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DEPARTMENT OF
FINANCE

FINANCE ADMINISTRATION

CITY OF SACRAMENTO
CALIFORNIA

March 17, 2005

SACRAMENTO CITY HALL
730 I STREET
ROOM 215
SACRAMENTO, CA
95814-2684

PH: 916-808-1240
FAX: 916-808-5755
TDD (ONLY) 916-264-7227

Law & Legislation Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Assembly Bill 1663 relating to Capitol Area Plan

LOCATION AND COUNCIL DISTRICT Citywide

RECOMMENDATION

Staff recommends that the Law and Legislation Committee support Assembly Bill 1663 relating to Capitol Area Plan.

CONTACT PERSONS Tina Lee-Vogt, Legislative Affairs Analyst - 808-2679

FOR THE COUNCIL MEETING OF April 5, 2005

SUMMARY

This report recommends that the Law and Legislation Committee support AB 1663 authored by Assembly Member Dave Jones which would expand the scope of the proposed West End state office building project to include residential and retail development.

BACKGROUND

Existing law authorizes the State Department of General Services to purchase, exchange, or otherwise acquire real property and construct facilities, including any improvements, betterments, and related facilities, within the jurisdiction of the Capitol Area Plan in the City of Sacramento, with the total authorized scope consisting of approximately 1.4 million gross square feet of office space on specified parcels of state-owned land. The specified parcels are Block 204 (7th, 8th, O, and P Streets) and Block 203 (7th, 8th, N, and O Streets) and are known as the West End state office building project.

Staff is recommending that the Committee support AB 1663 which would expand the scope of this project and authorize the project to include commercial and residential space. The Mayor and the City Council adopted a resolution to transform downtown Sacramento from a destination for workers to a destination for workers, housing, and entertainment. According to Assembly Member Jones, author of the bill, AB 1663 would help the City to achieve this goal. Language in the current version of this measure states that this bill would "require" that the project include commercial and residential space. Assembly Member Jones has noted the bill would be amended to "allow" or "authorize" the project to include commercial and residential space. The Economic Development Department concurs with the recommendation to support AB 1663.

FINANCIAL CONSIDERATIONS

There are no financial impacts related to this report.

ENVIRONMENTAL CONSIDERATIONS

There are no environmental considerations related to this report.

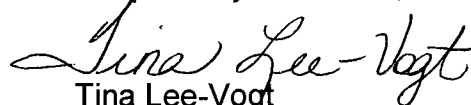
POLICY CONSIDERATIONS

The staff recommendation to support AB 1663 is consistent with the resolution adopted by the Mayor and the City Council to transform downtown Sacramento from a destination for workers to a destination for workers, housing, and entertainment.

ESBD EFFORTS


Not applicable.

Respectfully submitted,



Tina Lee-Vogt
Legislative Affairs Analyst

RECOMMENDATION APPROVED



KEN NISHIMOTO
Assistant City Manager

Attachments:

Letters of Support, page 3

Assembly Bill 1663 - Bill Text, page 4

April 5, 2005

Honorable Dave Jones
California State Assembly
State Capitol
Sacramento, CA 95814

Support: Assembly Bill 1663, relating to the Capitol Area Plan

Dear Assembly Member Jones:

On behalf of the City of Sacramento, I am pleased to express the City's support of Assembly Bill 1663, relating to the Capitol Area Plan. As you know, the inclusion of commercial and residential space in this project will help to transform downtown Sacramento from a destination for workers only, to a destination for workers, housing, and entertainment.

Thank you for introducing this important economic development legislation.

Sincerely,

LAUREN HAMMOND, Chair
Law and Legislation Committee

CC: Mayor Fargo and Members of the City Council
Senator David Cox
Senator Deborah Ortiz
Assembly Member Alan Nakanishi
Assembly Member Roger Neillo

ASSEMBLY BILL

No. 1663

Introduced by Assembly Member Jones
(Coauthor: Senator Ortiz)

February 22, 2005

An act to amend Section 8169.6 of the Government Code, relating to state building construction.

LEGISLATIVE COUNSEL'S DIGEST

AB 1663, as introduced, Jones. Capitol Area Plan: construction of facilities.

Existing law authorizes the Director of General Services to purchase, exchange, or otherwise acquire real property and construct facilities, including any improvements, betterments, and related facilities, within the jurisdiction of the Capitol Area Plan in the City of Sacramento, with the total authorized scope consisting of approximately 1,400,000 gross square feet of office space on specified parcels of state-owned land, subject to specified criteria.

This bill would additionally require that the project also include an unspecified number of gross square feet of commercial and residential space.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation to identify innovative methods of financing the
- 3 various components of the West End Project within the Capitol

1 Area Plan, as described in Section 8169.6 of the Government
2 Code.

3 SEC. 2. Section 8169.6 of the Government Code is amended
4 to read:

5 8169.6. (a) In furtherance of the Capitol Area Plan, the
6 objectives of Resolution Chapter 131 of the Statutes of 1991, and
7 the legislative findings and declarations contained in Chapter 193
8 of the Statutes of 1996, relative to the findings by the Urban
9 Land Institute, the director may purchase, exchange, or otherwise
10 acquire real property and construct facilities, including any
11 improvements, betterments, and related facilities, within the
12 jurisdiction of the Capitol Area Plan in the City of Sacramento
13 pursuant to this section. The total authorized scope of the project
14 shall consist of approximately 1,400,000 gross square feet of
15 office space on state-owned land in the Capitol area in downtown
16 Sacramento on Block 204 (bounded by 7th, 8th, O, and P Streets)
17 or Block 203 (bounded by 7th, 8th, N, and O Streets), or both of
18 those blocks. The project will include associated parking onsite
19 and in a parking garage to be constructed on Block 266 (bounded
20 by 8th, 9th, Q, and R Streets). *In addition, the project shall also*
21 *include no less than ___gross square feet of commercial space*
22 *and no less than ___gross square feet of residential space.* The
23 project cost shall include the cost of rehabilitation of the
24 Heilbron House currently located on Block 204, and the project
25 cost may include the cost of relocation of the Heilbron House.

26 (b) (1) The department may contract for the lease,
27 lease-purchase, lease with an option to purchase, acquisition,
28 design, design-build, construction, deconstruction, construction
29 management, and other services related to the design and
30 construction of the office and parking facilities. If the director
31 selects design-build as the method of delivery, the department
32 shall use the method of design-build authorized by clause (i) of
33 subparagraph (A) of paragraph (3) of subdivision (d) of Section
34 14661. The State Public Works Board may issue revenue bonds,
35 negotiable notes, or negotiable bond anticipation notes pursuant
36 to the State Building Construction Act of 1955 (Part 10b
37 commencing with Section 15800) of Division 3) to finance all
38 costs associated with the acquisition, design, and construction of
39 office and parking facilities for the purposes of this section. The
40 State Public Works Board and the department may borrow funds