



Engineering, Operations, & Technology Committee

Update on District Housing & Property Improvement Program

Item 6b

April 8, 2024

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Update on District Housing & Property Improvement Program

Subject

District Housing & Property Improvement Program

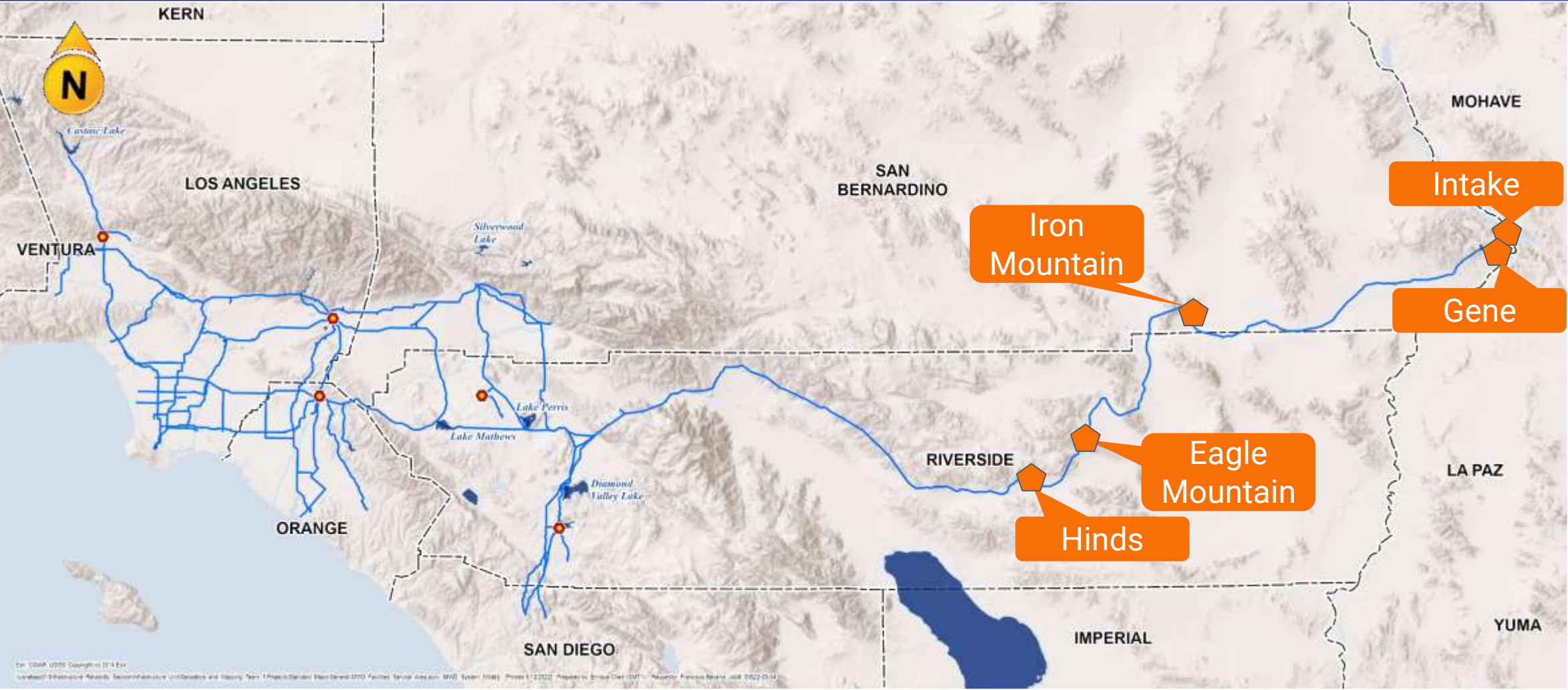
Purpose

Provide update on community planner efforts

Agenda

- Background
- Community planning
- Guiding principles
- Timeline
- Community planner update
- Next steps

Location Map



District Housing & Property Improvement Program



Background

- Housing is provided due to the remoteness & timely response to emergencies
- Houses are aging after decades of use in harsh desert environment
- 109 total houses in CRA system (69 refurbished)
- Temporary lodging & kitchen facilities provided for short term assignments
- Preliminary design for replacement of single-family residence plans completed September 2022
- Community planner hired summer 2023

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Community Planning Effort

- What will the next 75 years of living & working in the remote villages & pumping plants look like ?
- Metropolitan strategy to attract, recruit & retain current & future generation of Desert employees



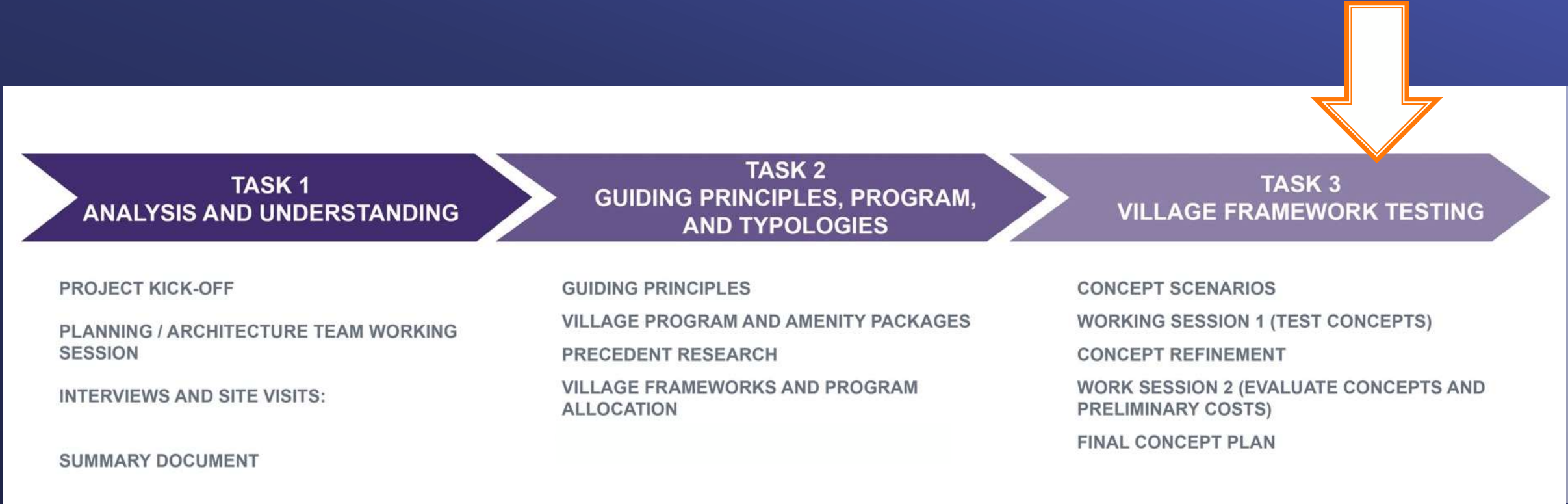
Iron Mtn. Kitchen & Lodge

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Guiding Principles

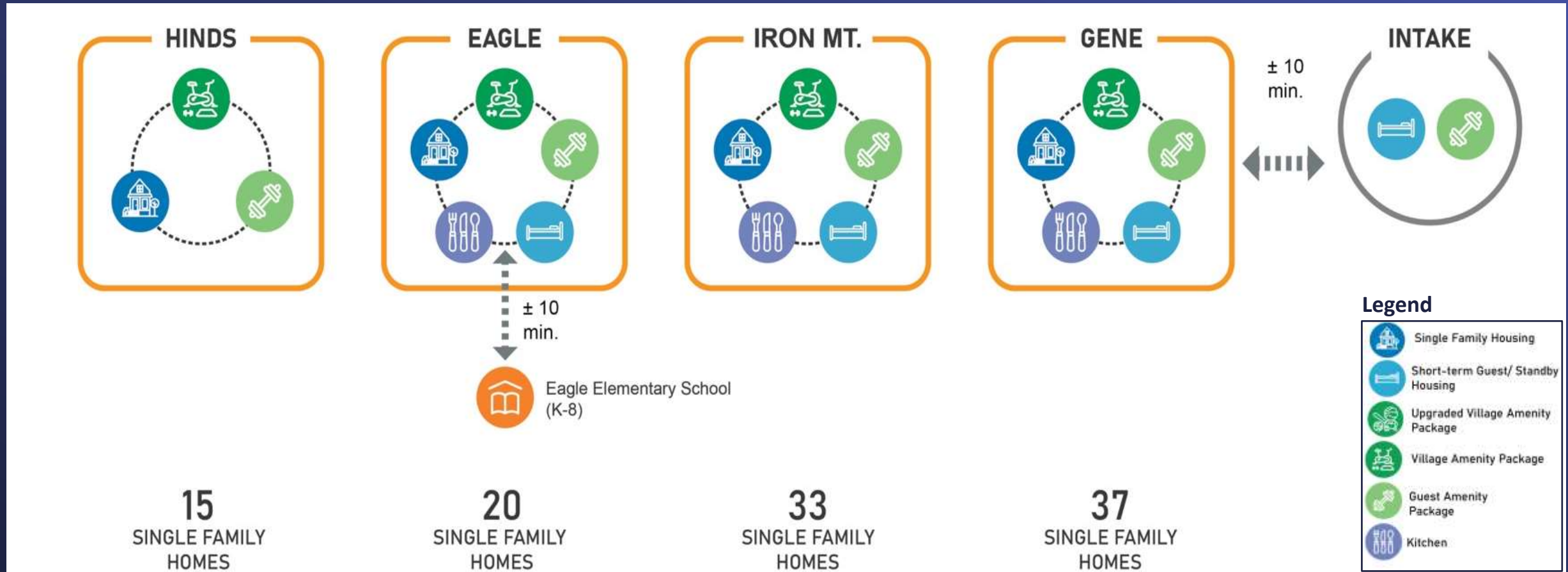
- Support the long-term operation of the CRA infrastructure
- Create a financially resilient & socially sustainable 75-year desert village strategy
- Provide standard of living that supports employee recruitment, retention, & satisfaction
- Create safe & healthy villages
- Introduce new housing strategies, but remain flexible to ever changing market conditions
- Maintain housing for all current employees

Community Planning Timeline



6-to-8-month Completion

Baseline Condition



- Four Villages with single family homes & various amenities
- \$190M estimate in 2022 | \$212M estimate in current dollars

Options

- Initial studies explored multiple options

Option No.	Description
1	Single family homes (Consolidate to 2 or 3 villages)
2	Single family homes (Eliminate Gene village & consolidate to 2 western villages)
3	Single family homes (One western village) & on call housing at all other villages
4	Condo housing at all villages (Employee only)
5	Condo housing (Employee only - consolidate to 2 or 3 villages)
6	Mixed Single-Family & Condo employee housing at all villages
7	Mixed Single-Family & Condo employee housing (Consolidate to 2 or 3 villages)

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Community Input

- Consultant visited each plant, presented analysis & outlined potential strategies
- Feedback received through open discussion & anonymous online survey
- **54 total participants** (82% participation level)

Key Take Aways

- Compensation & benefits are key to recruitment & retention
- Housing plays an important role (current homes)
- Open to alternative housing types (including condos)
- Understand the need & logic behind consolidating villages

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Development

- Maintain housing for current employees
- Consolidate villages & increase amenity offerings
 - Decrease overall costs
- Test new housing models
- Implement a phased approach
 - Use triggers/regular review
 - Adapt to changing market conditions
 - Remain flexible

Summary – Selected Options vs. Baseline

SUMMARY	COST	MODEL				
BASELINE CONDITION						
105 single family homes 63 guest hotels 4 village amenity packages 3 kitchens	\$212M	<div>HINDS</div>	<div>EAGLE</div>	<div>IRON MT.</div>	<div>GENE</div>	<div>INTAKE</div>
TWO WESTERN VILLAGES: Extended-stay condo's						
76 extended-stay condos 8 vacation rentals 63 guest hotels 2 upgraded amenity packages 3 guest amenity packages 3 kitchens	\$113M	<div>HINDS</div>	<div>EAGLE</div>	<div>IRON MT.</div>	<div>GENE</div>	<div>INTAKE</div>
THREE WESTERN VILLAGES: Extended-stay condo's						
105 extended-stay condos 9 vacation rentals 63 guest hotels 2 upgraded amenity packages 3 guest amenity packages 3 kitchens	\$142M	<div>HINDS</div>	<div>EAGLE</div>	<div>IRON MT.</div>	<div>GENE</div>	<div>INTAKE</div>

* 10% housing increase across all villages and scenarios

Total Cost assumes condos as housing for all future employees

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Phased Approach
















- Phase one
 - Test 1-bedroom condo model for new employee housing at Gene, Iron & Eagle Mtn. PPs
 - Include short-term hotels at Gene, Iron & Eagle Mtn. PPs for visiting staff/guests
 - Include short-term hotels at Hinds & Intake to house on-call plant staff
 - Include new/upgrade kitchens at Gene, Iron, & Eagle Mtn. PPs
 - Upgrade village amenities at Iron & Eagle Mtn. PPs
- Cost impact: \$75M

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Phased Approach - Triggers

- Establish a committee of appropriate stakeholders to determine success
- Test 1-Bedroom condos for a minimum of 5-years
 - Overall employee satisfaction
 - Ability to recruit & retain employees
 - Viability of utilizing condos as the only housing model offered to all future employees
- If successful, continue transition to condos over next several years in multiple phases
 - Normalizes capital cost
- If condos prove less successful, adjust future phases to include balance of condo & single-family housing

Summary – Revised Options vs. Baseline

SUMMARY	COST	MODEL				
BASELINE CONDITION						
105 single family homes 63 guest hotels 4 village amenity packages 3 kitchens	\$212M					
TWO WESTERN VILLAGES: 50% Condos/50% Single family homes						
34 single family homes 42 extended-stay condos 6 vacation rentals 63 guest hotels 2 upgraded amenity packages 3 guest amenity packages 3 kitchens	\$140M					
THREE WESTERN VILLAGES: 50% Condos/50% Single family homes						
53 single family homes 52 extended-stay condos 9 vacation rentals 63 guest hotels 3 upgraded amenity packages 3 guest amenity packages 3 kitchens	\$189M					

* 10% housing increase across all villages and scenarios

Total Cost assumes mix of 50% single family homes & 50% condo's

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Future Decisions

- Determine if consolidating villages is appropriate
 - 2 or 3 western villages
- Confirm success of phase one
 - 1-bedroom condos as future housing or transition to other options

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Next Steps

- Draft report – April 2024
- Continue discussion with Executive Management & Labor Unions
- Final report – May 2024
- Present final findings to Board – Summer 2024
- Initiate design

