvements, including hard and soft costs, totaled just over \$5.06 million. The contractors initially came in with proposals that were higher than what was in the budget, so some costs needed to be cut. “Right away we started saving money on the baseline,” notes Terseck.

As the project progressed, the ULI leadership team went through all the major items that were driving costs and value-engineered the project further. It did away with some components, such as some very large audiovisual screens and glass railings around cutouts, and revisited the furniture and cabinet selections and other elements. In ad-

dition, Lutron and Steelcase offered significant discounts on lighting and furniture, respectively, and both are acknowledged on the ULI donor wall. As a result, the tenant improvement costs were cut considerably, ultimately coming in at \$4.35 million, \$709,296 below the original budget. After the tenant improvement allowance from the owner, tenant improvement funds required from ULI were reduced to only \$635,806.

One key challenge and source of expense was the concrete cutouts. The contractors had to cut some big holes in the slab, which was an important early decision that needed to be validated structurally. The contractor, the architect, and the building owner worked closely to find the right solution. The early designs had three slab openings, which was reduced to two in later versions. These openings had to be cut out in one foot squares at night, and the holes cut into the slab required slab reinforcement.

To address this, a hanging rod was installed on the third floor as reinforcement; the rod is in plain sight, but mostly invisible. “It sort of disappears into the bones of the building, but saved us an enormous amount of money,” says Christian Zazzali, vice president of Hitt Contracting. This solution also eliminated the need for a supporting column below, which would

have been more visibly obvious and obtrusive in the middle of the open café area.

Another challenge the contractors had to address was the fact the space and tenant fit-out were right above the main building lobby. Everything that goes down through the second floor had to be accessed through the ceiling of the lobby. This required evening and night work, and nightly repair and cleanup after the work was finished.

A third problem was that there was no freight elevator, so all manpower and materials had to come in through the loading dock, into and through the main lobby area, and then up to the work area. Most of these materials had to be moved in the early morning, or carried up the stairs. For construction within an operating building, notes Zazzali, “One of the biggest constraints is material in and trash out.”

In finalizing design/construction solutions, some specifications changed. For example, the design/construction team tried the idea of simply polishing the concrete floor, but variations in the concrete made the effect undesirable, so the decision was made later to go with an epoxy-coated white paint flooring. This created challenges for the schedule because it was one additional task that needed to be accomplished within a tight time frame. In addition, the initial epoxy paint put down gave off too much of an unpleasant odor, so this paint was switched for a different one at the last minute, creating additional scheduling challenges just before occupancy.

Workspace Elements

The broad goals established by ULI at the outset were refined by the designers to serve as specific design objectives. These objectives in turn were used to design a variety of different spaces and environments.

Design objectives. The broad design objective was to create a work environment “to support opportunistic interactions . . . [while] at the same time . . . support solo work, concentration, and repose.”

From the visioning work, the following were identified as expectations for the new environment:

- space that supports a greater variety of work activities;
- space for focused work;
- greater physical flexibility;



Large custom-built tables are provided in several of the larger rooms. These can be used to lay out materials or as discussion/presentation spaces or workstations.

- increased engagement with both members and staff; and
- increased access to leadership.

At those same visioning sessions, ULI indicated that some of the key issues to be remedied were the following:

- need for space for cross-team coordination;
- need for better connectivity and reduced department segregation; and
- need for more meeting spaces.

Member-facing space also needed to accommodate the following priorities:

- create a destination;
- facilitate dialogue;
- showcase member work;
- be an invaluable resource;
- be a great host; and
- be accessible.

The final design “is less about individual needs, more about organizational needs,” notes Smudde of Studios. “Individual needs were not put aside, but they were defined in a different way. In this building, the lack of a clear hierarchy entices people to move around. The space is fluid. It certainly facilitates people seeing each other a lot more, and invites people to work together, and that was our intent. It is about providing [an environment] with a variety of settings and empowering staff to select their own most productive work environment for both individual and collaborative work.”

In addition, a large section of the space is dedicated to interaction with members and a place for members to work and convene. “It was very impor-

tant to me that members be present in the space as frequently as possible,” notes Phillips. “I wanted this to be our members’ clubhouse in D.C.”

The design aesthetic is very urban. “It’s a fairly raw space,” noted Smudde. “It’s not overly precious. In addition, we wanted to replicate the idea of an urban environment [in the space] in the sense that it has different neighborhoods and there is variety and diversity in experiences.”

Arrival atrium. The reception area is on the second floor and consists of a reception desk, a large video screen to the right of the desk, stairs to the left, and three glass doors that provide entry points to the left, right, or straight ahead. Having a vertical connection immediately apparent was important to ULI and the designers, so the stairs were supplemented with cutouts to the third floor, further emphasizing the multifloor nature of the space and occupancy. The four elevators empty directly into the lobby area, which is very efficient and provides visitors with an immediate visual impression of the ULI space and brand.

Diversity of spaces. Workspaces are provided in a variety of shapes, sizes, and styles, including individual creative space, small-team creative space, reflection and coordination space, individual interactive space, small phone rooms, meeting rooms of various sizes, lounge areas, and communal/kitchen/café areas.

A variety of work surfaces and workplace tools are provided, and all ULI employees have their own laptop computer, which they can bring to any available workstation. Each employee is assigned a locker for storage of that laptop and personal items. Some work areas have long open

tables designed for use with laptops; others have tables with laptop docking stations or plug-ins with display screens. Many desks are height-adjustable, allowing an employee to stand while working. Acoustic panels are provided between many workstations, but there are no cubicles.

Workstations are one of the following types:

- dual monitor, docking station, mouse, camera, and keyboard for PC only;
- widescreen monitor, mouse, and keyboard; and
- assigned seats with task-specific equipment.

Six different furniture configurations are defined in the plan:

- individual—interactive;
- individual—team hub;
- individual—concentrated;
- individual—concentrated with height-adjustable desk;
- individual—concentrated enclosed with height-adjustable desk; and
- collaboration and breakout;

The second-floor space offers 66 staff seats and 24 staff/member seats. The third floor offers 78 staff seats and 23 staff/member seats. Steelcase supplied most of the workstations, and Evans and Best supplied a variety of non-workstation furniture. Custom-made wood furniture was also used to organize the open space by defining a home base for the different teams.

Meeting rooms. The number of meeting rooms was increased dramatically from the previous space, and new technology also allows these rooms to be more useful. The previous space had eight meeting rooms, whereas the new space has 14; the number of LED screens was increased from four to 22. Each of the smaller and medium-sized meeting rooms can be reserved electronically using a room booking system accessible via laptop, mobile app, or a touchscreen on the wall outside the room. All meeting rooms include large display screens for videoconferencing or presentations. Many of the small meeting rooms include walls that can be written on with erasable markers.

The main conference room space, which strategically opens up to the adjacent flexible member space, is located in the corner of the second level of the building, with windows on two sides; it can be divided into two smaller rooms. Outside the room is a lounge area and the ULI Foundation donor wall.



The floor plan for the second floor features conference-room space on the lower right, a café and member area on the lower left, a variety of workstation settings and meeting rooms on the upper right, and a quiet room on the upper left. Storage and kitchen areas are on the far left, along the one wall that has no windows.

Technology. Several key technologies are incorporated into the new space, including:

- very-high-speed internet (1,000 Mbps);
- high-density wi-fi coverage (no dead zones);
- wireless presentation sharing to any meeting room (no need to plug in your laptop; just present wirelessly); and
- equipment in every meeting room allowing high-definition videoconferencing, audio conferencing, and presentation sharing.

In addition, ULI installed the RingCentral voice-over-internet protocol (VoIP) telephone and communications system that allows staff to take calls anywhere via laptop or cellphone. This was an essential feature that untethered staff from specific workstations.

Lighting. Lighting was designed to relate to the room, not the individual furniture, which keeps future planning flexible and reinforces each neighborhood. Most of the lighting is in the form of linear fluorescent lighting, with a limited use of decorative pendants, cove lighting, floodlights, and wall washers. The lights are sensor-controlled for motion and daylight.

Finish concepts and graphics. Raw and industrial materials were chosen for the space, accented by strategic refinements. The space predominantly uses white on most walls, with

a variety of accent colors used on some interior rooms and the lobby. The floors are also white. Ceiling treatments vary, including open ceilings, an open-cell ceiling, and two-by-two-foot acoustical ceiling tiles.

Each of the interior rooms is numbered, and all the meeting spaces have names and numbers. The meeting rooms are named after great squares and public spaces from around the world, with names such as Rittenhouse, Xinghai, and Wenceslas.

Vinyl applied lettering is used throughout the space for room names and to provide directional signage to staff, members, and visitors. Graphics in the lobby area provide information on the four major events ULI holds each year; a world map featuring ULI activities is also displayed near the lobby.

A New Work Environment

Creating a successful new work environment involves more than just design. ULI knew that managing for a successful outcome involved strategic communication. For this reason, to prepare for the move ULI developed and communicated several key messages to staff. The messages emphasized that the new ULI workplace would:

- reflect the mission and the brand;
- be a member destination;



Signage/graphics on glass near the main lobby highlight key facts and figures about ULI, with small meeting rooms behind.



Lockers are used by staff to store laptops and personal items. Most staff members do not have assigned workstations and thus use the lockers daily.

- maximize variety and choice;
- emphasize shared space;
- be flexible and adaptable;
- provide access to ULI leaders;
- be an example of urban placemaking; and
- be fun and energetic.

Staff had numerous opportunities to visit the space during construction in order to understand the plan before moving in.

Moving in. Because the new workspace involved an open plan with no assigned offices, ULI staff were encouraged to scan important documents for electronic storage and purge their files of most everything else. The filing cabinets and most of the furniture were not moved to the new space. Most employees kept one or two bins of files per person.

Beyond individual files, the major items to move were the accounting files, the library, the mailroom, and a small publications inventory and storage system. In general, not that much had to be moved. Staff finished packing on a Thursday and arrived at the new office on Monday morning. Most of the bins were unpacked within a week, and staff began their work immediately.

New workplace policies. “In a working environment like this where there is more choice, there is also more responsibility,” notes Smudde.

To ensure that the new, more open plan works for everyone, a few guidelines have been emphasized for the workplace:

- Be courteous and mindful of those around you.
- Moderate your voice.
- Choose the space to work in that is most productive for your task or the work at hand.
- Scan it. [Electronically] file it. Shred it.
- Leave it as you found it.
- Maximize your use of the space.

Staff adaptation to the new space. While some staff members have assigned workstations, such as the accounting staff and some of the communications and editorial staff, most employees are free to sit wherever they like.

Each staff member has his or her own preferences. Some essentially go to the same workstation each day; others vary their patterns and choose one of numerous workstations around the office; and still others move around during the day, especially those who are comfortable working on laptops without additional keyboards or screens. Many staff members frequently work in the café or in lounge areas using laptops. Neither the global CEO nor any other senior executive has an assigned office, and when not traveling, the CEO can often be found working at a laptop at a table in the café area.

The new culture that has emerged is intentionally more democratic in that all staff members essentially have access to the same working environment. There is no hierarchy of staff when it comes to the workspace. “I think there is a tangible uptick in morale,” says Cooper. “The feedback thus far has been super-positive.” Notes Terseck: “I think staff are much happier. I think they do truly like the space and working in it. I do think there is more collaboration. People are more resilient than you think. I would never go back to an office.” Observes veteran ULI staffer and senior resident fellow Tom Murphy, “Every time I walk into this space it puts a smile on my face.”

Observations and Lessons Learned

By most accounts, the new space has been well received by both staff and members who have visited. Seemingly everyone who enters the space for the first time is intrigued and impressed by the space and the new ideas it represents. “I think the outcome has been fantastic so far,” says Phillips. “We used the design of our space to change our brand and the culture of the organization.”

As might be expected, not all of the original plan assumptions proved to be true. “My going-in assumption was that everyone would have a laptop and work on a laptop,” says Phillips. “Well, not everyone wants to work on a laptop alone, so we now have workstations that have dual screens or single large monitors with detached keyboards. We have conventional workstations; we have lounge workspaces; we have buzzy public spaces in the café and hushed low-light quiet space in the back.”

Regularly communicating the main ideas behind the new space to staff was critical to the success of the transition. When making such a move, it is important to have a good change-management plan in place and to get employees involved. “I think one of the smartest things we did was we brought staff to the space in various stages,” says Cooper. “They could touch it, see it, feel it. You can’t over-communicate with the staff when making a change like this.” In addition, the Team Treehouse approach worked well because it afforded a variety of points of view and early buy-in from the staff. Also, in the end, notes Cooper, “we benefited from low expectations. People were surprised and delighted.”

Starting the relocation process early with clear goals and objectives is an important factor in



DEAN SCHWANKE



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The new ULI office headquarters is located in a recently updated building at 2001 L Street, N.W., in the heart of Washington, D.C.

Wall-washer lighting is used to brighten interior hallways away from exterior windows.

creating a successful new workspace. “Being nimble is incredibly important,” says Raher. “Setting your goals and guidelines and sticking to them without compromise is a must.” By starting early, ULI was in a strong position to make a decision in its own favor, and this also allowed ULI leadership to negotiate three months’ free rent on the previous lease by forgoing the right to renew that lease.

Perhaps the most important and obvious lesson is that open-plan offices can work really well when they are designed well and are not too

densely developed. While no one has a private office, the workstations and flexible workspaces are spread around the office in a way that allows for both community and privacy. This was not a cram-down plan, and the result in many ways feels less dense and more spacious than the previous ULI office space that featured numerous private offices. A key principle of the design was that the space with the best views and access to light belongs to everybody and should be available to all.

The new ULI headquarters space also illustrates how beautifully designed spaces can emerge from older buildings at a reasonable price. The tenant improvement costs came in lower than expected because the ULI leadership team made good economic decisions. The team spent money on technology and floor cutouts and use of glass in key locations, and backed off on some features that it concluded were not necessary in the end. Sometimes less is more. When well executed, an innovative open office space plan can be highly functional, aesthetically appealing, and very cost effective all at the same time.



STUDIOS

The floor plan for the third floor features a variety of work settings and numerous small conference rooms. The layout offers windows on three sides.

Interviewees

- Patrick L. Phillips, global chief executive officer, Urban Land Institute
- Michael Terseck, chief financial officer, Urban Land Institute
- Tim Cooper, senior vice president, human resources, Urban Land Institute
- Sherry Cushman, executive managing director, Cushman & Wakefield
- Brian Raher, executive vice president, Cushman & Wakefield
- Christopher Budd, managing principal, Studios Architecture
- Ruben Smudde, associate principal, Studios Architecture
- Christian Zazzali, vice president, Hitt Contracting

PROJECT INFORMATION

Development timeline

Strategic planning began	Fall 2013
Broker/adviser RFQ issued	October 2013
Cushman & Wakefield retained as broker/adviser	November 2013
Architect RFQ issued	January 2014
Studios Architecture retained for design services	Spring 2014
Comparative analysis of buildings began	May 2014
Building/space selected	December 2014
Building lease terms finalized	February 2015
Preconstruction design began	February 2015
Building lease signed	Spring 2015
Hitt retained for construction contract	Spring 2015
Construction began	January 2016
Furniture installed	May 2016
ULI moved in	May 2016

Office information

Building net rentable area	167,000 sq ft
Typical floor size	16,700 sq ft
Building floors	10

ULI-leased office space

Second floor	16,484 sq ft
Third floor	16,997 sq ft
Total	33,481 sq ft
Annual ULI rent per square foot (2016)	\$50
Annual rent increase	2.5%
Length of lease	15 years
Lease renewal option	5 years

Tenant improvement cost information

Hard costs

Contract amount	\$2,764,710
Change orders	\$140,701
Total	\$2,905,411

Design costs

Base fee	\$135,907
Change management	\$22,000
Furniture services	\$16,741
Graphics	\$29,000
Mechanical/electrical/plumbing engineering	\$36,829
Structural engineering	\$6,000
Lighting, acoustics, other consulting	\$30,000
Reimbursable expenses	\$30,412
Total	\$306,889

Management and owner costs

Project management	\$76,050
Landlord oversight fee	\$16,741
Building engineering fees during construction	\$10,000
Total	\$102,791

Furniture, fixtures, and equipment (FF&E) costs

Furniture	\$732,344
Audiovisual equipment	\$177,000
Security	\$30,000
Graphics	\$49,190
High-density filing relocation	\$23,572
Signage (exterior building, offices, main lobby)	\$25,000
Total	\$1,037,106

Total actual costs **\$4,352,197**

Total budgeted costs	\$5,061,493
Total cost under budget	\$709,296

Tenant improvement (TI) base allowance **\$3,716,391**

Soft costs cap (30%)	
ULI TI required funds	\$635,806
Total TI costs	\$4,352,197
Total TI allowance per square foot	\$111 per sq ft
Total TI cost per sq ft including FF&E	\$130 per sq ft



About the Urban Land Institute

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

Established in 1936, the Institute today has more than 39,000 members, representing the entire spectrum of land use and development disciplines. Professionals represented include developers, builders, property owners, investors, architects, planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, academics, and students.

ULI is committed to

- Bringing together leaders from across the fields of real estate and land use policy to exchange best practices and serve community needs;
- Fostering collaboration within and beyond ULI's membership through mentoring, dialogue, and problem solving;
- Exploring issues of urbanisation, conservation, regeneration, land use, capital formation, and sustainable development;
- Advancing land use policies and design practices that respect the uniqueness of both the built and natural environment;
- Sharing knowledge through education, applied research, publishing, and electronic media; and
- Sustaining a diverse global network of local practice and advisory efforts that address current and future challenges.

Patrick L. Phillips, Global Chief Executive Officer

Funding for this case study was provided by:



ULI CASE STUDIES

The ULI Case Studies program highlights and showcases innovative approaches and best practices in real estate and urban development. Each case study provides detailed information regarding the ideas, plans, process, performance, and lessons learned for the development project. Each also includes project facts, timelines, financial data, site plans, photos, location maps, and online videos. The new ULI Case Studies program is the revitalization of a program begun in 1971. For more information, visit the ULI Case Studies website at casesudies.uli.org.

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