

Relocating Risks: A Primer for Nonprofits on the Move



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The lease you negotiated 5 to 10 years ago is sweet in today's market. However, the renewal price per square foot is likely to cause more than sticker shock. The monthly rent could wipe out your reserves or seriously strain your cash flow. Even if you expect to negotiate with your current landlord and remain where you are, it's an excellent opportunity to re-evaluate the situation and consider a Plan B or Plan C. Some things to consider:

- Is your mission tied to your location in any way?
- Do your service recipients rely on public transportation or require free parking?
- Is your required square footage easily affordable in another location?
- Are there things provided at the current location that would be difficult or unaffordable elsewhere, such as a swimming pool, gymnasium, auditorium, handicap access or commercial kitchen?
- Would you lose key staff members (employees or volunteers), if you relocated?
- Would the move damage your organization's reputation in any way: would the location be perceived as intimidating to clients, the size too grandiose, the building too glamorous or the budget too flush?
- Could the move dissuade future funders, donors or volunteers who perceive that their services are no longer needed?

Know What You Require

Now consider what is on your space requirements wish list. What would make it easier or more efficient to deliver your services? You want to accommodate current needs and consider future needs that would develop within the span of the lease. The list can be used in negotiations with your current landlord and can help you define your needs for a broker who is looking for space on your behalf. Use your current floor plans as a starting point to rethink your needs. Here are some possibilities to get you started:

- More offices of specific size and number.
- Additional storage space (one large area; several small areas throughout the space).
- A separate equipment room with auxiliary air conditioning to house such equipment as printers, fax machines, network server and photocopier.
- Additional meeting space (for private conferences with parents or clients; staff meeting/lunch room).
- Same amount of space but a totally different configuration to meet current and future needs.
- Reconfigure lobby and entry to provide more security.

Get a Space Fit

Many buildings have their own architects who work with potential renters to design their space. You will want to make certain that the space is sufficient for your needs, and that it can be built out to accommodate the functions required. Once you agree on the floor plan, you'll want to address where to locate phone and computer jacks, and what type of lighting, flooring, wall covering and color scheme you want. Remember, it's always more cost effective to make the changes on paper than it is on the job site.

Get Professional Help

A renter broker can save you lots of time and money. A renter broker specializes in representing you. Knowing your preferences for geographic location, neighborhoods, size, front or back of building, parking, public transportation access, price range, square footage and how you will use the space, the broker can come up with a list of available properties for you to view. The broker makes arrangements with the seller's brokers to view the properties. Once you've narrowed down your preferences, the renter broker can negotiate on your behalf for lower rent, a month or two of free rent, build-out allowances, length of lease, terms, options and signage. The renter broker can also represent you in your renegotiations with your current landlord prior to the end of the lease agreement. In fact, you might be negotiating with the current landlord and also with brokers for two other properties (Plan B and Plan C). In addition to the renter broker, you will want the services of a real estate attorney. You will want this attorney to review the lease and make suggestions for revisions and additions prior to your signing this contract. Similar to the renter broker, the real estate attorney has a broader view of the field than you do and can point out unclear wording, wording that strongly favors the landlord to your detriment, or missing information and amend these at the appropriate point in the negotiations — before the lease is signed.

Read Your Lease Agreement

No matter how much professional help you engage in the process, you are still responsible for reading your lease agreement to find out what your responsibilities are. If you don't understand what the lease says, ask your legal counsel or your insurance professional to look it over with you. Don't sign a lease agreement until you have read and understand what it means for you. The lease is a legally binding document. Don't be shy. Speak up. Ask questions. And remember that the draft presented by your prospective landlord is just that: a draft subject to negotiation. Work with your broker to identify changes you require in the lease, such as a more reasonable insurance requirement, mutual indemnification, and more. Once you've signed the lease, you've agreed to all the terms whether or not you understand them. In general, the landlord is responsible for complying with all building and health codes. The landlord is responsible for the electrical, plumbing, heating and ventilation systems, and for supplying heat and hot water, and for keeping the hallways safe and sanitary. The landlord is generally responsible for building security, which includes door and window locks, roof access, and lighting. When relocating, you also need to read your current lease agreement. What are the restrictions for letting the landlord know you aren't renewing? What responsibilities must you fulfill to have your security deposit returned?

Know Your Options

Ask your current building management and management of the new premises what days and hours you can move in and out of the buildings. Many buildings restrict their hours. Ask if you need to reserve an elevator or a loading dock. If their set hours don't meet your needs, ask how management might accommodate your schedule. Some buildings will allow moving in or out at other days or times, but charge an hourly fee to have one of their supervisors on the job. You'll also want to read your leasing agreements and service contracts for all your equipment. Many companies have restrictions on who can do what during a move. If you fail to comply, you risk voiding the warranty or service contract. Check agreements for photocopies, printers, fax machines and telephones. You'll also want to call the company that provides your local and long distance telephone service. Ask them if you can keep the same phone and fax numbers. Find out the procedure for disconnecting the old service and connecting the new service. Ask how soon you need to schedule in order to guarantee a smooth transition. Remember that you'll need to work with your Internet provider to make certain that the DSL or T1 line you rely on can be reconnected in your new space according to your timetable. Consider who will wire the

new space for phone lines and cabling for computers. It's best to settle these arrangements during the construction phase. Costs will be less if the installers can get to the area before walls are closed. Snaking wires through existing walls and ceilings takes longer and therefore costs you more. Inquire whether the new building is "lit," prewired for phone, Internet connections and computers. If so, you may be able to buy into the systems for less than your current providers charge. Ask and compare prices. Ask other nonprofits who have recently moved for referrals. Obtaining more than one bid will give you peace of mind, and may save you a lot of money. Each vendor will provide you with new information about how the job can be done. A walk through the space with potential installers will give them a better concept of the time and materials and labor the job will take, and thus will give you a more solid price. Who is going to physically move you? Again, other nonprofits that have recently relocated can be helpful in providing the names of moving companies and testimonials to their service. You want a company representative to come to your current location to assess what you have to move prior to preparing their bid for the job. Some moving companies will move computer equipment. There are also specialists who disconnect, move and reconnect computers. If there are things you aren't taking with you, make certain you let the representative know that. Moving companies generally supply appropriate boxes for your goods. You need to tell the company when you want these delivered prior to the move. You also want to make certain that the moving company is properly insured for damage to your goods and the buildings they are moving out of and into. Many companies have their own systems for labeling boxes, furniture, computer hardware, cables and accessories. Pay attention and instruct your staff in the procedures that you want followed. You don't want to be paying overtime while you tell movers where that desk goes, or that carton. Plan your work and work your plan, it will save you time and money.

Prepare to Move

Now is the time to purge, purge, purge. Archive those aging records and follow your documents retention policy in order to get rid of records you no longer need. Carefully destroy any documents with credit information or other personal data. There are companies you can hire that will come in and do mass shredding for you. You just need to gather the materials and let them have at it. Back up your network's documents and software. Back up all of the software and files on individual computers in your office. Corral all the software and manuals for all programs used by the organization. This will be packed together with the latest backups completed just before all the computers are disconnected. This collection becomes an emergency repair kit to be used at the new premises in case of computer failure. Send change of address cards. The USPS provides a free Mover's Guide with an official change of address form included to alert them to your move date and address change. Put a We're Moving notice on your home page and in your publications (flyers, program schedule and newsletter). Alert your service recipients and their guardians to the move. Help them get adjusted to the idea of a new space. Talk up the benefits to them. Provide a map from the old address to the new address with information about parking and public transportation. Have new letterhead, envelopes, mailing labels, forms and checks printed with instructions to deliver them to the new address on a certain date. Let all your vendors, suppliers, volunteers, board members, banks, insurance brokers, bookkeeper and lawyer know about the change of address and the date it's effective. Provide a map to them, as well, or post a map on your Web site. Recognize that staff will need to adjust their work schedules to accommodate purging, boxing and labeling in preparation for the moving day. Review safe work techniques with staff. Caution them to take breaks and drink fluids. Replenish the first aid kit(s) and have emergency numbers handy. You don't want a worker's comp claim added to the cost of moving. Consider how you will continue to provide services while preparing for the move. Is there a staging area where boxes can be stacked prior to the move? Call your insurance agent or broker and find out what needs to be done to update your policies. Discuss whether additional coverage is needed because you have purchased new equipment or you will be providing additional services once you relocate. A couple of days ahead, an advance person from staff with decision-making authority should make certain that the phone wiring and cabling is in place, the build-out will be completed before moving day and management at both locations have the elevators and loading docks reserved for the day and time of your move.

Label Everything

This isn't like a household move where you can ponder the best location for the couch while the movers stand holding it. Office moves require preplanning in order to be economical. On your floor plan, identify what each

space will be used for and who will have which office area. Then code each area with a number or a letter in sequence starting from the entry. All items to be delivered to a single area will have a label with the code. Thus all items for the lobby might be #1, the director's office might be #5, and all items for the storeroom might be #10. It also helps to draw a floor plan for each space and tape it to the appropriate door. This way the desk gets positioned where you want it near the jacks for the telephone and computer, and the bookcase is within easy reach. Other tricks are to label all parts of furniture: the desk and its return, the bookcase and its shelves (put the shelf supports in a zipper bag and tape to the interior of the bookcase). Remember once all of your possessions are at the new site, you have to unpack and set up each area in order to have your nonprofit back up and running and ready for service recipients. If there are things you aren't taking, attach a sign that says "Don't Move." You don't want to pay for moving items you won't keep or have the cost of their disposal deducted from your security deposit.

Moving Day

You'll want to have one staff member at the old address and one at the new address to answer questions for the moving supervisor. As soon as everything has been delivered and the movers are gone, plug in the phones and test the line and each jack, plug in a laptop to check that each computer jack is live. Then turn off the lights, lock the door, and go home to rest. The next day everyone can be on deck to start unpacking and get ready to operate in a fresh environment.