



5

DEPARTMENT OF
FINANCE

BETTY MASUOKA
DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 100
915 I STREET
SACRAMENTO, CA
95814-2685

PH 916-264-5736
FAX 916-264-7618

DIVISIONS:
ACCOUNTING
BUDGET
REVENUE
RISK MANAGEMENT

March 31, 1992

Transportation and Community
Development Committee
Sacramento, California

Honorable Members:

Subject: Report back - Information on Relocation of State Offices out of the City

LOCATION

City-wide.

SUMMARY

Council requested information on the amount of State office leases that were not being renewed in the City, and that were subsequently relocating outside the City-limits. Staff at the State Department of General Services were not able to provide any data that would answer questions by Council members.

State General Services staff did provide information on future plans on office lease. This information is provided below.

RECOMMENDATION

This report is for information only.

BACKGROUND

Staff at the State General Services Department were not able to verify the State office relocation numbers included in fact sheet received by Council member Joe Serna (Exhibit A). In some specific cases, the State was able to determine that leases listed on the fact sheet were simply renewals of existing leases, or leases that expanded square footage at existing facilities.

Staff from the State was not able to provide any information on State offices moving from the downtown area to suburban areas. The State has only recently (in the past six months) developed a database that has information on existing leases. They have not yet developed a system to track movement of leases from one area to another.

The following information was provided by the state on future leases and recent lease activity.

Future Leases

- o State Board of Equalization will occupy 500,000 s.f. in the PERS Building when it is completed.
- o State Health and Welfare is entering 70,000 s.f. build-to-suit at the Libbys Plant on Alhambra
- o State Department of Justice plans to issue RFP for 200,000 s.f. in the next week. The office will have to be located in the downtown area (north of "I" Street, east of 15th, south of "O" Street, and west of 3rd Street).
- o CAL EPA may soon require at least 100,000 s.f. of office space near the Capitol
- o State wants to build 300,000 s.f. of space in the downtown for the Dept. of Education

Recent Lease Activity

During the past 6 months approximately 800,000 s.f. of office space has been leased by the State. Although we do not know if there were any shifts between suburban areas and the downtown, we can break out where these recent leases are located.

- o 500,000 s.f. of these new leases and renewals are located in the downtown (including Richards Blvd)
- o This represents 60% of all the leases executed or renewed by the State. The other 40% were located in outlying areas.
- o The 60/40 split is consistent with the overall State office leasing program. Of the 5.0

million s.f. of space leased in the Sacramento region, approximately 60% is located downtown.

- o In very general terms, it would appear that the downtown area is not losing ground to the State at this time.

As a final note, it is important to recognize a significant constraint for the State in locating/consolidating leases in the downtown area. The vacancy rate for buildings suitable for the State are very low. Only the most expensive buildings ("Class A") have large vacancies.

POLICY CONSIDERATIONS

This report is for information only.

FINANCIAL DATA

This report is for information only.

MBE/WBE

Not Applicable.

Respectfully Submitted,

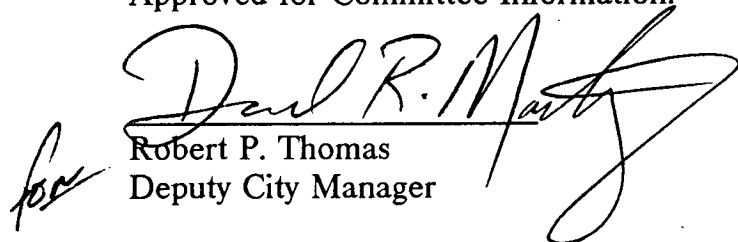


Bill Farley
Sr. Management Analyst



Betty Masuoka
Director of Finance

Approved for Committee Information:



for Robert P. Thomas
Deputy City Manager

For Committee Meeting of:
April 9, 1992

Contact Person: Bill Farley, 264-7730

Almost a million...

The attached list
demonstrates the
increase in lease
activities outside of
downtown Sacramento
by the State of
California during the
last 2 years

in the last two years!

<u>TENANT</u>	<u>ADDRESS</u>	<u>STARTING DATE</u>	<u>SIZE (SQ. FT.)</u>
1. Veterans Affairs	6939 Sunrise Blvd. Citrus Heights	8/1/88	3,477
2. Corrections	6349 Sunrise Blvd. Citrus Heights	2/1/88	3,744
3. Motor Vehicles	323A East Bidwell Folsom	7/1/89	9,216
4. Franchise Tax Board	10961 & 10971 Suncenter Drive Rancho Cordova	2/15/90	73,310
5. Franchise Tax Board	11101 Trade Center Drive, Rancho Cordova	1/1/89	23,836
6. Justice Dept.	3046 Prospect Park Drive, Rancho Cordova	3/1/89	18,645
7. Employment Development Department	11037 Trade Center Drive, Rancho Cordova	2/1/89	20,853
8. Employment Development Department	11093 Suncenter Drive, Rancho Cordova	9/1/89	20,004
9. Corrections	2880 Sunrise Blvd. Rancho Cordova	8/1/88	3,933
10. Employment Development Department	2752 Kilgore Road Rancho Cordova	1/1/89	41,532
11. Consumer Affairs	2135 Butano Drive Sacramento	1/1/86	6,468
12. Horse Racing Board	1010 Hurley Way Sacramento	1/1/87	3,401
13. Veterans	4433 Florin Road	1/1/87	4,141

	Affairs	Sacramento		
14.	Highway Patrol	444 North Third St. Sacramento	9/1/86	18,910
15.	Highway Patrol	444 North Third St. Sacramento	3/1/90	1,660
16.	Prison Industry Authority	444 North Third St. Sacramento	11/1/86	26,745
17.	GS-Tele- communications	630 Sequoia Pacific Blvd., Sacramento	2/1/90	10,291
18.	Health Systems Toxic Subs. Cont.	10151 Croydon Way Sacramento	9/1/89	42,476
19.	Health Systems	6007 Folsom Blvd. Sacramento	10/16/89	25,028
20.	Emergency Serv. Hazardous Material Division Suite 190	7300 Lincolnshire Drive, Sacramento	10/1/87	2,422
21.	Health Systems	8455 Jackson Road Sacramento	8/1/86	6,973
22.	Controller	3301 "C" Street Sacramento	12/1/88	95,285
23.	Franchise Tax Board	9750 Business Park Drive, Sacramento	9/1/88	55,624
24.	Fire Marshall	7171 Bowling Drive Suite 410, Sacramento	1/1/87	27,856
25.	Board of Corrections	600 Bercut Drive Sacramento	12/1/87	11,468
26.	Health Systems Toxic Subs Cont	600 Bercut Drive Sacramento	12/1/87	1,706
27.	Can, Peace Corps, Ext Learn, World Affs., Assist Device	650 University Ave. Sacramento	12/15/89	6,311

28. Youth Authority	4241 & 4343 Williamsborough Dr. Sacramento	6/1/87	79,900
29. Water Resources Control Board	3443 Routier Rd. Sacramento	12/1/86	26,915
30. Transportation	650 Howe Avenue Sacramento	1/5/87	20,045
31. Mental Health	425 Fairgate Street Sacramento	11/1/87	3,710
32. Conservation	650 Bercut Drive Sacramento	11/1/87	5,000
33. Employment & Development Dept.	8397 Folsom Blvd. Sacramento	8/1/88	35,150
34. Conservation	610, 620 & 660 Bercut Drive, Sacto.	9/1/88	13,872
35. Health Systems	9343 Tech Center Dr. Sacramento	6/1/88	4,715
36. Franchise Tax Board	9650 Micron Avenue Sacramento	9/1/8	19,376
37. Consumer Affairs	9835 Goethe Road Sacramento	10/1/89	50,440
38. Military	2929 Fulton Avenue Sacramento	2/1/89	8,500
39. Health Systems	7801 Folsom Blvd. Sacramento	7/1/89	10,923

GRAND TOTAL

843,861 square feet

State Agency	Move From	Move To	Square Feet	Number of People**
Integrated Waste Management Board	1020 9th Street River City Bank (Move in Oct. 1991)	Watt & Hwy. 50 Calif. Center	62,600	417
Health Services Toxics Division	400 P Street PERS (Move in Sept. 1991)	Watt & Hwy 50	22,000	147
Board of Equalization	Downtown	Northgate & Rosin	30,000	200
Health Services	Various Downtown Locations	Richards Blvd.	200,000	1333
Consumer Affairs*	Downtown	Looking in Northgate	12,000	80
Board of Prison* Terms	Downtown	Looking in Hwy. 50 Corridor	21,000	140

**The State of California's stated average is 1 person per 150 sq. ft. of office space

*These agencies are looking for space outside of downtown Sacramento.