



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

June 10, 2014

Senator Lou Correa, Chair
Senate Governmental Organization
1020 N Street, Room 584
Sacramento, CA 95814

RE: ASSEMBLY BILL 1656 (DICKINSON) – BOE HEADQUARTERS CONSOLIDATION ▪ SUPPORT ▪

Dear Senator Correa:

I am pleased to support AB 1656, which authorizes the Department of General Services (DGS), with the consent of the BOE to enter into a lease, lease-purchase, or lease with an option to purchase agreement for a build-to-suit facility the Sacramento area for purposes of consolidating and relocating the BOE headquarters operations into one central location.

Located in my district, the headquarters building at 450 N Street was built in 1992 and was designed to house 2,200 employees, while BOE requires space for 3,150 employees in order to carry out the legislative mandates for revenue administration, collection, and enforcement efforts. To address these overcrowding concerns, approximately 700 employees and more than one million taxpayer records have been relocated to four annex facilities, disjoining staff, disrupting business functions, and increasing operation costs.

Additionally, since moving into the building in 1993, the State has spent approximately \$59 million on remediation and modernization costs—an unusually high amount for a building of this age. Unfortunately, the State could be forced to spend in excess of \$40 million over the next few years to address outstanding projects including the replacement of 2,070 spandrel glass panels (\$7M), the replacement of waste water pipes (\$10M), and the cleaning of mold from HVAC ducts.

AB 1656 would support BOE's core mission of revenue generation, protect the health and safety of its employees, eliminate inefficiencies of managing operations across multiple annex locations, and accommodate future short-term and long-term growth. For these reasons, I support the bill and ask for your "aye" vote.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Runner", written over a horizontal line.

GEORGE RUNNER

cc: Assembly Member Dickinson
Richard Paul, Consultant, Senate Republican Office of Policy