

MEMO

Attachment F



Date: September 16, 2016

To: Board of Directors

From: Roni Luckenbill, CEO

Subject: Girl Scout Lake Pointe Property Office Building – Decision Required

Background: In April 2011, the Board of Directors authorized the purchase of two office buildings (11,000 sf and 6,000 sf) next door to the Administrative/Cincinnati Service Center. The decision was made based on the following criteria:

1. The council was moving toward centralizing its “back office” operations, including the finance, human resources and some business services operations in the Cincinnati office, which required additional space.
2. Limited parking and volunteer and girl meeting space were major challenges for the Cincinnati office, which provides support to 40% of the council’s membership.
3. The negotiated price was very reasonable and provided confidence that it was a good investment in a very stable business location.

How has the property been used? The original plan to renovate the 11,000 sf building for Girl Scout use and to continue to lease out the 6,000 sf building (to cover costs) was delayed – initially based on economic conditions, and for the past three years, based on uncertainty about the need for additional office space. We are currently leasing 1,500 sf of the 6,000 sf building to one tenant. On the larger building we have made minimal improvements and used the building primarily for storage and for isolated staff projects.

What has changed? In the five years since the purchase, we have experienced a shift in the way that we work, which has led us to reconsider the need to expand operations to another building. The impact of digital communication has changed the way we operate and communicate at all levels. This includes:

- More opportunities for staff to work in the communities where members work and live; less need for office space. We have shifted our “face-time” to our communities!
- Staff who have ties to an office can work from any city or location, using laptops, cell phones, conference calls and webinars.
- Less emphasis on large meeting spaces; volunteers and staff would often rather dial into an online meeting or webinar, allowing Girl Scout volunteer time to more easily fit into their busy schedules.
- Changes in storage needs – volunteer and parent documents are primarily digital.

In addition, recent Department of Labor changes have influenced changes in staff work patterns, so staff are prioritizing time spent with parents and volunteers, and minimizing time spent on travel and for in person staff meetings.

These factors will be used by the Administrative Center Task Group to assess changes needed in all of our administrative offices, but they are even more important for the Lake Pointe property since it is currently not in active use by Girl Scouts of Western Ohio.

Recommendation: We believe that this is a good time to put the Lake Pointe property on the market.

- We have been contacted by realtors who have reported a significant increase in commercial sales in this area. Demand is currently greater than supply in the Blue Ash area for commercial property.
- Based on trends in Blue Ash real estate, the value of the property is in the land, not the buildings.
- The property immediately adjacent to the Lake Pointe property (on the other side) is currently under construction, which may make the property more attractive.
- We have avoided any major investment in the property since purchasing, but the requirement for capital improvements is increasing. We believe that the money that is needed for repairs and renovation could be better applied to a future growth area such as improving our digital communications infrastructure and capability.

Proposal: We propose that the board authorize Roni Luckenbill, CEO, to sign a six month agreement to work with a realtor to market and sell the Lake Pointe property at a cost that is no less than 5% over the appraised value*.

*Appraisal to be completed by an independent appraiser.

