

Monroe Tenant Relocation Update

Senate Finance And Appropriations Committee

June 18, 2025

BUDGET LANGUAGE

Chapter 725 provides DGS up to \$35,000,000 for the costs of renovations to state-owned buildings and moving expenses

Unallotted until DGS presents a relocation plan to include but not limited to:

- Identify relocation space for each agency
- Anticipated renovation costs of each space
- Anticipated impacts to the rent plan and parking fund
- Identify temporary conferencing space for agencies
- Minimize the impact to the state rent plan by assigning space operated by DGS first
- Minimize the impact to the parking fund—Maintain agencies in downtown Richmond, and use state parking, if feasible
- Recommend to the Six-Year Capital Outlay Plan Advisory Committee on needed rent plan changes or parking fee to support ongoing operation of state buildings and parking facilities until the new state agency office building is constructed.
 - Provides an exemption for the VDH Pharmacy Services (Located in Monroe Building)

COMPLETED ACTIONS

DGS presented/received approval from the Six-Year Capital Outlay Plan Advisory Committee on 5/13/25

DGS Owned Buildings: (Use current executive controlled vacant spaces within Capitol Square)

- OSIG Moved to Reid's Row on May 27
- Developed Program Space Needs (PSN) to determine required sq. ft. needs of each agency
- Identified all available spaces within state owned buildings
- Coordinated with Tax to consolidate underutilized space (Main Street Center)
- Design AE firms have been engaged for renovation of new space
 - Once design is completed; construction is expected to commence August
 - Furniture will also be ordered as needed

Lease Spaces: (Remaining tenants to lease spaces within the downtown area)

- Received RFP responses based on total sq. ft. requirements
- Toured and short-listed spaces based on agency requirements
- DGS negotiating leases (some are ready to be executed upon final review of legal or landlord)
 - Leased spaces will require tenant improvement/renovation and furniture

RELOCATION TO STATE FACILITIES

Agency	Location	Anticipated Relocation	Parking
DOA	Main Street Centre	5/20/2026	State Parking
DGS ISS	Washington	7/25/2025	State Parking
DHRM	Main Street Centre	5/20/2026	State Parking
DHRM Clinic	Madison	5/1/2026	State Parking
OSIG	Reid's Row	Completed	State Parking
Tax	Consolidation (Westmoreland and Main Street Centre)	7/1/2025	State Parking
DCR Lab	9th & Franklin	5/29/2026	State Parking
Conference Rooms	MSC, Madison, Jefferson	5/1/2026	State Parking

Agency	Location	Anticipated Relocation	Parking
TRS	Workers Comp Building	3/31/2026	Workers Comp Parking

RELOCATION AND RELATED COSTS

PRIVATE LEASE

Agency	Location	Parking	Anticipated Relocation
APA	Lease Space	Private Parking	1/31/2026
SCHEV	Lease Space	State Parking	1/31/2026
DOE	Lease Space	State Parking	1/31/2026
DSBSD	Lease Space	State Parking	1/31/2026
DVS	Lease Space	State Parking	1/31/2026
VDH Pharmacy	Lease Space	Private Parking	3/31/2026

IMPACT ON RENT PLAN

- Impact on state rent plan is calculated based on the agencies moving out of Monroe to state or leased space
- Impact for FY 2027, when Monroe is assumed to be fully vacated, is likely to result in a rent rate increase
 - Will depend on dynamic market conditions (utility costs, labor increases, contractual services, etc.)
- The budget assumes \$3.5M in funds to offset the operating costs of Monroe in FY 2026 and FY 2027
 - These funds will be drawn down based on the timing of Monroe vacancies.

IMPACT ON PARKING FUND

Agencies Moving Outside of Parking Program	Destination	Estimated # of Parking Assignments
APA	Private/Lease	105
VDOT - Annex Move Est.	Lockwood	700
TRS	Workers Comp Building	119
TRS (Risk Management Section contractor)	Workers Comp Building	47
VDH-Pharmacy	Private	12
TOTAL NUMBER OF PARKING ASSIGNMENT LOSS		983
ANNUAL REVENUE LOSS TO PARKING FUND		(\$578,004)
ESTIMATED ANNUAL EXPENSES (MONROE DECK)*		\$209,000
Estimated Annual Total Loss		(\$369,004)

**Cost is included in operating money provided in budget for Monroe.
 Costs will be eliminated once Monroe building is moth-balled.
 The impact to parking revenue is based on timing of movement.
 Temporary loss to the parking fund can be absorbed in current operational revenue*

CONFERENCE ROOM SPACE

Current Conference Space

- Approx 450 meetings held in Monroe shared conference rooms in 2024 (Approx. 6,000 sq. ft.)

Additional DGS Spaces to be Utilized

- **Madison Building:**
1st Floor, Upper Basement (Approx. 2,500 sq. ft. / existing)
- **Jefferson Building:**
1st Floor (Approx. 1,800 sq. ft. / existing)
- **Main Street Center**

Lease Options

- Identified non-exclusive leased conference space to supplement Capitol Complex requirements
- Exclusive leased space will be evaluated upon final disposition of Monroe



VDH Conference Room - Madison



VDH Conference Room - Madison



UB 42 Conference Room - Madison



UB 42 Conference Room - Madison

ONGOING ACTIONS FOR RELOCATIONS

DGS OWNED BUILDINGS

- Design of spaces/detailed space planning/drawings for required permits
- Order furniture based on the approved drawings, as needed
- Remove existing furniture, as needed
- Complete construction/renovation and inspection of existing areas
- Install and inspect IT infrastructure and equipment
- Coordinate move with agency (mail, badging, parking)

LEASE SPACE

- Execute negotiated final terms and lease
- Landlord completes construction drawings
- Construction/renovation of tenant space based on approved agency drawings
- Space is approved and accepted by DGS and agency
- Install and inspect IT infrastructure and equipment
- Coordinate move with agency (mail, badging, parking)