



Date Amended:	08/02/10	Bill No:	<u>AB 151</u>
Tax:	Administration	Author:	Jones and Runner
Related Bills:		Position:	Support as Sponsor

BILL SUMMARY

This Board of Equalization (BOE)-sponsored bill would require the Department of General Services (DGS) to conduct a study to determine if the current BOE headquarters building located at 450 N Street in Sacramento should be sold or leased with another state tenant. Upon DGS making the specified determination, the bill would authorize DGS to sell, lease, exchange, or any combination thereof, the 450 N Street building. The bill would also authorize the BOE to locate its own headquarters facility and enter into lease agreements.

Summary of Amendments

Since the previous analysis, the bill was amended to (1) require DGS to conduct a study to determine whether it is in the best interest of the State to sell the current BOE headquarters building or to lease the building to another State tenant, (2) upon DGS making the specified determination, authorizes it to sell, lease, exchange, or any combination thereof, the current BOE headquarters building, (3) authorize the BOE to locate its own headquarters facility and enter into a lease, and (4) makes legislative findings.

ANALYSIS

CURRENT LAW

Existing law authorizes the DGS to perform various functions with regard to state property and provides for the sale, lease, or transfer of surplus state property, if authorized or contemplated by law.

Existing Article 2 (commencing with Section 14660) of Chapter 2 of Part 5.5 of Division 3 of Title 2 of the Government Code, authorizes DGS to acquire, construct, lease, or transfer state property, as specified, and when specifically authorized by the Legislature.

Government Code Section 14660 authorizes DGS to acquire title to real property in the name of the State whenever the acquisition of real property is authorized or contemplated by law, if no other state agency is specifically authorized and directed to acquire it.

Government Code Section 14669 authorizes DGS to hire, lease, lease-purchase, or lease with an option to purchase any real or personal property for the use of any state agency if DGS deems the hiring or leasing is in the State's best interest and is specifically authorized to do so by the Legislature.

Government Code Section 14682 requires state agencies located in existing state-owned or state-leased facilities that vacate their premises to continue paying rent for the facilities unless and until a new tenant can be assigned or until the DGS can negotiate a mutual termination of the lease.

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PROPOSED LAW

This bill would add Section 14673.12 to the Government Code (GC) to require DGS to conduct a study to determine whether it is in the best interest of the state to sell the 450 N Street property or lease the property to another state tenant. The DGS shall consider the timeframe to sell or lease the 450 N Street property in conjunction with the timely relocation of the BOE headquarters operation. The DGS shall report its findings to the Legislature no later than April 1, 2011.

The bill would also, upon DGS making the determination that the 450 N Street property should be sold or leased to a new state tenant, authorize DGS to sell, exchange, lease, or any combination thereof, all or a portion of the 450 N Street property. The bill would provide that DGS, subject to the requirements of Section 9 of Article III of the California Constitution, shall use the proceeds from any sale, exchange, or lease to pay off the total outstanding loan on the 450 N Street property, including accrued interest and any other obligations associated with the property.

If DGS sells the 450 N Street property and the sale constitutes a sale of surplus state property pursuant to Section 9 of Article III of the California Constitution, the "proceeds from the sale" shall be the revenues from the sale in excess of the amount necessary to satisfy the total outstanding loan on the 450 N Street property.

The bill makes the following Legislative findings:

- Allowing the BOE to move out of the 450 N Street property permanently and to consolidate its operations into one location will accommodate any future growth as part of its revenue-administrative mission.
- Located in the City of Sacramento, the state owns approximately 449,138 square feet of office space, with improvements, on city blocks bounded by "N" Street on the north, 5th Street on the east, "O" Street on the south, and 4th Street on the west, that is currently used for state offices, including offices of the BOE.

The bill would also authorize the BOE to hire or lease any property, real or personal, for its occupancy or use in the performance of its duties and shall give the BOE the following powers:

- To maintain offices, storage, and parking facilities at any place or places within and outside the state, which it may designate.
- To negotiate, make, and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this part.
- To acquire new facilities through lease of real or personal property, or any interest therein, on either a temporary or a long-term basis in its own name.
- The BOE shall first consider the utilization of existing state-owned, state-leased, or state-controlled facilities before considering the leasing of additional facilities. If no available appropriate state facilities exist, the BOE shall procure new facilities that meet the agency's needs using cost efficiency as a primary criterion, among other agency-specific criteria, as applicable.
- Notwithstanding GC Section 14682, authorizes the BOE to relocate its offices from existing state-owned or state-leased facilities that no longer meets its needs without any obligation to pay rent after vacating the premises.

- It is the intent of the Legislature to permit the BOE to utilize a portion of its 2010-11 operating budget to pay for the BOE's actual reasonable costs for actions taken pursuant to this measure in the 2010-11 fiscal year.

As a non-urgency measure, this bill would take effect on January 1, 2011.

HISTORY OF 450 N STREET BUILDING

The BOE headquarters building located at 450 N Street is owned by the State of California and has property management services provided by DGS. The BOE is the single tenant and pays rent as identified annually by the DGS to occupy the building including any additional costs to upgrade, operate, or fund other special repairs to the building.

Purchase and Repairs. In 1993, the State, through the DGS, entered in to a lease/purchase agreement with CalPERS for the 450 N Street building. In 2006, the State exercised its option to purchase the building. A loan of \$81,001,600 was approved from the Pooled Money Investment Account effective in 2007. As of November 20, 2009, the State has an outstanding balance of \$90,763,037 for the loan payments, accrued interest and administrative fees.

In 2005, repairs to the building were estimated at \$15.5 million. After several assessments of the building, including water intrusion and infrastructure studies, the current estimate for all building repairs is approximately \$57 million, including \$37 million spent to date, and steadily rising. This is a \$41.5 million increase from the original estimate.

The following table provides a partial history of the construction-related problems associated with the 450 N Street building, including their timelines.

Dates	Description
1991 - 1992	The Capitol Square Building (450 N Street) was under construction. Dreyfuss Blackford (DBE) was the architect and Hensel Phelps (HP) was the general contractor.
12/1/1992	450 N Street was substantially completed.
1994 - 1995	During occupancy of 450 N Street building by BOE, CalPERS, HP and DBE pursued efforts to resolve water intrusion problems.
1998	CalPERS retains Rosenberg McGinnis to conduct an investigation into possible causes of water intrusion from annual precipitation.
6/1/1998	CalPERS unable to resolve water intrusion issues with HP or DBE.
4/1/1999 - 2000	DGS investigated leaks and negotiated repairs with HP and DBE.
9/1/1999	One spandrel fell from the 7 th floor East.
8/1/2001	Glass breakage occurred on south side, between 7 th and 8 th floors.
Fourth quarter 2001 - 2002	BOE experienced water intrusion in the area below 23 rd floor deck south and east.

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Dates	Description
6/1/2004	DGS – Environmental Safety Health and Operations Program (ESHOP) team directed to address indoor air quality (IAQ) issues. ESHOP established air testing protocols for mold concerns/complaints.
1/1/2005	One spandrel panel fell from south elevation between 7 th and 8 th floors.
9/1/2005	Spandrel panels cracked, shards of glass fell into garage deck. Emergency pedestrian protection installed.
5/1/2006	DGS contracted with J.R. Roberts Construction Company to make repairs in three phases: spandrel panel repair, vision panel repair, balcony deck repair.
9/21/2007	BOE facilities staff discovered wall discoloration; BPM ESHOP tape lifts and bulk samples positive for fungal growth.
9/28/2007	BOE staff relocated from 22 nd and 23 rd floors
10/8-9/2007	BOE staff relocated from 24 th floor reported to temporary work location.
10/19/2007	BOE reported stain in 1 st floor mail room to DGS.
2009	9 th floor flooded during flex hose repair done by DGS.
10/2/2009	Suspected mold growth discovered on 3 rd floor.
10/12/2009	Storm caused additional water intrusion from the curtain wall.
10/2009	Additional visible mold growth (VMG) found on 4 th and 11 th floors women’s restrooms’ ceiling and vestibule areas. Wet ceiling tiles found on 10 th and 11 th floors due to a leaking channel. Both LaCroix Davis (LCD) and Hygiene Tech (HTI) find additional, substantial VMG on 1 st floor that was not previously identified.
12/2/2009	Mold growth found in three doorway areas of 1 st floor.
1/20/2010	23 rd floor balcony doors leaked during storm in January. New leak in the curtain wall at the penthouse was found.
2/10/2010	Rooms 18A and 18B are under containment due to water intrusion and staining due to adjacent janitor closet. One interior column with water staining and VMG.

Issues and Challenges. The following explains the issues and challenges related to the 450 N Street building.

Tenant Rights. As a tenant with no ownership interest, BOE should not be responsible for paying for the extensive repairs needed for the State’s 450 N Street building. However, since 2005, BOE has been responsible for requesting additional funding from the Department of Finance or redirecting funds away from both its operating budget and BOE’s mission to fund the building repairs. Moreover, BOE has continued to pay full rent for the building, including space unavailable due to water intrusion and other infrastructure problems.

Mold Remediation Plan. It appears as though the DGS mold remediation plan calls for the remediation of mold growth in the occupied areas and work spaces. Mold inside

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wall cavities or in other inaccessible areas will not be remediated. After completion of the project, mold will remain in the interstitial spaces (spaces where staff have no access) of the building. When the work is complete, the State will have spent a projected \$28.5 million for repairs related to water damage and mold and end up with a building that requires special management protocols.

These cost estimates assume no new problems arise. Unfortunately, the State will still have a building with encapsulated mold growth which will require special protocols for on-going air quality monitoring by industrial hygienists to ensure the health and safety of the occupants. Although DGS and its consultants assure us that the mold growth in the interstitial spaces will not pose a health risk to the building occupants, many BOE employees and their unions believe that the presence of mold growth in the building is adversely impacting their health. These perceptions will also continue after the projected \$28.5 million repair effort.

Loss of Productivity and Revenue. All of the remediation work is being performed in the building while occupied by BOE employees. This requires moving staff from their current floors to a ‘swing space’ while their floor is being remediated. Once remediation is complete, staff must then move back to their original floors. This approach has created huge disruptions in the workplace and loss of employee productivity. As BOE is responsible for generating one-third of the State’s revenues, loss of productivity equals lost revenue for the State. Based on the ‘swing space’ approach, BOE is estimating a loss of productivity of 111 personnel years at a cost of \$8,325,000 in personnel costs during the planned 18-month remediation period. As many of these positions are revenue generating, BOE also estimates a revenue loss to the State of California of approximately \$22.0 million due to the workload disruptions.

When taken in total, the estimated price-tag for the State of California is \$98 million, including the costs of remediation of the 450 N Street building, lost productivity, and revenue loss.

Insufficient to Meet BOE’s Business Needs. The BOE is responsible for the administration and collection of taxes and fees that provide approximately 35 percent of annual revenue for state government, and essential funding for counties, cities, and special districts. In fiscal year 2008-09, the BOE collected revenues totaling \$48.4 billion. Over the last several years, BOE staff has grown to address legislative mandates for revenue collections and enforcement. Based on staffing increases, the 450 N Street building no longer meets the BOE’s business operational needs. The Headquarters operation has grown from approximately 2,200 to approximately 2,900 employees. However, the 450 N Street building was designed to accommodate a maximum of 2,200 employees. Assuming modest growth of 96 positions per year over the next five years, it is necessary for BOE to find a new location for its headquarters operation.

Reports. There have been several reports prepared over the years to address the many issues with the 450 N Street building. Some of these reports include:

Date of Report	Building Report
June 1998	Capitol Square Water Infiltration Investigation
December 2003	Curtain Wall Glazing System Leaks Investigation Report

Date of Report	Building Report
January 2005	Exterior Envelope Remediation Project
April 2005	BOE Headquarters Window Repair Project
November 2005	Glass Breakage Evaluation Report
February 2009	Final LaCroix Davis Building Assessment Report
May 2009	Stantec BOE Building Infrastructure Study

These reports can be accessed from the BOE's website. For reports and projects occurring prior to the closure of floors 22, 23, and 24 in October of 2007, these documents can be accessed at www.boe.ca.gov/info/historical_timeline.html. For reports and projects occurring after October 2007, these documents can be accessed at www.boe.ca.gov/info/building_protocols.html.

BACKGROUND

ANALYSIS OF THE BOE HEADQUARTERS: SUMMARY OF FINDINGS

JUNE 2010

In February 2010, the BOE, Department of Finance (DOF), and DGS reached consensus to conduct an independent study to determine the net fiscal impact to the State of California (State) and to make recommendations on the best fiscal course of action with regards to the 450 N Street building. The BOE retained University Enterprises, Inc. (UEI), who in turn contracted with two professors from California State University, Sacramento, and one from University of California, Irvine, to conduct the study. The study considered two possible alternatives:

- Given current and projected staffing levels and space needs, should BOE remain in the 450 N Street building?
- Should the State continue its ownership of the 450 N Street building or should it sell the building?

Financial and other statistics and projections used in the study were based on DGS estimates as of June 2010. The Department of Finance (DOF), BOE, and DGS provided data and information about specific issues addressed in the study.

Given the conditions in the Sacramento marketplace, the appraisal of the 450 N Street building, and consideration to possible adverse valuation impact factors, the study examined three options available to the State:

Option 1. Move all BOE 450 N Street and annex staff into a new location on a permanent basis and sell the building to a private company.

Option 2. Move all BOE 450 N Street and annex staff into a new location on a permanent basis and backfill the empty building with another State tenant(s) that is looking for space that is more suitable.

Option 3. BOE continues to occupy 450 N Street and maintains a decentralized operation including its annex locations.

A review of the Sacramento marketplace was conducted as part of the process of developing an appraisal of the 450 N Street building. This was important because it

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helped define what options there are with the utilization of the 450 N Street building and what opportunities there are to find suitable facilities for BOE in the future. The commercial real estate appraisal and consulting firm, Seevers Jordan Ziegenmeyer (SJZ), was retained to conduct an independent appraisal of the 450 N Street building (see Supplement A) and to provide a summary of the Sacramento marketplace (see Appendix B).

Once SJZ completed its task, Grubb & Ellis was retained to review the appraisal from the perspective of a commercial real estate company that is active in the Sacramento marketplace. In addition, Grubb & Ellis provided an opinion as to possible adverse valuation impact factors for the building due to the water intrusion and internal water leaks giving rise to water damage and actual or potential mold growth problems associated with the 450 N Street building.

Findings of the Appraisal. The 450 N Street building contains approximately 449,138 square feet of rentable area. Additionally, there is a three-story parking structure on the south side of the property with 711 spaces. According to SJZ, the prospective market value upon completion of remediation/renovation work for the 450 N Street building, including the parking structure, is \$92.25 million. The remediation/renovation project is underway and is expected to be completed by February 2011, with elevator renovation to be completed by April 2012.

The DGS estimates the remediation costs alone, not considering BOE's costs, to be approximately \$4.5 million. The remaining remediation costs and additional costs associated with building maintenance, repair, and renovation are estimated at \$25.8 million.

In addition, Grubb & Ellis concluded that the possible adverse valuation impact factors with regard to the sale of the 450 N Street building would be minimal and have little or no impact on the sales price, if remediation is completed prior. Furthermore, Grubb & Ellis, DGS, and DOF believe that the ongoing remediation and maintenance would resolve most concerns associated with the building's history.

Suitability of 450 N Street building. The 450 N Street building was built to hold a maximum of 2,200 employees. In 2007, the building occupancy was 2,500 employees. To address the overcrowding issues, BOE permanently relocated 49 employees and over one million taxpayer records to a location in West Sacramento. BOE also had relocated 206 Legal Department employees to the Franchise Tax Board. In July, BOE moved the 206 Legal Department employees and approximately 427 additional employees to a permanent location in downtown Sacramento.

BOE estimates that its staff will grow from 2,500 to 2,708 by June 30, 2011. In addition, based on data from the last ten years, BOE estimates that staff will grow by approximately 96 positions each year over the next five years. This growth is the result of administering state mandates and implementing future legislative measures. To accommodate the current growth, BOE plans to move staff to a fourth location in December 2010.

Options. Given the conditions in the Sacramento marketplace, the appraisal of the 450 N Street building, and consideration of the possible adverse valuation impact factors, three options were developed for the State's consideration.

Option 1. Move all BOE staff into a new location on a permanent basis and sell the 450 N Street building to a private company. This option would transfer ownership from the State to a new investor. There would be no further obligation or liability for the State

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related to ownership or occupancy, including no further bond debt service of approximately \$7.1 million for 20 to 25 years. The State would be relieved of any possible liability related to future issues with the building and potential costs of future remediation and preventative maintenance.

In addition, this option would allow BOE to move its Headquarters operations into one location that would better meet its business needs.

This option would result in one-time costs of (1) \$23.8 million to move BOE, and (2) \$550,000, which is the difference between the net selling price of \$90.25 million [\$92.25 (estimated gross selling price) less \$2 million (cost to sell building)] and the estimated loan payoff of \$90.80 million. There would also be ongoing increased rent totaling \$98.6 million net present value (NPV) over twenty years, starting at \$3.3 million increase in year one and growing to \$16.4 million in year twenty.

(For Pros/Cons, see pages 29 and 30)

Option 2. Move all BOE staff into a new location on a permanent basis and backfill the empty building with another State tenant(s) that needs more suitable space. This option would keep the ownership of the building with the State, but allows BOE to move its staff and operations to a new facility that better meets its needs. Additionally, the State would identify a new State tenant(s) whose business needs would be better met by the 450 N Street building.

DGS has indicated that it would not be difficult to backfill the 450 N Street building with a new State tenant. DGS also reports that of the 18.4 million square feet of office space used by State government tenants in Sacramento, 8.2 million (44.6%) is in privately owned properties. Thus, according to DGS, moving a State tenant from a private-owned property to a state-owned property could be accomplished over a reasonable period.

This option would cost the State one-time costs of \$63.3 million (\$23.8 million to move BOE and \$39.5 million to move a new tenant to 450 N Street and make tenant improvements). Additionally, there would be ongoing rent increases totaling \$98.6 million NPV over 20 years for BOE (\$3.3 million annually) and \$17.6 million NPV over 20 years for new State tenant (\$1.3 million annually).

(For Pros/Cons, see pages 30 and 31)

Option 3. BOE continues to occupy 450 N Street building and maintains a decentralized operation including its annex locations. This option would result in BOE continuing to operate at less than optimum efficiency due to being in multiple locations. Moreover, BOE would be constrained in its ability to expand program operations in response to legislative mandates.

This option would cost the State \$10 million in deferred maintenance repair, plus the unknown costs of operating inefficiencies. The State would also have to issue new bonds to pay off the outstanding loan on the building. (For Pros/Cons, see pages 31 and 32)

Overall Recommendation. The BOE should move out of 450 N Street building permanently and into 1 location that consolidates its Headquarters operations and allows for future growth as part of its revenue-administration mission. Either Option 1 or 2 would achieve this recommendation and be in the best interest of the State over the long term. BOE and DGS should work together to define BOE needs and plan to move BOE into a new facility.

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As to whether the 450 N Street building should be sold (Option 1) or backfilled with another state tenant (Option 2), the state should direct DGS to conduct a study to determine the most cost-effective option for the state. This would require an analysis of possible state tenants' current lease arrangements and other relevant data, which was not made available to consider as part of this study.

COMMENTS

1. **Sponsor and purpose.** This bill is sponsored by the BOE in an effort to begin the process of moving out of the 450 N Street building and potentially resolving the long term financial issues surrounding the building.

The BOE believes it is time for the State to take a step back and perform a thorough independent economic analysis to determine the most cost beneficial manner for the State to address the 450 N Street building. Continuing to spend millions of taxpayer dollars per year on a host of building issues does not adequately address the long-term building problems for the State. The current approach continues to drain the State's budget without any assurance that it will stop. The BOE Members believe that this is an opportunity to make a strategic determination as to what is in the best financial interest for the State, especially during this current fiscal crisis.

In February 2010, the BOE, DOF, and DGS reached consensus to have an independent study conducted that would determine the best course of action in regards to the 450 N Street building. Approval of this measure would provide the State with several high-level benefits:

- Allow the State to make a strategic fiscal decision based on more comprehensive data regarding the State needs.
- Address the debt service on the 450 N Street building, including costs for repairs.
- Address the space needs of other State tenants.
- Provide for the anticipated growth needs of the BOE headquarters. A thorough review of the remaining repairs needed at the 450 N Street building and their associated costs.

2. **The August 2, 2010** amendments would (1) require DGS to conduct a study to determine whether it is in the best interest of the State to sell the current BOE headquarters building or to lease the building to another state tenant (2) upon DGS making the determination to sell or lease the building, authorize DGS to sell, lease, exchange, or any combination thereof, all or a portion of the BOE headquarters building, (3) provide it is the intent of the Legislature to allow the BOE to move out of the 450 N Street building permanently and to consolidate its headquarters operations into one location, and (4) authorize the BOE to locate its own headquarters facility and enter into a lease. **The January 26, 2010** amendments, among other technical changes, delete "and negotiate" before "the terms of a sale, exchange, lease, . . . of all or a portion of the Sacramento property . . ." since the bill does not authorize an actual sale of the property. The amendments allow DGS to investigate only the *potential* terms to sell, exchange, or lease any portion of the 450 N Street property.
3. **This bill would direct DGS to conduct a study for purposes of addressing the 450 N Street building.** This bill represents the first step in a lengthy journey about the disposition of the 450 N Street building. The conclusion and recommendation of the June 2010 study directs DGS to explore in detail whether it is beneficial to the State to sell or keep the building only after considering the potential benefits from the

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sale of the building as compared with the potential benefits of meeting the needs of other possible State tenants. The study concludes that since 44.5% of all State tenants in Sacramento are housed in privately-owned properties, there should be opportunities to backfill the building with a new State tenant whose business needs are better met by moving to 450 N Street. Such action, however, would require an analysis of possible State tenants current lease arrangements and other relevant data which was not made available to evaluate as part of the study. By directing DGS to examine the best course of action for the State, based on the additional analysis, a decision can finally be made whether to sell or to lease the building with another state tenant.

COST ESTIMATE

This bill would allow the BOE to move its Headquarters operations and staff into a new site and location. The BOE would incur one-time costs for site selection of up to \$250,000. The bill declares Legislative intent to permit the BOE to utilize a portion of its 2010-11 operating budget to pay BOE's reasonable costs to move BOE out of the building. Accordingly, the BOE would have no new General Fund costs for FY 2010-11.

To address the costs to move BOE Headquarters staff, BOE would pursue a budget change proposal for four fiscal years beginning in FY 2011-12. This would allow a phased move of approximately 3,000, Headquarters staff and Headquarters annex location staff. The one-time move out costs of \$10 million would be spread out over fiscal years 2014-15 and 2015-16.

In addition, the BOE estimates an annual ongoing rent increase of \$3.3 million over its current budget. We hope to redirect approximately \$1.5 million in rent offsets from the District Office reconfiguration project, resulting in a net increase of \$1.8 million. This assumes BOE will be able to offset the total rent BOE currently pays at its Headquarters locations (i.e., 450 N Street building and three annex locations) against the rent of the new facility.

Given the State's current fiscal climate, BOE is being very prudent in our approach to securing a new facility. We are looking at all options to control the costs associated with this move. The 20-year lease build to suit arrangement is attractive as it allows for tenant improvements to be amortized over the term of the lease. In concert with the project, we are also examining the physical footprint of our District Offices and looking for opportunities to reconfigure them based on current business needs. We are hopeful that these changes will result in an annual reduction in our statewide rents, which could be offset against the estimated \$3.3 million rent increase associated with this move. For purposes of costing, we are estimating an annual rent offset of \$1.5 million from the reconfiguration, which will reduce the ongoing rent needed to approximately \$1.8 million per year.

The BOE plans to secure a site and move its Headquarters staff over a 4 to 6 year period to a new facility as follows:

Phase	FY 2010-11 Phase 1	FY 2011-12 Phase 2	FY 2012-13 Phase 3	FY 2013-14 Phase 4	FY 2014-15* Phase 5	FY 2015-16 ¹ Phase 6
Description	Site selection	Construction	Construction	Construction	1,500 Employees Occupy	1,500 Employees Occupy
New Rent Estimate					\$14,386,000	\$18,300,000
Rent Offset					-(12,000,000)	-(16,500,000)
One-time costs					5,000,000	5,000,000
Total	No new costs	No new costs	No new costs	No new costs	7,386,000	6,800,000

Currently, the percentage of costs borne by the General Fund represents 67 percent with 33 percent representing Other Funds. Of the total one-time costs of \$5 million, approximately \$3.5 million represent General Fund costs. Of the ongoing net rent increase of \$1.8 million, approximately \$1.2 million represents General Fund costs.

REVENUE ESTIMATE

This bill would allow the BOE to move its Headquarters operations and staff into a new facility that better meets its business needs and eliminates inefficiencies of supporting multiple annex locations. By moving BOE Headquarters staff to a more suitable facility, this would improve and facilitate the BOE’s administration of its various tax and fee programs, and to that extent, would have a positive effect on future state and local revenues of an unknown amount.

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* One-time costs represents modular furniture and moving costs.

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