

2002

SANTA CLARA
and **EAST BAY**



Alfred E. Alquist Building
San Jose, CA

regional
facilities
plan



Department of General Services
Real Estate Services Division
Asset Planning & Enhancement Branch

2002 Santa Clara and East Bay Regional Facilities Plan

Published July 2004

State of California

Arnold Schwarzenegger, Governor

State and Consumer Services Agency

Fred Aquiar, Secretary

Department of General Services

Ron Joseph, Director

Developed by:

Asset Planning and Enhancement Branch

John H. Brooks, Chief

James S. Derby, Assistant Chief

Table of Contents

Executive Summary

Chapter

1. Introduction.....	1
A. Purpose	
B. Strategy and Scope	
C. Organization of the Plan	
D. Planning Assumptions	
E. Methodology	
2. Background.....	13
A. Geographic Area	
B. State Leasing and Real Estate Assets Summary	
C. Previous and Current State Planning Efforts	
D. Existing Conditions	
E. Transportation Systems and Services	
3. Agency Space Consolidation Requirements.....	51
A. Consolidatable State Office Space	
B. Non-Consolidatable State Office Space	
4. Location Recommendations.....	57
5. Alternatives for Meeting Space Needs.....	61
A. Planning Considerations	
B. Consolidation Concepts	
C. Parking and Site Requirements	
D. Feasible Alternatives	
E. Other Alternatives Considered	
6. Analysis of Alternatives.....	75
A. Economic Comparison of State-Ownership versus Leasing	
B. Comparison of Alternatives	
C. Recommendations	
7. Implementation Recommendations.....	85
A. Overview	
B. Proposed Building Program	
C. Leasing Strategy	
D. Existing State-Owned Space Strategy	

Table of Contents (continued)

8. Additional Development Considerations and Potential Costs.....93

- A. Administrative Directives**
- B. Statutory Requirements**
- C. Alternative Officing and Telecommuting Considerations**
- D. Local Planning Considerations**

Glossary of Terms.....107

Appendices

- 1. Agency Occupancy Summary Data**
 - A. Multi-Tenant, State-Owned/Leased Office Space (Sorted by City)**
 - B. Multi-Tenant, State-Owned/Leased Office Space (Sorted by Agency)**
 - C. Non DGS-Owned State Office Space (Sorted by City)**
 - D. Non DGS-Owned State Office Space (Sorted by Agency)**
- 2. Construction Cost Estimates**
- 3. Economic Analysis**
- 4. Agency Questionnaires**

Maps

- 1. Map of California.....2**
- 2. Downtown San Jose.....27**
- 3. Bay Area Rapid Transit.....46**
- 4. Valley Transportation Authority Light Rail.....48**
- 5. Caltrain Rail System.....49**

Tables

- 1. Leased Office Space in the Three-County, Santa Clara and East Bay Region.....24**
- 2. Alfred E. Alquist Building.....26**
- 3. Santa Clara and East Bay Region State-Owned Properties.....43**
- 4. Surplus State Properties in the Santa Clara Region.....44**
- 5. State Office Space Occupancy Summary.....52**
- 6. Alfred E. Alquist Building Tenants.....53**
- 7. Consolidatable Office Space in San Jose.....66**
- 8. Concept #1.....71**
- 9. Concept #2.....72**
- 10. Concept #3.....73**
- 11. Concepts.....80**
- 12. Comparison of Concepts.....82**
- 13. State Office Leases Targeted for a Future Consolidation Project.....89**

Executive Summary

The Department of General Services (DGS), Real Estate Services Division (RESA) prepared this 2002 Santa Clara and East Bay Regional Facilities Plan (Plan) as part of ongoing efforts to provide a comprehensive, coordinated approach for meeting state agencies' office space needs throughout the state. This Plan examines current and future office space demand for state agencies in the Santa Clara Region, which includes the counties of Santa Clara, Contra Costa, and Alameda (excluding the cities of Berkeley, Emeryville, Oakland, and San Leandro). State agencies in these four cities were surveyed, studied, and included in the 2000 Bay Area Regional Facilities Plan.

General purpose office space that could be consolidated in a multi-tenant office building is identified in this Plan and three different consolidation concepts are examined. Warehouse, real estate assets controlled by California State University and the University of California systems, space and agency-owned field offices owned by the Department of Motor Vehicles (DMV), California Highway Patrol (CHP), and the Employment Development Department (EDD) are not addressed in this Plan. These state agencies already own the office space they occupy, which is the most cost effective, long-term real estate strategy for the State of California. The intent of this Plan is to identify state agencies currently leasing office space that could move into state-owned office space, which saves the state a significant amount of money when occupancy costs are evaluated over a 25-year period. It also gives the state ownership of a valuable real estate asset that can be held, traded, or sold in the future.

State agencies occupy a total of 536,756 net square feet (NSF) of general-purpose office space in the Santa Clara Region; 86,086 NSF in the DGS-owned Alfred E. Alquist Building in San Jose and 450,670 NSF of office space leased throughout the region. An additional 289,545 gross square feet (GSF) of office space is provided in agency-owned field offices.

Alfred E. Alquist Building

The Alfred E. Alquist Building, located at 100 Paseo De San Antonio in downtown San Jose, is the only multi-tenant, general-purpose, DGS-owned and managed state office building in the Santa Clara Region. The building was financed using the state's capital outlay process (cash) and was completed and occupied by state agencies in 1983. The three-story, concrete and glass building has some design deficiencies, functional obsolescence, and outstanding maintenance issues that must be addressed in the near future. Significant repairs to the roofing and mechanical systems, estimated at a combined cost of \$2.5 million in November 2003, must be made to preserve the state's sizable investment in the asset, minimize or eliminate consistent maintenance issues, and improve the comfort of state tenants occupying the building. Upon completion of these two major special repair projects, the building will be in good condition and no other major capital expenses are anticipated.

The benefits of continuing to own and occupy the building far outweigh the problems associated with the building stated above. State tenants occupying the building paid \$1.85 per square foot (SF) per month for office space during FY 2002-2003. This building, along with 24 others, is part of the Standard Rental Rate pool of state-owned office buildings. State tenants occupying space in these 25 DGS-owned buildings pay a fixed amount of "rent" into an account that covers the debt service, operation, and maintenance of all buildings in the pool. At the end of 2002, average downtown San Jose office rents were \$2.61 per rentable square foot (RSF) per month. When a 12 percent increase is applied to this rate to adjust it from a "rentable" (private-sector office lease) to a "net usable" (state office lease) square foot equivalent, the state would pay \$2.92 per NSF per month. Given the current state budget deficit and cost-cutting measures being implemented by all state agencies, this \$1.07 difference in rent is a significant cost savings. The Department of Industrial Relations, which occupies more than 24,000 NSF in the building, would pay over \$308,000 more per year in rent if it paid the adjusted downtown market rent of \$2.92, instead of the state's Standard Rental Rate of \$1.85. The Alfred E. Alquist Building also generated a positive net cash flow to the state

of \$411,000 in FY 2002-2003, as the rent collected exceeded the daily operation and maintenance expenses for the building. The net cash flow services the debt for other state buildings and is used to fund special repairs and deferred maintenance.

A building infrastructure study completed by Salas O'Brien Engineers, Inc. found the building exceptionally well-built; noting its excellent design, low energy consumption, good circulation, and the high quality of building materials. While this plan recommends retaining the Alfred E. Alquist Building, the state could pursue opportunities to sell or trade the building. Exploring possible disposition strategies should only be considered if authorization and funding for a suitable replacement facility is secured and adequate time is given for the state to construct a new facility or modify an existing building prior to vacating the Alfred E. Alquist Building. The detailed analyses of all major building systems and cost estimates for upgrading those systems contained in the infrastructure study is a valuable decision-making tool for the state and a comprehensive disclosure document, should a potential buyer be identified.

Consolidatable Leased Space

For the purposes of this Plan, consolidatable space is office space occupied by state agencies with programs that could be appropriately housed in a multi-tenant, state-owned office building. The Santa Clara Region includes 297,101 NSF of consolidatable office space (86,086 NSF in the Alfred E. Alquist Building and 211,015 NSF leased throughout the three-county region). The annual cost of this consolidatable office space is over \$8.5 million per year, with 1,190 state employees housed in this space. Appendix 1 presents data for both state-owned and leased office space addressed in this Plan.

The state pays an average of \$2.93 NSF per month for the 11 office leases targeted for the proposed office consolidation project. The downtown San Jose submarket averaged \$2.61 NSF per month for office space at the end of 2002. The downtown San Jose submarket is currently one of the most

depressed office markets in the country, with high vacancy rates (15.2 percent) creating intense competition between building owners for tenants. This environment has driven downtown San Jose office rents back to 1998 levels. Office rents in this submarket are extremely volatile. Just two years earlier, at the peak of the dot com industry, average office rents in the downtown area were \$5.54 NSF per month.

Consolidation Opportunities

Santa Clara County has a total of 102,404 NSF of consolidatable leased office space occupied by state agencies, with 93 percent or 94,972 NSF located in the City of San Jose. Eleven office leases ranging in size from 1,073 NSF to 29,601 NSF have programs deemed suitable for occupancy in a multi-tenant state office building in the City of San Jose and have firm terms (the date when a tenant can move from its current location without penalty) that coordinate well with the schedule for a proposed office consolidation project. All leases should be renewed for a period of time consistent with the anticipated occupancy date for a proposed project.

The City of San Jose is the only location in the region with enough state office space requirements to justify a development analysis for a multi-tenant, state-owned office building. Three construction cost estimates were completed for this Plan for three different development concepts and an economic analysis was prepared to compare the total project costs of these development concepts.

Alameda County (65,139 NSF) and Contra Costa County (36,236 NSF) do not have large enough concentrations of consolidatable office space to warrant consideration of a multi-tenant, state-owned office building in these counties. The state typically requires an office space need of approximately 100,000 NSF that could be appropriately housed in a specific area of a county to justify the costs associated with a debt financed office consolidation project. Leased office space in both counties is dispersed between several different cities over a large geographic area, which also makes a centralized, office consolidation project impractical.

Alternatives for Meeting Space Demands

This Plan presents three different consolidation concepts for meeting the state's office space needs in the City of San Jose. Costs associated with continuing to lease at 11 current locations (status quo) were also calculated and presented. A summary of the three concepts that were analyzed are listed below.

Concept #1

Secure 95,000 NSF of office space in the City of San Jose, allowing the consolidation of 11 different leases into a single building on a site to be determined. State tenants currently occupying the Alfred E. Alquist Building would remain in the existing state building.

Concept #2

Secure 181,000 NSF of office space in the City of San Jose, allowing the consolidation of 11 different leases and 86,086 NSF of state tenants currently housed in the Alfred E. Alquist Building to occupy a single, multi-tenant office building on a site to be determined.

Concept #3

Secure 181,000 NSF of office space in the City of San Jose on the current site of the Alfred E. Alquist Building, allowing the consolidation of 11 different leases and 86,086 NSF of state tenants from the Alfred E. Alquist Building to occupy a new single, multi-tenant office building. The current state-owned building would be demolished and a new building would be constructed on the state-owned land.

Three different financing alternatives were then applied to these three consolidation concepts to determine the most cost effective way to house state employees in the City of San Jose over a 25-year period. The present values of all financing alternatives were calculated in an economic analysis prepared by DGS staff, based on construction cost estimates, current tax-exempt lease revenue bond rates, building and land values, and market data.

Recommendations

Several recommendations and implementation strategies designed to lower long-term occupancy costs and increase the efficiency of program delivery for state employees working in the Santa Clara Region are presented below. Recommendations and strategies endorsed by this Plan recognize the diversity of state programs being delivered in the region as well as the finite budgets these agencies have for office space.

Proposed Building Program

It is recommended that the Alfred E. Alquist Building, located at 100 Paseo de San Antonio in downtown San Jose, remain in the state's real estate portfolio, considering it a long-term asset that will be repaired and maintained in a manner allowing continued state occupancy at less than market rents for the foreseeable future.

A partial office consolidation is recommended for eight agencies currently leasing 94,972 NSF of office space in the City of San Jose. This alternative (Concept 1) would involve the State of California entering into a lease-purchase agreement with a private-sector developer for a 95,000 NSF build-to-suit office project on a site to be determined. Prior to entering into a lease-purchase agreement, the state's existing portfolio of state-owned buildings should be reexamined to determine if any vacated or surplus buildings exist that could appropriately house state agencies in the region.

State agencies currently occupying the Alfred E. Alquist Building would not be part of the proposed consolidation project; two different buildings would house state agencies in the San Jose market, as no programmatic need to consolidate all agencies in a single, state-owned building could be identified through the research and development of this Plan. The proposed partial consolidation is recommended as it would save the state more than \$41 million over a 25-year period when compared to continuing to lease office space.

The economic analysis supports this recommendation as the most cost effective, long-term real estate decision for this market over a 25-year period. The economic model used includes an “equity buildup” component which recognizes the benefits of ownership versus leasing by assigning value to the equity being accumulated during the 25-year term of the lease-purchase agreement. The recommended project (lease with purchase option) could also be constructed and occupied more quickly than a traditional capital outlay office construction project. This concept would also offer protection from large swings in rents typical for a volatile San Jose office market and long-term stability for state agencies requiring office space in the San Jose market to effectively deliver their programs.

Should the recommended alternative not be adopted and implemented, an existing office building could be acquired by the state via a lease-purchase agreement at a substantial discount, given current market conditions in the Silicon Valley. Distressed sellers are marketing buildings for as little as \$95 per GSF, which includes land costs and parking. These bargain properties are scattered throughout the Silicon Valley office market, particularly in the San Jose Airport/North First Street submarket (north of downtown San Jose). However, no such properties exist in downtown San Jose. Modifications would need to be made to existing buildings before state tenants could occupy them and most would not meet the state’s stringent build out requirements, including energy efficiency and green/sustainable goals.

An opportunity currently exists for an owner/user like the State of California to acquire an office building in San Jose via a lease purchase agreement, locking in low occupancy costs in a market where the state will continue to have a large presence. If an office consolidation project is not approved and funded in the near future, the San Jose office market should be reassessed prior to moving forward with any consolidation project. A new evaluation of the San Jose market should be performed, agency space requirements should be confirmed, and construction cost estimates should be updated to ensure an office consolidation project is still economically advantageous to the state.

Leasing Strategy

State agencies leasing space in the Santa Clara Region should secure the longest lease terms possible, given the severely depressed market conditions in the region. Lease rates are continuing to drop and locking in leases with longer terms will save the state money in the long run and insulate the state from an unexpected increase in rents, should Silicon Valley businesses begin to grow and absorb office space in the future.

The only exception to this strategy involves the 11 state office leases in the City of San Jose that are targeted for the proposed office consolidation project. When any of these leases come up for renewal, they should be carefully evaluated by the DGS, Asset Planning and Enhancement Branch, Regional Portfolio Manager responsible for the San Jose market. As authorization and funding for the proposed office consolidation project has not yet been secured, negotiating shorter and coordinated lease terms is recommended. This approach would allow state agencies the flexibility to vacate their existing locations without paying double rent, should support and funding for the proposed office consolidation project become available.

Introduction

A. Purpose

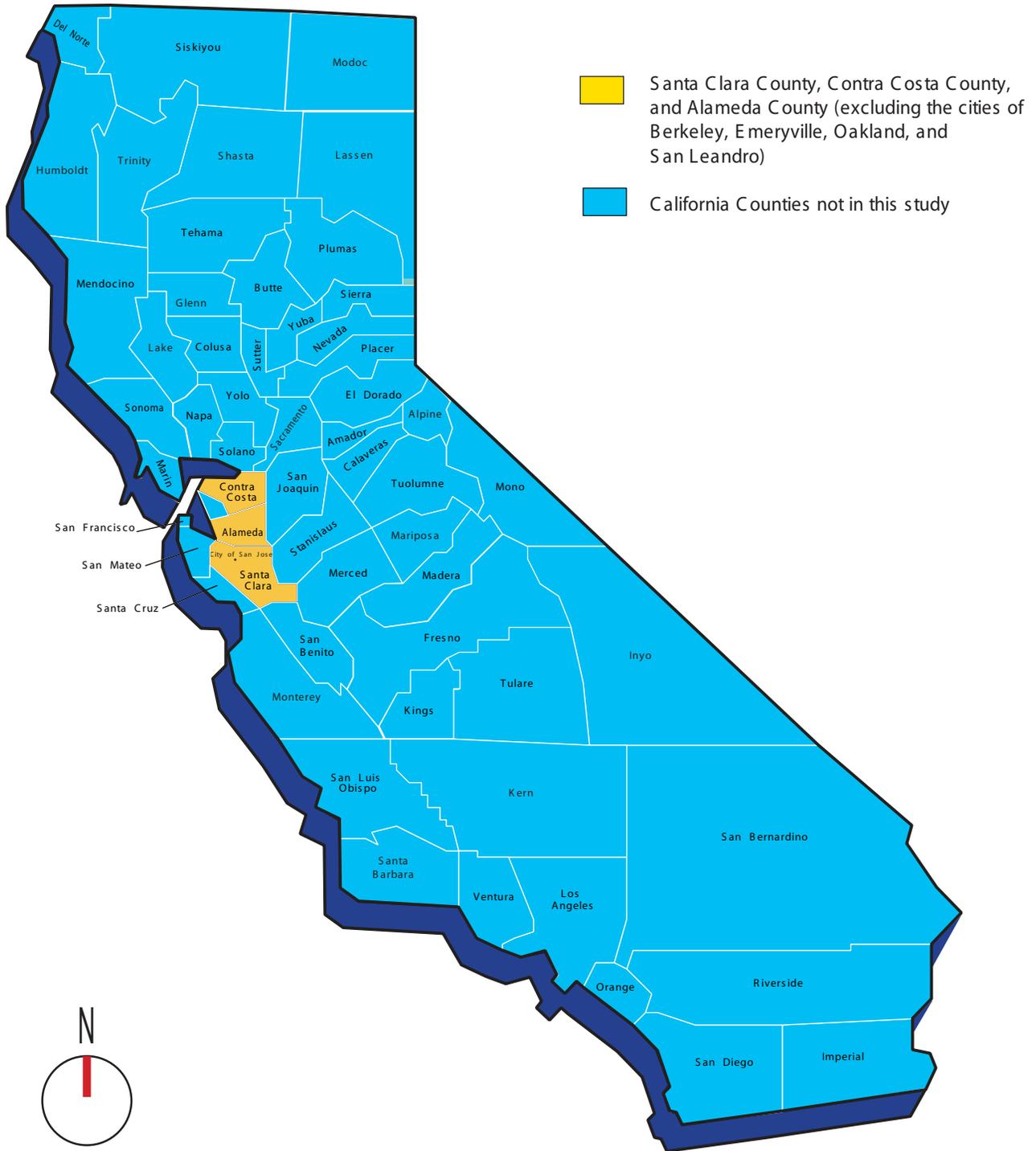
The Department of General Services (DGS) prepares regional facilities plans as part of the department's ongoing asset management and strategic planning activities. This 2002 Santa Clara Regional Facilities Plan (Plan) addresses the current and future regional office space requirements for state agencies located in the Santa Clara Region. The planning areas in the Santa Clara Region include Santa Clara County, Contra Costa County, and a portion of Alameda County, excluding the cities of Berkeley, Emeryville, Oakland, and San Leandro. State agencies in these four cities were recently surveyed, studied, and included in the 2000 Bay Area Regional Facilities Plan.

This Plan evaluates the feasibility of office space consolidation, considers the effect of consolidation on program delivery, and identifies potential cost savings that could be achieved by consolidation. It also provides current agency occupancy data in state-owned and leased locations and identifies remaining consolidatable state office space. Consolidatable office space includes agencies that typically occupy general-purpose office space. These agencies could be housed together in a multi-tenant state office building. Non-consolidatable agencies often have unique program needs, specialized facilities and build out requirements, security considerations, or specific location requirements that preclude them from being considered for a general-purpose office consolidation projects.

This Plan is one in a series of plans either completed or to be developed by the DGS. Regional facilities plans serve to inform the Legislature, state agencies, local government, and the state's private-sector business partners of the state's intentions for addressing its ongoing office space needs.

Map 1

California



These plans are the key business tool used by the DGS real estate staff to oversee and coordinate the state's leasing and development activity and evaluate client agencies' space requests and program requirements.

B. Strategy and Scope

Occupancy information provided by agency representatives responding to the DGS facility planning questionnaires was used to update the DGS' Statewide Property Inventory (SPI) database. The revised data, agency program needs, state real estate policies, and local and regional considerations are the basis for developing this Plan.

The state's planning strategy includes the following process:

- Verify occupancy data.
- Summarize and identify clusters of agency offices.
- Discuss current lease conditions and commitments.
- Review the state's regional office space development and agency occupancy status in state-owned buildings and leased facilities.
- Identify alternatives for regional planning direction.
- Review existing state laws, policies, and directives regarding state office location, requirements, and development.
- Analyze alternatives and present recommendation(s).

This Plan examines the state's general-purpose office space requirements in the Santa Clara Region to develop future planning strategies. Agencies with special funding considerations or special purpose programs are excluded from the study and analysis, i.e., California State University and University of California, as well as the field offices and district facilities of the California Highway Patrol (CHP), the Department of Motor Vehicles (DMV), the Employment Development Department (EDD), and the Department of

Transportation. However, their occupied space is shown in this Plan for informational purposes. Military, correctional facilities, state hospital sites, and communications and storage facilities are excluded from review and are not presented in the occupied space data within this Plan.

C. Organization of the Plan

Chapter 1: Introduction addresses the purpose, strategy, scope, and organization of this Plan. Planning Assumptions and Methodology provides the planning assumptions and methodology used to develop this Plan. These are based generally on those applied for the development of previous regional plans. Assumptions that relate specifically to the region under review are also included.

Chapter 2: Background describes the geographic study area and provides regional background information including a brief history of state office space development, recent planning efforts, and the current status of state-owned and leased office facilities. The chapter concludes with an overview of the region's public transportation systems.

Chapter 3: Agency Space Consolidation Requirements identifies the consolidatable offices now located in state-owned and leased facilities throughout the planning region.

Chapter 4: Locations Recommendations discusses factors influencing the recommendations about where future state office facilities are located.

Chapter 5: Alternatives for Meeting Space Needs identifies alternatives for meeting office space needs and analyzes the feasibility of implementing various consolidation strategies in the planning region.

Chapter 6: Analysis of Alternatives provides an economic model to compare the costs of ownership versus leasing for state office facilities.

Chapter 7: Implementation Recommendations discusses leasing strategies and proposed building projects. The chapter concludes with recommendations for addressing identified areas of concern in any existing state-owned buildings.

Chapter 8: Additional Development Considerations addresses office space development and facility considerations not discussed elsewhere in the document. These include administrative policy, statutory requirements, regional transportation issues, alternative officing, and local planning codes.

Glossary of Terms presents definitions of words used throughout this document.

Appendices contain supplemental information.

D. Planning Assumptions

A brief summary of the assumptions used to develop the Regional Plan is provided below:

Study Area

1. The geographic area covered in this Plan includes Santa Clara County, Contra Costa County, and Alameda County (excluding Berkeley, Emeryville, Oakland, and San Leandro). State agencies occupying office space in these four cities were analyzed and included in the 2000 Bay Area Regional Facilities Plan.

Planning Horizon

2. Regional facilities plans establish priorities to develop and construct, or otherwise acquire, state office facilities and provide a leasing strategy to accommodate state space needs for the next ten years.

Benefits of Consolidating Fragmented Agencies

3. Consolidation of an agency accommodated in fragmented office space benefits the state and its citizens. Consolidation improves internal communication and provides a more efficient work environment; it allows for more effective program delivery and can be economically advantageous when considered over the life of the facility.

Agency Staffing

4. Agency staffing numbers will refer to the actual number of full-time employees accommodated in a facility, rather than the number of authorized personnel years (PYs) within agency budgets. During the questionnaire process, designated agency representatives verify staffing numbers.

Agency Growth

5. Except where extraordinary changes have been identified through the questionnaire process or other sources, this study assumes that, in general, most state agencies will experience no growth in staff or space requirements in 2002 or during the planning horizon prior to the development of the next regional plan. If consolidation projects are approved, detailed programming studies will be performed as part of preliminary planning to determine more precise space requirements.

Facility Requirements and Space Projections

6. Projected facility requirements will be based on the expectation that consolidation of fragmented operations, modern space planning methods, and technology will allow agencies to operate effectively within approximately the same size office space as they currently occupy.

Adjacency Requirements

7. Relationships reported in agency questionnaires will provide adjacency requirements.

Development Priorities

8. Criteria used to evaluate consolidation priority will include the location and amount of consolidatable space, the market and existing rental rates, the degree of agency fragmentation, and upcoming significant changes in program requirements. Legislative direction and authority, existing lease commitments, and economic feasibility will guide the development of scheduling recommendations for consolidation projects.

Location Requirements

9. State agencies servicing local areas (specific cities or geographic areas) will need to remain in or near the location of their current office facilities. For region serving office space, the state will consider locations in or near urban centers to support downtown redevelopment goals, concentrate employees near major transit lines, and provide the public with easily identifiable and accessible points of contact.

Parking

10. The number of parking spaces calculated for a proposed construction project will be based on agency survey responses and site/cost/function considerations. The state will consider but is not required to adhere to local codes that specify the number and type of parking spaces required per gross square foot. The City of San Jose has a maximum allowable parking ratio for downtown office development of 3.0 spaces per 1,000 gross square feet of building area. However, the City of San Jose has a long-term goal of reducing downtown parking ratios from 3.0 to 2.0 by 2010. In an effort to model the parking goals of local government and because the state's proposed new office building would not be ready for occupancy until 2009, a 2.0 ratio was assumed for all state office building cost estimates.

Cost Estimates

11. All cost estimates and economic analyses are based on present day costs. Estimating future costs for construction over a ten-year planning horizon is not reliable due to changes in real estate costs, materials and construction costs, building code changes, fluctuation in the cost of debt financing, market forces, and future policy considerations. For planning purposes, the future costs of proposed state office projects have been projected forward by applying an inflation rate to current cost estimates.
12. Most bond funded projects are escalated from the date of estimate preparation to July of the upcoming fiscal year. This escalation is calculated by using the California Cost Index (CCCI). From that point the project is then escalated three percent annually to the start of construction and three percent annually to the midpoint of construction.
13. More detailed project costs and economic analysis should be developed when facility plans for specific projects are prepared. Programming work for tenant agencies and analysis of their individual needs are required to provide a more accurate estimate of project cost.
14. Environmental work is included as part of the total project cost estimates but assumes no involvement with historic buildings and assumes sites to be free of toxic contamination.
15. Land costs and rental rates identified by the DGS RESD staff is based on market data and is sufficiently accurate for the purpose of economic analysis.
16. The estimated occupancy date for new construction assumes a bond-funded project requiring one year for authorizing legislation to be introduced and passed, one to two years to complete design work,

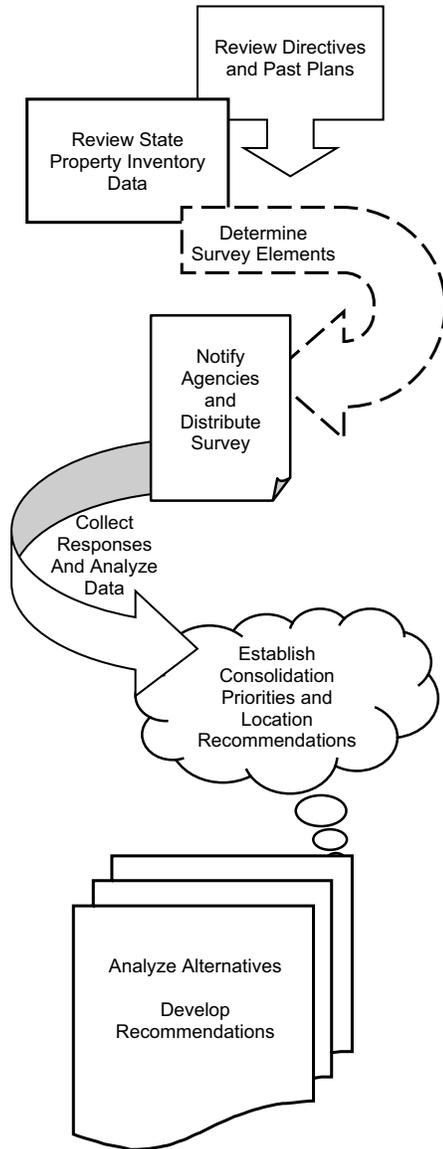
and one to two years to complete construction, depending upon the size of the facility being built. Historically, implementation of a major office building project has required a lead time of approximately five to six years. The financing method used plays a major role in the lead time of five to six years. Financing methods, such as Joint Power Authorities, design/build procurement, or lease/purchase arrangements have typically required less lead time than capital outlay funded projects.

State Offices Excluded from Study

17. This Regional Plan focuses on general purpose office space that could be consolidated in a region serving, multi-tenant facility. The University of California, California State University, and institutional space such as prisons and hospitals will continue to be accommodated in separate facilities. Special purpose space such as warehouse operations, laboratories, parole offices, etc., is not addressed. Consequently, these spaces are not identified in the plan. All other office space is identified. Some field operations of the CHP, DMV, Department of Transportation, and EDD are assumed to be adequately housed in the state-owned single purpose facilities they currently occupy. These agency-owned facilities are non-consolidatable and consequently will not be considered for tenancy in a regional serving state facility. However, in order to understand the full extent of the state's presence in the area, a list of these agency-owned buildings in the study area is provided in Appendix 1C.

E. Methodology

The methodology used to develop the Regional Plan is similar to that used for the development of prior regional facilities plans. This methodology is summarized below:



1. **Review legislative directives and past Regional Facilities Plans.**

Three plans were previously developed in this geographic area:

- San Jose Metropolitan Area Facilities Plan (1974)
- Site Feasibility Study for Proposed Consolidated San Jose State Office Building (1976)
- Regional Facilities Plan for Contra Costa County, Santa Clara County, and Alameda County-Eastern Portion (1996)

2. **Review Statewide Property Inventory (SPI) data.**

Developed at the direction of the Legislature (Assembly Bill 3972, Stats. of 1986), the SPI is a centralized real estate management information system. The DGS developed and maintains this computerized database, which provides a comprehensive inventory of all state-owned and leased facilities addressed in this Regional Plan.

3. **Determine questionnaire elements.**

Develop a questionnaire asking agencies to verify SPI data and provide the following:

- Agency program description
- Program and staffing level information
- Location requirements
- Space and facility requirements
- Parking requirements
- Transit access needs
- Special facility requirements

- 4. *Notify agencies and distribute questionnaires.***
A memorandum from the Chief of the DGS, RESD, Asset Planning and Enhancement Branch notified agency representatives of each agency/department in the Santa Clara Region about the study and the data collection method to be used. Questionnaires were sent to all agencies in the DGS-owned office space, agency-owned office space, and leased office space with consolidatable space in the region. A shorter version of the questionnaire was also sent to those agencies owning office space (see Appendix 6).
- 5. *Collect responses and analyze data.***
Questionnaires were reviewed; responses tabulated; and information evaluated for consistency with Governor's Executive Order W-18-91, which directs the DGS to consolidate office space as consistent with cost reduction and program delivery goals. Designated agency representatives were contacted when additional information or clarification of answers was needed.
- 6. *Establish consolidation priorities and location recommendations.***
Identify project priority criteria and feasible consolidation projects. Base project priority on the amount of consolidatable space, rental rates, and degree of agency fragmentation. Develop location recommendations based on agency program, survey response, current location, and area of service.
- 7. *Develop and analyze feasible alternatives for meeting space demand.***
Complete an economic analysis of identified concepts and procurement alternatives; recommend appropriate action(s).

Background

A. Geographic Area

The geographic boundaries for this Plan are the eastern and southern portions of the San Francisco Bay Area. Specifically, the area of study includes:

- Santa Clara County
- Contra Costa County
- Alameda County, excluding the cities of Berkeley, Emeryville, Oakland, and San Leandro (these four cities were studied in the 2000 Bay Area Regional Facilities Plan)

Santa Clara County

Santa Clara County, also referred to as “Silicon Valley”, is located at the southern end of the San Francisco Bay and encompasses 1,312 square miles. The county shares borders with Alameda County to the north, San Benito County to the south, Stanislaus and Merced Counties to the east, and Santa Cruz and San Mateo Counties to the west. The fertile Santa Clara Valley runs the entire length of the county from north to south, ringed by the rolling hills of the Diablo Range on the east and the Santa Cruz Mountains on the west. Salt marshes and wetlands lie in the northwestern part of the county, adjacent to the waters of the San Francisco Bay.

Santa Clara County’s diverse topography of rolling hills, densely populated cities, agricultural land, and snow-capped peaks contribute to its physical attractiveness to both residents and visitors alike. The Mediterranean climate of the region remains temperate year round due to the area’s geography and its proximity to the Pacific Ocean. The area is warm and dry much of the year. Rarely is the humidity uncomfortable and the thermometer seldom drops below freezing. Rain generally confines itself to the winter, with

snow limited to the Mount Hamilton Range lining the eastern border of the county and the Santa Cruz Mountains to the west. A significant portion of the county's land area is unincorporated ranch and agricultural uses.

Five percent of California's 34.8 million residents call Santa Clara County their home. A little over 1.7 million people live in the county, making it the fifth most populated county in California, following Los Angeles (9.8 million), Orange (2.93 million), San Diego (2.88 million), and San Bernardino (1.8 million).

More than 53 percent (918,800) of the county's residents live in San Jose, the administrative site of county government and by far the largest city in the county. It tops the county's second largest city, Sunnyvale, by nearly 785,000 people. It is the third largest city in California, behind Los Angeles (3.8 million) and San Diego (1.3 million). Most Santa Clara County residents (92 percent) live in one of its 15 cities. Cities located in the county include Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, and Sunnyvale.

Alameda County

Alameda County is an 821-square-mile area located on the east side of the San Francisco Bay, extending from Berkeley and Albany in the north to Fremont in the south. The county is bounded on the north by Contra Costa County, on the south by Santa Clara County, on the southeast corner by Stanislaus County, on the east by San Joaquin County, and on the west by the San Francisco Bay.

The topography of Alameda County is varied, with wooded hills, vineyards, streams, and lakes. Elevations in the county range from sea level to 3,817 feet at Rose Peak in the southern part of the county. The eastern portion of the county is its largest part in terms of land area and includes much of the hilly terrain of the Diablo Range. The weather is generally characterized by mild winters and cold summers near the bay. The eastern portion of the county is moderately warmer, with high temperatures in the Livermore Valley averaging

90 degrees in July. The county also boasts more than 40,000 acres of accessible park lands that support hiking and riding trails, lakes and beaches for swimming, fishing, boating, and campgrounds.

Four percent of California's 34.8 million residents reside in Alameda County. A population of just under 1.5 million makes Alameda County the seventh largest in the state, just behind Riverside County with 1.6 million. Because this Plan excludes the cities of Berkeley, Emeryville, Oakland, and San Leandro from its scope (they were included in the 2000 Bay Area Real Facilities Plan), the largest remaining city in Alameda County is Fremont, with 207,000 residents. Other cities in the county include Alameda, Albany, Dublin, Hayward, Livermore, Newark, Piedmont, Pleasanton, and Union City. Most of the county's population is concentrated in the narrow area between the East Bay Hills and the San Francisco Bay.

Contra Costa County

Contra Costa County covers about 798 square miles and extends from the northeastern shore of San Francisco Bay easterly about 50 miles to San Joaquin County. It is bordered on the south and west by Alameda County, on the east by San Joaquin County, and on the north by Suisun and San Pablo Bays, as well as small portions of Solano and Sacramento Counties. Most of the county is mountainous with steep, rugged topography. Mount Diablo is located in the center of the county and is one of the highest peaks in the Bay Area at 3,849 feet.

Three percent of California's 34.8 million residents live in Contra Costa County. More than 972,000 people reside in the county, ranking it ninth in the state in population, behind Sacramento County at 1.26 million. More than 84 percent (818,000) of Contra Costa County residents live in one of its 19 incorporated cities with the remaining 154,000 people residing in unincorporated areas. Cities located in this county include Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Hercules, Lafayette, Martinez, Moraga, Oakley, Orinda, Pinole, Pittsburgh, Pleasant Hill, Richmond, San Pablo, San Ramon, and Walnut Creek. The City of Concord is the largest in the county with more than 124,000

residents. Population growth in the county has been strongest in unincorporated areas and the eastern portion, particularly in the cities of Antioch, Brentwood, and Clayton.

B. State Leasing and Real Estate Assets Summary

Leased Space

The Santa Clara Region, relative to the other 11 state planning regions in California, should be considered a “minor” metropolitan real estate market as the state’s presence is significantly less than in the four “major” metropolitan markets (Sacramento, Los Angeles, San Diego, and the San Francisco Bay Area). For some perspective on the state’s occupancy in the Santa Clara Region, it occupies 451,000 net square feet (NSF) of leased office space compared to over eight million NSF of leased office space in the Sacramento Region. San Jose is the only city in the region that has enough leased office space requirements (94,972 NSF) to warrant further analysis for a future state office consolidation project.

In January 2003, the following statistics represent all properties leased by the State of California in the Santa Clara Region:

- 66 leases
- 450,670 NSF of office space
- 157,563 NSF of other space (warehouse, storage, laboratory, etc.)
- \$1,543,475 total monthly rent (rent for both office and other space)
- 1,750 total full-time employees

Office space leased by the State of California that is considered consolidatable (appropriate for a multi-tenant state office building) in the Santa Clara Region includes:

- 36 leases
- 211,015 NSF of office space (47 percent of total)
- 0 NSF of other space
- \$549,395 total monthly rent
- 738 total full-time employees

State-Owned Space

The State of California controls considerably more state-owned space in the Santa Clara Region than it leases. However, state-owned totals include large land holdings and hundreds of buildings controlled by the University of California, California State University, Department of Parks and Recreation, Department of Water Resources (DWR), and the Department of Fish and Game. These departments own and manage colleges and universities, state parks, wildlife habitat, open space, and flood control/aqueduct land. These departments and their respective programs cannot be suitably housed in a multi-tenant state office building located in a downtown/urban area. Total state-owned properties for the Santa Clara Region are listed below for informational purposes only:

- 575 total structures
- 9,067,766 total gross square feet (GSF)
- 113,355.13 total acres

Some of the state-owned buildings in the Santa Clara Region do have a significant office space component. However, state departments in these buildings would generally not be considered for future office consolidation projects because they are already in a state-owned project, which is the most cost-effective, long-term manner to house state programs. Also, many of these departments have specific geographic areas that their programs serve that preclude them from being located in a multi-tenant state office building in a downtown/urban area.

Departments that own field offices or general-purpose office buildings in the region include the CHP, EDD, DMV, and the DGS. Totals for these state-owned office buildings are below:

- 18 structures
- 289,454 GSF
- 36.19 acres

The Santa Clara Region's statistics listed above are presented to give a broad overview of the state's total real estate portfolio (state-owned and leased properties) in the planning region. The next sections describe the real estate holdings for the three counties that make up the region, including a brief narrative and statistics for each county.

Santa Clara County

The largest state-owned real estate asset in the county in terms of building square footage is San Jose State University in downtown San Jose with nearly 4.9 million GSF. Agnews Developmental Center (Agnews East Campus), located in a suburban area north of downtown San Jose would rank second in size with 1.25 million GSF. Of the state-owned office buildings in the county, the DGS' Alfred E. Alquist Building at 100 Paseo de San Antonio in downtown San Jose is the largest at 108,561 GSF. The CHP, EDD, and DMV also own eight smaller office buildings in the county ranging in size from 3,000 to 23,000 GSF.

Below are the state-owned statistics for Santa Clara County:

State-owned totals for all types of properties

- 319 structures
- 6,586,296 GSF
- 67,967.09 acres

State-owned office properties

- 9 structures (three percent of total)
- 200,358 GSF (three percent of total)
- 16.75 acres (0 percent of total)

The State of California leases nearly 270,000 NSF with spaces ranging in size from 1,200 to 31,000 NSF. Only 40 percent of all leased office space in the county is considered consolidatable and the City of San Jose has the largest concentration with nearly 95,000 NSF. The largest lease in the county is held by the Sixth District Court of Appeals in San Jose at 31,420 NSF.

Below are the leased statistics for Santa Clara County:

- 33 leases
- 269,843 NSF of office space
- 102,165 NSF of other space
- \$689,696 total monthly rent
- 937 total full-time employees

Consolidatable leased office space

- 14 leases
- 102,404 NSF of office space
- \$317,686 total monthly rent
- 345 total full-time employees

Alameda County

California State University, Hayward, is the largest state-owned real estate asset in the county in terms of building square footage at over 1.4 million GSF. The School for the Deaf-Fremont Blind Diagnostic Center in Fremont at over 500,000 GSF would be the second largest asset. Most of the acreage owned in the county is controlled by the Department of Parks and Recreation, University of California, and the DWR for non-office uses. There are only four state-owned office buildings in the county: three DMV field offices ranging in size from 8,000 to 12,000 GSF and a CHP field office at just over 6,000 GSF.

Below are the state-owned statistics for Alameda County (excluding the cities of Berkeley, Emeryville, Oakland, and San Leandro):

State-owned totals for all types of properties

- 139 structures
- 2,105,965 GSF
- 15,290.89 acres

State-owned office properties

- 4 structures (three percent of total)
- 35,450 GSF (two percent of total)
- 9.39 acres (0 percent of total)

The State of California leases over 65,000 NSF with spaces ranging in size from 250 to 10,800 NSF. Only 56 percent of all leased office space in the county is considered consolidatable and the City of Hayward has the largest concentration with over 23,000 NSF. The largest lease in the county is held by CHP in Dublin at 10,813 NSF of office space.

Below are the leased statistics for Alameda County:

- 14 leases
- 65,139 NSF of office space
- 2,520 NSF of other space
- \$146,143 total monthly rent
- 265 total full-time employees

Consolidatable leased office space

- 10 leases
- 36,236 NSF of office space
- \$92,113 total monthly rent
- 124 total full-time employees

Contra Costa County

The Contra Costa County Fairgrounds is the largest state-owned real estate asset in the county in terms of building square footage with nearly 164,000 GSF. There are only five office buildings in the county: two DMV field offices totaling nearly 25,000 GSF; one CHP field office at 6,400 GSF; one EDD field office at 19,300 GSF; and one Department of Fish and Game office at 3,000 GSF.

Below are the state-owned statistics for Contra Costa County:

State-owned totals for all types of properties

- 117 structures
- 375,505 GSF
- 30,637.15 acres

State-owned office properties

- 5 structures (four percent of total)
- 53,646 GSF (14 percent of total)
- 10.05 acres (0 percent of total)

The State of California leases over 115,000 NSF with offices ranging in size from 2,500 to 13,900 NSF. Consolidatable office space makes up 63 percent of all leased office space in the county. The City of Pleasant Hill has the largest concentration with over 23,000 NSF. The largest office lease in the county is held by the Department of Industrial Relations in Walnut Creek at 13,898 NSF.

Below are the leased statistics for Contra Costa County:

- 19 leases
- 115,688 NSF of office space
- 52,878 NSF of other space
- \$707,636 total monthly rent
- 498 total full-time employees

- Consolidatable leased office space
 - 12 leases
 - 72,375 NSF of office space
 - \$162,596 total monthly rent
 - 269 total full-time employees

C. Previous and Current State Planning Efforts

Prior to the development of this Plan, the DGS developed two planning documents for areas within the current geographic boundaries of the Santa Clara Region. These documents examined the current and future state office space requirements in the area of study and offered recommendations regarding how best to meet the state's office space needs. The plans previously developed in this area include:

- San Jose Metropolitan Area Facilities Plan (1974)
- Site Feasibility Study for Proposed Consolidated San Jose State Office Building (1976)

San Jose Metropolitan Area Facilities Plan (1974)

The purpose of this Plan was to assess current and future state office space requirements in the City of San Jose and to provide guidelines for meeting those requirements. The plan included detailed descriptions of all state agencies in San Jose and presented a table of "compatible" agencies that could be consolidated into a multi-tenant state office building project.

The completion of this plan in 1974 resulted in two recommendations being made by the DGS' Long Range Facilities Planning Office. The recommendations were:

1. Construct a 100,000 NSF state office building on a state-owned site in the San Jose Civic Center. Full occupancy of the proposed new state building was scheduled for fiscal year 1978-79.

2. Creation of a 22,000 NSF service center in East San Jose, combining offices for EDD and Department of Rehabilitation into a single leased office building.

The recommendation to construct a new state office building led to the development of the plan referenced below.

Site Feasibility Study for Proposed Consolidated San Jose State Office Building (1976)

The purpose of this plan was to compare two locations for a future state office building: downtown San Jose and the San Jose Civic Center area. Both the City of San Jose and the County of Santa Clara preferred that the state construct a new state office building in downtown San Jose. Locating a state office building downtown would have been consistent with the San Jose Redevelopment Agency's plans for the downtown area and given an economic boost to an area in need of a catalyst project. Santa Clara County supported a downtown location for a state building for two reasons:

1. The county supports policy endorsed by the City of San Jose whenever possible.
2. The county was interested in a state-owned site in the San Jose Civic Center for expansion of its Courts/Sheriff's office complex.

The DGS' Long Range Planning Unit Office considered the following factors in its analysis of the two possible state building locations: size, availability, accessibility, public transportation, parking, identity, program, environmental, and planning considerations.

After an analysis of these factors, the plan deemed "Program Considerations" as the most important. The San Jose Civic Center area was the recognized governmental center for the county, with many city and county offices in close proximity to the proposed Civic Center development site. Many state programs targeted for the proposed office consolidation project worked closely with many of the local governmental

entities already located in the Civic Center area. Locating a new state building in the Civic Center area would improve the efficiencies of state program delivery in the county and improve public access to programs and services.

The DGS planning staff concluded that the San Jose Civic Center would be the most ideal location for a new state office building. It was also noted that in order for the state to move forward with a project, it would be necessary for the state to exchange its parcel on Hedding Street for a county-owned parcel on Hedding Street. This would enable the county to expand its sheriff's office/courts complex on Hedding Street while still allowing the state to construct an office building on Hedding Street in the San Jose Civic Center. A joint venture parking structure to service both the county and state building was also proposed for the northwest corner of Hedding and North First Streets.

Several years after the 1976 plan was published, local government officials convinced the state to develop a new state office building on a site in downtown San Jose. The location of the new building was to assist the city with its redevelopment efforts. The Alfred E. Alquist Building was completed in 1983.

D. Existing Conditions

The State of California's real estate portfolio in the Santa Clara Region is made of three different office space components:

1. Leased – office suites, floor(s), or buildings leased from private-sector owners
2. DGS-Owned – multi-tenant, general purpose state office buildings
3. Agency-Owned – typically single-tenant buildings owned by other state agencies

Leased Office Space

In January 2003, the State of California leased a total of 450,670 NSF of office space in the Santa Clara and East Bay Region.

Office space considered consolidatable (appropriate for a multi-tenant state office building) in the Region totaled 211,015 NSF.

The table below presents all state departments that lease office space in the three-county, Santa Clara and East Bay Region.

**Table 1
Leased Office Space in the Three-County,
Santa Clara and East Bay Region**

Department	County		
	Alameda	Contra Costa	Santa Clara
Consumer Affairs	X	X	X
Corrections	X	X	X
Court of Appeal			X
Developmental Services			X
Employment Development	X	X	X
Equalization	X		
Fair Employment and Housing			X
Food and Agriculture			X
Franchise Tax Board			X
Health Services			X
Highway Patrol	X		
Industrial Relations		X	X
Insurance			X
Justice		X	X
Law Revision Commission			X
Motor Vehicles	X	X	X
Rehabilitation	X	X	X
Social Services			X
State Lands Commission		X	
Transportation			X
Veterans Affairs		X	
Youth Authority	X		X
Total Office Space	65,139	115,688	269,843
Consolidatable Office Space	36,236	72,237	102,404

DGS-Owned Office Space

The Alfred E. Alquist Building, located at 100 Paseo de San Antonio in the City of San Jose, is the only multi-tenant, general purpose, DGS-owned and managed office property in the Santa Clara Region. The building was financed using the state's capital outlay process (cash); construction was completed and the building was fully occupied in 1983. The 20-year-old building is one of the youngest buildings included in the Standard Rental Rate pool of state office buildings. Tenants in this group of 25 state buildings pay a fixed amount (\$1.85 per square foot of office space for FY 2002/2003) each month into an account that covers the debt service, operation, and maintenance of all buildings in the pool.

The building has no on-site parking for employees and visitors. Employees can park in several city-owned garages nearby (one is adjacent to the building) or privately-owned lots in the downtown area. There is a light rail station in front of the building and bus service in downtown San Jose is excellent.

In terms of design, the building has a series of open and enclosed spaces with several courtyards. Much of the office space is adjacent to windows, providing an abundance of natural light. Building circulation between the various suites and floors is provided by exterior corridors. Movable fabric awnings designed to provide shading deteriorated years ago and were never replaced. Wood-louvered awnings over many of the windows, also designed to provide shade, are overdue for replacement, preferably with a different, more durable material. Many energy efficient features incorporated into the original building design are no longer functional and have been abandoned as they are costly to maintain and do not generate sufficient savings to warrant continued expenditures.

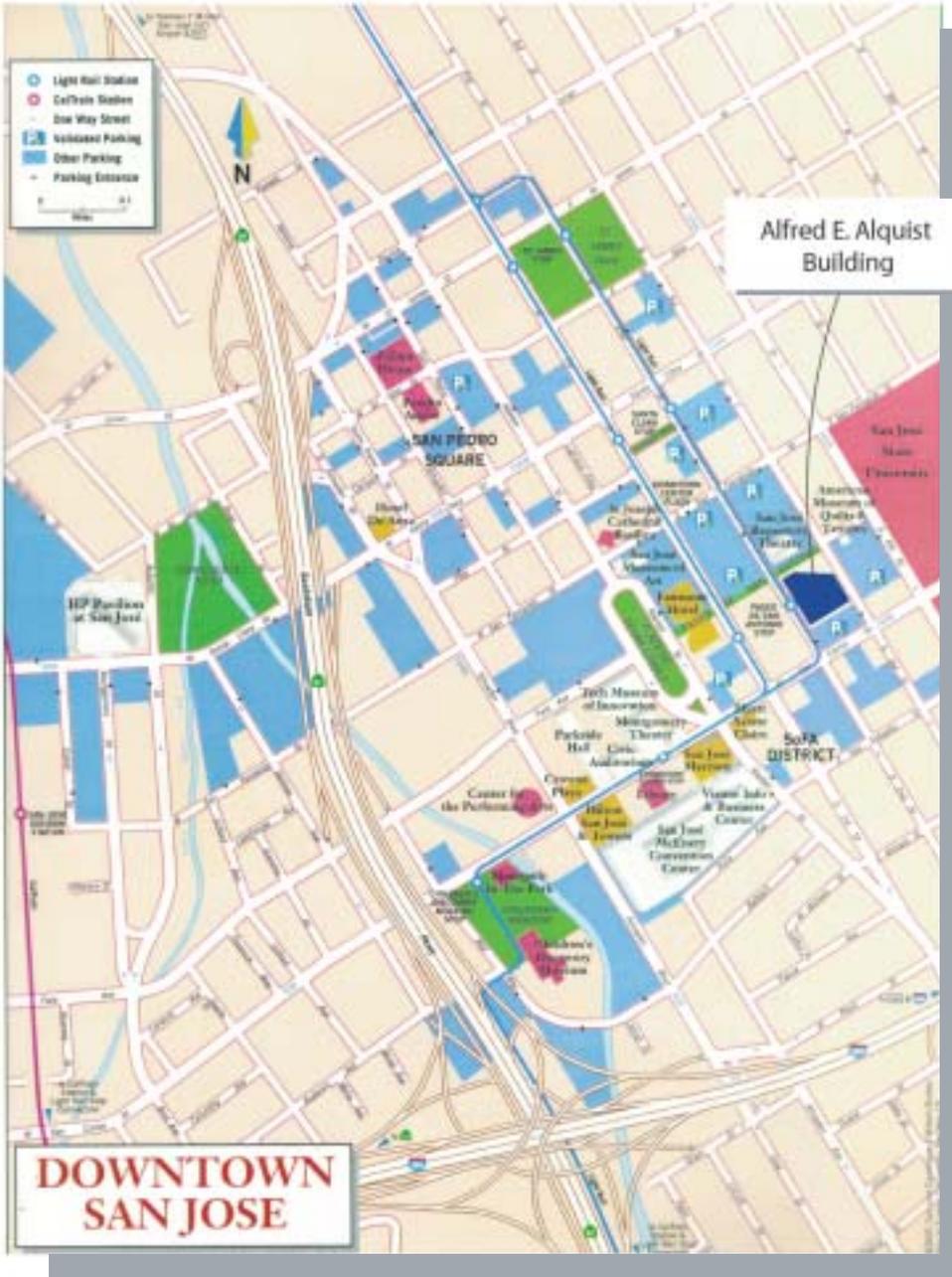
The major specifications of this downtown office building are listed in Table 1 below:

Table 2
Alfred E. Alquist Building

Address	100 Paseo de Antonio, San Jose, CA
Gross square feet	108,561
Net square feet of office space	86,086
Completion date	1983
Construction material	Cast concrete
Number of stories	3
Parking on-site	None
Ground floor retail	None
Landscaped grounds	20,000 SF
Additional features	2,553 NSF auditorium and 1,255 NSF lunch room with vending machines on the second floor managed by the Department of Rehabilitation's Business Enterprise Program (BEP)
Number of state tenants	11
Number of employees	452
Building tenants	Industrial Relations, Board of Equalization, Health Services, Rehabilitation, Assembly, Alcoholic Beverage Control, Senate, DGS, Housing and Community Development, Consumer Affairs, and CHP
Size of suites	Range in size from 700 NSF for CHP to 24,461 NSF for the Department of Industrial Relations
Rent	\$1.85 per square foot per month for office space and \$0.46 per square foot per month for storage space (rents based on Standard Rental Rate established for fiscal year 2002/2003 for all state buildings managed by the DGS that were not bond-funded)

Operation and maintenance costs (O&M) costs associated with the building were examined over a five-year period (FY 1998/1999 to FY 2002/2003). O&M costs were compared to other state buildings of similar size to determine whether costs were low, average, or high relative to other state buildings. The analysis revealed that O&M costs at the Alfred E. Alquist Building were average and typical (\$0.74/GSF/month). For FY 2002/2003, the building's O&M costs were less than the rent collected from state tenants, resulting in net revenues of over \$411,000. Net revenues from any buildings within the standard pool are typically used to address unforeseen emergencies, and/or deferred maintenance in the 25 buildings operated in the pool.

Map 2 Downtown San Jose



Several building repairs have been authorized and funded for fiscal year 2003/2004, including:

- HVAC system replacement (Phased)
\$388,000
 - Overhaul of HVAC fans (Phase II)
\$50,000
 - Replacement of north elevator pit waterproofing
\$19,000
 - Replacement of gate valves
\$17,000
 - Landscape irrigation modifications
\$13,000
- \$487,000 (Fiscal Year 2003/2004 Total)

The Alfred E. Alquist Building has had many maintenance and repair issues over the past 20 years, most of which are attributable to the architectural style and choice of materials and systems for the building that were selected during design/initial construction. After a tour of the building and interviews with the DGS Building and Property Management staff, the following items are the major maintenance issues associated with the building:

1. **Roof:** In January 2000, a roofing study was performed by Architectural Roof Design Group (ARDG), Inc., a commercial roofing consultant that revealed several areas of concern and made recommendations regarding three work options: repair, retrofit, and full replacement. The DGS property management staff informed the consultant about the roof's extensive leak history and asked that any recommended repairs assume the building would be utilized for at least the next 15 to 20 years.

The current roofing system is approximately 20 years old (original to the building). The roofing substrate is structural concrete. The roof slope is ¼" per foot and appears to have positive drainage throughout the entire roof area. The roof system drains to interior cast iron drains with overflow scuppers located at the high points of exterior walls.

The existing roof system consists of a loose laid APP Modified Bitumen membrane over the existing structural concrete deck, loose laid extruded polystyrene insulation, loose laid stone mat, and loose laid ballast. The existing roof membrane is held together by heat welded seams only and is not adhered at all to the existing structural concrete deck. This installation is contrary to the original specifications developed at the time the building was constructed and the consultant could find no documentation regarding this change.

Seams in the filed membrane and/or base-flashing have continued to lose their waterproofing integrity over time. This has resulted in seam openings that allow water to flow freely underneath the membrane until it penetrates the building. The point(s) of water entry into the roof system is very difficult to determine and would be very time consuming and costly to detect.

The consultant recommended full replacement of the existing roof system because of the type and age of the existing system, small cost difference between retrofit and full replacement, and the history of leaks. Cost estimates for repair work to existing roof totaled \$145,000; a retrofit roof system was estimated at \$263,000; and a new roof system was estimated from \$248,000 to \$271,000. The consultant also recommended close coordination between roofing and mechanical design teams, as the ductwork for the HVAC system runs over a significant portion of the roof. Having the work for these two projects performed at the same time would save the state a significant amount of money. Work to replace the roof is scheduled to begin in late 2004.

- 2. Heating, Ventilation, and Air Conditioning (HVAC):** In January 2000, an HVAC study was performed by Newcomb Anderson Associates to evaluate the HVAC systems as originally designed and as they are currently operated; the study also addressed building comfort issues.

New Anderson Associates characterized the building as, "...an outstanding example of progressive office building architecture during the post-energy crisis era." However, they recognized that some of these energy efficient features have failed and been abandoned, including movable courtyard shading devices, a building pre-cooling system that used evaporative cooling, and rock-bed thermal storage. Some systems are at the end of their useful life and need replacement, such as the roof-mounted supply air ducting. Still other non-traditional HVAC-related equipment in this building has proved difficult to maintain and costly to repair.

The result of these deficiencies is that building comfort cannot be maintained consistently during the summer or winter months. The current system's capacity is inadequate and cannot control outside air for morning warm-up or pre-cooling cycles. However, even with the building systems' many shortcomings, an analysis of the building's historical energy use found that it used energy quite efficiently, spending \$1.50 per square foot per year. This acceptable level of energy expense was unfortunately achieved at the expense of the comfort of state agencies occupying the building.

The recommendations for renovating the current HVAC system deficiencies include:

- Installation of low emissivity window film and additional external shading to reduce the cooling load;
- Replacement of the pneumatic control system with direct digital controls and installation of DDS VAV zone boxes;
- Installation of modulating outside air dampers and replacement of failed back draft dampers;
- Placement of roof-mounted supply air ductwork and reconfiguration of the cafeteria ducting;
- Installation of new fans with variable speed drives;

- Decommissioning of the failed evaporative cooling system;
- Installation of additional cooling capacity in the central plant.

The total cost to implement all of the recommendations was calculated in 2000 at \$1,413,775, including preliminary plans, working drawings, materials, labor, and engineering. It was also noted that these improvements could be done in phases for budgetary reasons. The study also recommended that installation of new roof-mounted supply air ducting should be coordinated with any roofing upgrades to minimize the cost of both projects. Work to replace the HVAC system had not commenced at the time this document was published. Lastly, the study estimated the energy costs would be reduced by about 13 percent, or \$24,788 per year.

3. **Water penetration:** A DGS architect recently completed a study to determine how best to remedy water penetration into the first floor office areas of the building. The study revealed extensive ponding on the roof deck, particularly exterior building walls that penetrate the roof deck. Office areas located directly below these roof penetrations is where water most frequently enters the building.

To address the water penetration issue, two drains were installed at roof deck locations where the ponding was occurring. Preliminary testing of the new drain system indicated this modification has resolved both the ponding and water penetration problems.

The study also recommended full replacement of all caulking around windows and doors throughout the building within five years. This task would be a capital outlay project requiring a budget of more than \$100,000 to complete. The building has never been re-caulked since its completion in 1983 and is more susceptible to leaks due to its unique architectural design. As part of its building mainte-

nance program, the DGS property management maintenance staff will address caulking issues only around windows and doors where the study determined the caulking has sufficiently deteriorated to warrant replacement. Funding for full replacement of all caulking will be pursued in the future.

4. **Landscaping:** The DGS' Building and Property Management staff noted that some upgrades to the exterior landscaping could improve the aesthetics of the building. While not crucial to extending the life cycle of the building, changes to the landscape plan should be considered at a future date.

Infrastructure Study

In 2002, the DGS allocated \$110,000 to do a complete infrastructure study on the Alfred E. Alquist Building. There are three project deliverables: a project schedule, a preliminary report, and a final report.

The scope of the study includes the following:

- Review and evaluate existing architectural, structural, electrical, mechanical, plumbing, life safety, water intrusion detection, hazardous materials issues, telecommunications, and ADA code compliance;
- Determine the physical health of the building;
- Make recommendations about repairs and renovations necessary to extend the building's life for 20 years; and
- Develop cost estimates for all recommended construction, a construction plan, and schedule.

The Alquist Building Infrastructure Study was completed by Salas O'Brien Engineers, Inc. of San Jose in November 2003. The study found the Alquist E. Alquist Building exceptionally well-built and noted the high quality of materials and detailing of the building. The study also recognized the building's excellent design, which reduces energy consumption and maintenance costs, offers good circulation, provides natural light that penetrates deep into interior spaces, and has many design elements and aesthetics that enhance the work environment for state employees in the building. All

building systems were found to be performing adequately, with the exception of the roof and mechanical systems, which were described as “...approaching the end of their useful ‘equipment life’ “.

The Implementation and Phasing Plan that evolved from the study to address the identified needs of the building was prioritized into four categories:

- **Priority 1 – Critical Needs.**
Cost estimate: \$2,524,029.
Timeframe: next 24 months.

Critical needs include items that should be completed to ensure the building is prudently maintained. These items are either deferred maintenance or code compliance that should be addressed quickly to avoid additional cost; this work would represent a proactive approach to building maintenance for the larger capital infrastructure systems.

Consistent with the previously completed study in January 2000, this study found the replacement of the roof and mechanical systems should be bundled together as one single project due to the nature and life safety aspects of the work. This approach was recommended to maintain the integrity of the roofing warranty and to deal with the most critical needs of the building in a timely, cost-effective manner.

- **Priority 2 – Upgrades.**
Cost estimate: \$2,686,240.
Timeframe: 2-5 years.

Upgrades include systems that are aging and will need replacement and include: ADA upgrades, elevators, remaining mechanical work (chiller, cooling tower, and boiler) as well as completion of the Energy Management System. The controls and VAV boxes could be phased with the movement of people as spaces have work done or during off hours. The chiller can be replaced over the winter months to minimize disruption and cost of temporary cooling. These projects will restore the building systems to a healthy state.

- **Priority 3 – Capital Renovation.**
Cost estimate: \$1,288,831.
Timeframe: 5-10 years.

Capital Renovations were deemed required in the long-term to maintain building functionality and systems reliability. The majority of these projects include architectural, electrical, and landscape improvements.

- **Priority 4 – Value Added Options.**
Cost estimate: \$1,368,404.
Timeframe: indefinite.

Value added Options include projects that can add value (ex. increased energy efficiency, etc.) to the building, but are not necessary to complete.

In response to the findings and recommendations presented in the Alquist Building Infrastructure Study, RESD staff assembled a matrix team to review the final study and determine how to secure funding as quickly as possible to address the “Priority 1-Critical Needs” of the building. After several meetings and much discussion about the most cost-effective way to address the “Priority 1-Critical Needs” of the Alfred E. Alquist Building, RESD staff reached a consensus on the following:

- RESD’s Building and Property Management (BPM) Branch will utilize an existing source of funds to install a new (20-year) cool roof, repair the existing duct work, and replace the flak fans in the HVAC system.
- A spray-on fiberglass emulsion will be used to seal leaks in the existing duct work. Assuming this repair is successful; both the roof and duct work should not need additional repairs for many years.
- The chiller (original 1983 unit) may need to be replaced in the near future. However, completion of the roof and duct work described above may allow the existing chiller (undersized unit) to continue to meet the needs of the building for the foreseeable future. The original chiller was sized based on the use of a passive cooling system

(rock pile), which was supposed to supplement the cooling provided by the chiller. The passive cooling system is no longer functional. RESD will not know if the existing chiller is sufficient to cool the building until after the roof and duct work repairs have been completed.

- If it is determined that a new chiller is needed, BPM anticipates funding will come from BPM's annual special repairs Budget Change Proposal (BCP). A separate BCP for the replacement of the chiller is not needed at this time.

The strategy outlined above should address all of the "Priority 1-Critical Needs" of the Alfred E. Alquist Building. Additional funding may be requested in the future to address some of the other building repair and renovation recommendations identified in the Alquist Building Infrastructure Study.

Current Market Conditions

The presentation of rents, vacancy, net absorption, and new construction that follows focuses on the Silicon Valley office market over a five-year period (1998/2002). This historical data was obtained from office market reports prepared by BT Commercial, an experienced commercial real estate brokerage with offices in San Jose and several other bay area cities. This historical perspective is critical to understanding the most recent market cycles and will lead to a more in-depth examination of current market conditions (4th Quarter 2002).

Alameda County and Contra Costa County market data is not presented because a project is not being recommended for either county. State agencies are currently paying at or below market rates in these counties and the cost incurred to execute a consolidation project in these counties could not be recouped by the small rental rate savings they would generate.

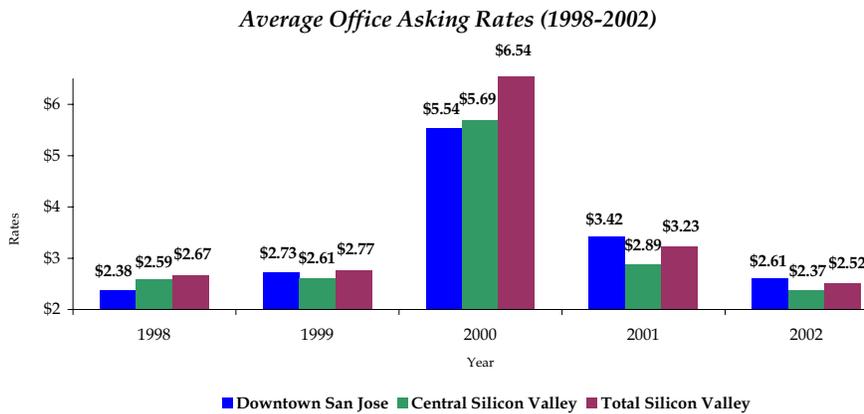
The market information provided below focuses on three different areas of the Silicon Valley office market:

1. Downtown San Jose – Central Business District (CBD) for the City of San Jose. The area includes 8.2 million SF of office space.
2. Central Silicon Valley – Areas north, northeast and south of downtown San Jose including Sunnyvale, Santa Clara, San Jose Airport/N First Street, Alameda/Civic Center, and South San Jose. The area includes 29.8 million SF of office space.
3. Total Silicon Valley – Includes the two areas described above as well as Palo Alto, Mountain View, Cupertino, Campbell, Los Gatos/Saratoga, West San Jose, Milpitas, and Fremont. The area includes 64.1 million SF of office space.

These three areas were selected so that downtown San Jose could be compared to other parts of the Silicon Valley office market. The total Silicon Valley area and especially the Central Silicon Valley area offer more opportunities for state office consolidation projects at more attractive rental rates than downtown San Jose. There are currently no big blocks of available office space in downtown San Jose suitable for a multi-tenant state office consolidation project; the other two areas offer many opportunities for such a consolidation with an overbuilt and soft tenant's market.

Rents

Average office rents began rising in 1999 as many dot com companies began experiencing phenomenal growth with rents peaking in 2000, more than doubling in a two-year period. When the dot com industry began drastic down-sizing, cost cutting, and layoffs due to greatly decreased demand for their goods and services and a serious national economic downturn, rents began a consistent drop for the eight quarters of 2001 and 2002. By the end of 2002, rents were rapidly approaching where they were in 1998, before the run-up caused by the dot com boom. The graph below shows the volatility of office rents in the Silicon Valley office market.

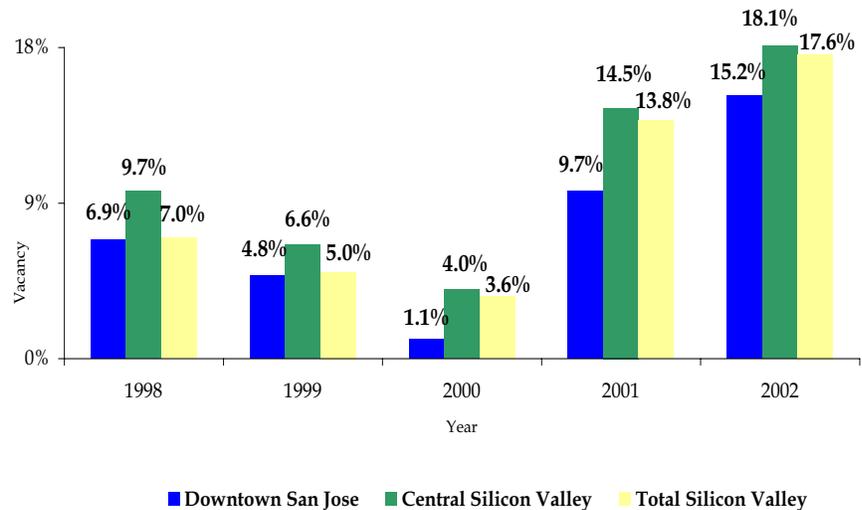


Source: BT Commercial

Vacancy

Vacancy rates were at average levels in 1998, balancing the supply and demand for office space between seven and ten percent. However, as the dot com industry began growing, companies began leasing existing and speculative office product quickly, which led to vacancy rates dipping to four percent and lower by 2000. The market could not create enough office product quickly enough to match the unprecedented demand created by the dot com boom. The market changed dramatically when the dot com industry began downsizing measures and instituting massive layoffs in 2000, causing vacancy rates to more than quadruple between 2000 and 2002.

Vacancy Rates (1998-2002)

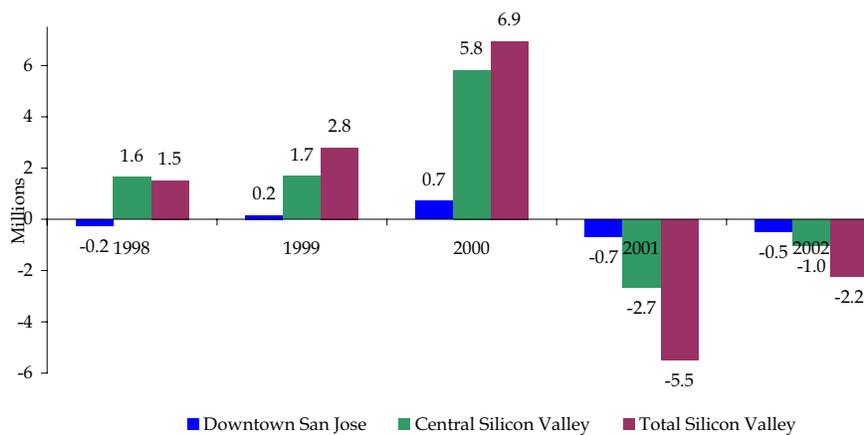


Source: BT Commercial

Net Absorption

The net absorption is the change in occupied space from one period to the next. Again, the dot com industry had a huge impact on absorption in the Silicon Valley. Absorption levels for the Total Silicon Valley area doubled between 1998 and 1999, with another doubling between 1999 and 2000. This means that both existing and new office product were being leased-up at an unprecedented pace. Dot com companies were signing large leases to house a significant increase in employees. The negative net absorption the market experienced in 2001 and 2002 indicates a huge drop in the demand for office space. The dot com downturn and national recession caused companies not to renew leases, renegotiate existing lease terms, sublet surplus office space, buy out existing lease commitments, or simply vacate the space if a company became insolvent and unable to honor its lease commitment.

Net Office Space Absorption (1998-2002)

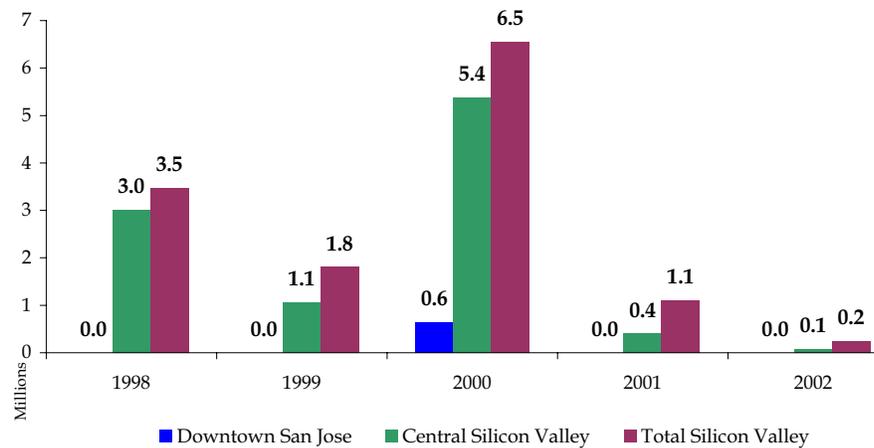


Source: BT Commercial

Construction

New construction was largely impacted by build-to-suit projects initiated by dot com companies. As the dot com industry took off in 1998, existing office product was leased causing a decrease in construction levels between 1998 and 1999. Companies chose to absorb existing available space and focus on expanding their businesses. In 1999, with dot com companies experiencing explosive growth, many larger companies (Cisco Systems, Adobe Systems, and Sun Microsystems) began building large office campuses to consolidate their employees. Beginning in 2001, the dot com industry and the national economy cycled downward, causing construction activity to decrease. This situation resulted in an overabundance of sublease space coming on the market.

New Office Construction (1998-2002)



Source: BT Commercial

Current Market Conditions (4th Quarter 2002)

The Silicon Valley office market was one of the most depressed commercial real estate markets in the United States at the end of 2002. The market was dramatically overbuilt as a result of dot com companies continuing to reduce the amount of office space they occupy, a direct result of corporate downsizing to stay competitive. The office space they are continuing to vacate further saturates an already soft office market. The 11.2 million NSF of office space that was available may take several years for the market to absorb before new development will occur. This overabundance of office space gives potential tenants and buyers tremendous leverage in negotiations, which has further depressed both rental rates and sales prices. Office rents in the Silicon Valley have dropped to an average blended rate of \$2.52 per RSF, full service; Class A office space averages closer to \$3.00 per RSF, full service. The graph below displays the range of office rents for various submarkets at the end of 2002.

Asking Office Rate Range (4th Quarter 2002)



Source: BT Commercial

Available Office Space and Vacancy Rates

Office space is readily available in every submarket in the Silicon Valley. Downtown San Jose has the lowest amount of available office space (1.2 million SF), but rents remain stronger there than in any other submarket in the Silicon Valley. Downtown San Jose does not, however, have any large blocks of office space available (100,000+ SF). The only large space available downtown is Sobrato Development's new, Class A building at 488 Almaden Boulevard. The 381,000 SF building is too large for the state's current consolidation needs and the developer is only considering single, large tenants at this time.

Submarkets north and northeast of downtown near the San Jose airport have much more square footage available and rents and lease terms are much softer. Leases and sales in both the San Jose Airport/N. First Street and Santa Clara submarkets are being executed at very attractive prices. Landlords are desperately trying to fill their vacancies and in many cases are willing to sign leases that simply cover the operation and maintenance of the building until the market improves. Some will even take a loss just so their buildings are not “dark”. Some owners have chosen to sell their properties, rather than continue to absorb huge carrying costs (debt service, operations, maintenance, etc.). Below are the 4th Quarter 2002 office space availability and vacancy rates in several submarkets in the Silicon Valley.

Available Office Square Feet & Vacancy (4th Quarter 2002)



Source: BT Commercial

Low rents and high vacancy rates in the Silicon Valley office market provide excellent opportunities for large office users like the State of California to negotiate attractive, long-term leases. Distressed building owners may also be motivated to offer the state a purchase option with a long-term lease commitment, rather than face foreclosure. Buyers and lessees have all of the negotiating leverage in this market.

Twenty state entities own real estate assets totaling more than nine million GSF in the Santa Clara Region. The California State University system owns the most building square footage in the region with over 6.3 million GSF; the Department of Parks and Recreation owns the most land with over 88,000 acres. The table below presents the real estate assets owned by all state entities in the region.

Table 3
Santa Clara and East Bay Region
State-Owned Properties

Agency	# of Structures	GSF	Acres
Cal State University	75	6,300,518	886.51
Developmental Services	98	1,254,315	722.01
District Agricultural Associatesn	36	163,609	75.01
Education	62	535,861	92.46
Employment Development	2	42,703	4.08
Fish and Game	1	3,000	6,302.98
Forestry	61	74,617	22.33
General Services	1	108,561	1.64
Health Services	0	0	28.96
Highway Patrol	4	22,075	6.41
Military	14	192,145	22.95
Motor Vehicles	10	113,115	22.95
Parks and Recreation	157	124,646	88,661.60
Rehabilitation	4	42,278	3.20
Technology, Trade, and Commerce	0	0	0.11
Transportation	49	87,681	46.67
University of California	0	0	9,748.54
Veterans Affairs	1	2,642	0.52
Water Resources	0	0	7,245.74
Total	575	9,067,766	113,894.67

Source: DGS' Statewide Property Inventory

Several state entities with state-owned real estate assets in the Santa Clara Region have determined these assets no longer necessary for their program needs. The state entities that own these assets have declared them “surplus” and are offering them for sale with the assistance of the DGS real estate staff. All of these surplus real estate assets were reviewed for their potential to accommodate future state office space needs in the region; the DGS planning staff determined that none of these assets were appropriate for that purpose at this time. Table 4 on the following page summarizes the disposition status of seven surplus properties in the Santa Clara Region.

Table 4
Surplus State Properties in the Santa Clara Region

Owner	Property	City	County	Acres	Status
Education	School for the Deaf	Fremont	Alameda	1.52	Unavailable for sale at this time.
Comments: Senate Bill 1856 (Ch. 367, Stats. of 2000) gives the DGS authority to sell this property to the City of Fremont for current market value. The city offered the state \$39,550 for the property based on agricultural value. The state disputes the value and the agricultural use. The city has commenced an Eminent Domain Action to condemn the state-owned property.					
Employment Development	EDD Field office 343 22nd Street	Richmond	Contra Costa	1.72	Unavailable for sale at this time.
Comment: Senate Bill 951 (Ch. 610, Stats. of 2001) gives the DGS added authority to sell without charge to the City of Richmond until July 1, 2004, conditioned upon the city receiving a transfer of property interests from the United State for any interest held by the United States Department of Labor.					
Military	Concord Armory	Concord	Contra Costa	3.04	Pending recision.
Comments: The Military will be rescinding the Concord Armory as they will be retaining the property.					
Developmental Services	Agnews Developmental Center, West (portion)	Santa Clara	Santa Clara	16.00	Available for sale.
Comments: A 16-acre portion will be offered for sale in FY 2002/03.					
Developmental Services	Agnews Developmental Center, West (portion)	Santa Clara	Santa Clara	152.00	Current FY sale or pending sale.
Comments: Approximately 152 acres has been contracted for sale. A 137-acre portion of that property closed escrow in August 2001 and will be reported as sold in the 2003 report. The remaining 15 acres will close escrow once toxic remediation has been completed. Total sale price is \$192 million, less costs for toxic remediation.					
General Services	Bay Area Research and Extension Center (BAREC)	Santa Clara	Santa Clara	17.60	Unavailable for sale at this time.
Comments: The property has been declared surplus by the University of California, but it is pending legislative authority to sell. Awaiting funding to perform due diligence to determine asset development opportunities for this property.					
Military	San Jose Armory	San Jose	Santa Clara	5.54	Unavailable for sale at this time.
Comments: The Military would like to move but wants a presence in San Jose. No funding to pursue. Project on hold.					

E. Transportation Systems and Services

The public transportation network serving the areas within the Santa Clara Region offers a multitude of travel and commute choices for local residents and those traveling into the region from outlying areas. Since transportation options within the region are so broad, the section will begin with an overview of major systems that service the entire region. Next, those systems serving the Santa Clara County-Silicon Valley area will be presented in greater detail since this Plan studies a future state office building in downtown San Jose.

Transportation System Overview

For those traveling in and around the Santa Clara Region by car, carpool, or vanpool, the region is well served by major freeways, including:

- Interstate Highways 80, 205, 280, 580, 680, and 880
- US Highway 101
- State Highways 4, 9, 13, 17, 61, 77, 84, 85, 87, 92, 112, 130, 237, 238, and 262

All three counties within the region also offer extensive bus service within their respective cities as well as commuter buses for those traveling into major employment centers from remote locations.

Bay Area Rapid Transit (BART), a regional transit system, serves two of the three counties in the Santa Clara Region extremely well with far-reaching service to the following communities:

- Contra Costa County – Pittsburgh/Bay Point, North Concord/Martinez, Concord, Pleasant Hill, Walnut Creek, Lafayette, Orinda, Richmond, El Cerrito del Norte, and El Cerrito Plaza;
- Alameda County – North Berkeley, Downtown Berkeley, Ashby, West Oakland, Rockridge, MacArthur, 19th Street/Oakland, Oakland City Center/12th Street, Lake Merritt, Fruitvale, Coliseum/Oakland Airport, San Leandro, Bay Fair, Dublin/Pleasanton, Castro Valley, Hayward, South Hayward, Union City, and Fremont;

- Santa Clara County – No direct service by BART. However, those riding BART can transfer to buses, commuter shuttle buses, or Caltrain to complete their trip into or out of Santa Clara County.

**Map 3
Bay Area Rapid Transit**



Voters approved expansion plans for BART in 2000, choosing to extend BART from the existing station in Fremont, adding eight new stations on the planned extension through Milpitas into downtown San Jose. The expansion plan also includes establishing connections with other existing rail services including: Altamont Commuter Express, Caltrain, Valley Transportation Authority (VTA) light rail, Amtrak, and San Jose International Airport.

Santa Clara County/Silicon Valley

San Jose is the hub of the transportation network in the Silicon Valley with over 2,378 miles of public and private roadways. This area is served by the Bay Area's four major highways (U.S. 101, Interstate Highways 280, 680, 880/17). Silicon Valley commuters and San Jose residents can also use regional Highways 17, 85, 87, and 237 for trips within the area. These regional highways are an important link in the transportation system because 90 percent of San Jose's workforce lives in Santa Clara County, with an average 12 mile commute trip of 28 minutes.

In June 2002, the Texas Transportation Institute (TTI) released the 2002 Urban Mobility Report, analyzing traffic congestion in 75 urban areas throughout the United States. San Jose was among the worst in the country, ranking ninth on the list in 2002 (based on traffic data from 2000). San Jose drivers were delayed an average of 74 hours annually during peak travel hours in 2000. Los Angeles area drivers endured the longest delays in the country – 136 hours per year.

The 2002 Urban Mobility Report was produced by TTI and funded by a consortium of ten state transportation agency sponsors, including the California Department of Transportation. TTI is a member of the Texas A&M University System and is the largest university-affiliated transportation research agency in the nation.

The continued rise in traffic congestion associated with the transportation network in the San Francisco Bay Area makes the area's public transportation system an important option for those commuting into and out of the San Jose area. Public transportation is provided by the Santa Clara VTA, which operates light rail, bus systems, and Caltrain. Each system offers unique transit opportunities for area residents and commuters. The Norman Y. Mineta San Jose International Airport also serves the area.

A key strategy in San Jose's Smart Growth plan for "Transit-Oriented Development" is locating both housing and businesses along public transit corridors, including light rail, heavy rail, and bus lines. Officials anticipate that if they

Valley Transportation Authority Bus System

Area bus service administered by VTA includes 2,830 miles of transit routes and 4,780 stops that cover Santa Clara County with as many as 400 buses during peak commute hours. Buses and shuttles also provide important connections with BART, VTA light rail, Caltrain, and across the Santa Cruz Mountains. In February 2003, the VTA announced it would reduce the frequency of service and change routes for most of its 72 bus lines. The system handles more than 41.2 million passenger trips each year.

Caltrain

This heavy rail system (diesel locomotive) extends from Gilroy in the south, through downtown San Jose, up the peninsula north to San Francisco (see Map 4 below). As many as 60 daily trips are made from San Francisco to San Jose in as little as 60 minutes. Santa Clara riders make 9.8 million passenger trips each year on Caltrain.

Map 5
Caltrain Rail System



Norman Y. Mineta San Jose International Airport

Located ten minutes from downtown San Jose, the Norman Y. Mineta San Jose International Airport serves domestic and international travel needs for area residents and the business community. The airport is the 37th busiest airport in the United States, accommodating 13 million passengers in 2001 and offers non-stop service to 57 U.S. cities and many international destinations. Airport passenger traffic has increased more than 60 percent between 1996 and 2001, prompting a move by administrators to call for expansion to accommodate this rapid growth. The San Jose City Council adopted several plans to increase airport capacities in 1997. Assuming no impact to these plans due to budget constraints, by 2010 the airport will be able to accommodate 17.6 million passengers annually.

Agency Space Consolidation Requirements

The DGS planning staff develops detailed questionnaires each time they begin studying a different real estate market in California. These questionnaires are designed to solicit information about properties occupied by state agencies in the region under review. Questionnaires were sent to all state agencies occupying leased office space, DGS-owned office space, and agency-owned office space, giving each the opportunity to do two things:

1. Review information about their buildings contained in the DGS' SPI database, making any necessary changes or comments.
2. Explain agency programs housed in the space and outline their specific space requirements.

A variety of information regarding the state's real estate holdings in the Santa Clara Region was gathered from numerous sources, including:

- Responses to questionnaires
- Follow-up conversations with agency Business Services Office staff
- Existing occupancy data in the DGS' SPI database
- Conversations with management and staff from all five branches within RESD
- Information contained in DGS' real property and lease files

A comprehensive analysis of all information on each of the state offices in the region resulted in the identification of state agencies with programs that would be appropriately housed in a multi-tenant state office building. Appendix 1 summarizes occupancy data for all agencies included in this region.

A. Consolidatable State Office Space

The table below summarizes the DGS-owned office space, agency-owned office space, and leased office space (both consolidatable and non-consolidatable) in the Santa Clara Region. The table lists the totals for each category by county and totals all four categories of information by county and for the entire region.

Table 5
State Office Space Occupancy Summary

<i>County</i>	<i>Leased Office Space</i>		<i>DGS- Owned (GSF)</i>	<i>Agency- Owned (GSF)</i>	<i>County Totals</i>
	<i>Consolidatable (NSF)</i>	<i>Non- Consolidatable (NSF)</i>			
Santa Clara	102,404	167,439	108,561	91,797	470,201
Alameda	36,236	28,903	0	35,450	100,589
Contra Costa	72,375	43,313	0	53,646	169,334
Regional Totals	211,015	239,655	108,561	180,893	740,124

The table above shows that nearly half of all consolidatable leased office space is located in Santa Clara County (102,404 NSF), with 93 percent of that space located in the City of San Jose (94,972 NSF). Those agencies deemed to be housed in consolidatable leased office space are considered appropriate tenants for a multi-tenant state office building. This assumes that these agencies have no specific geographic restrictions regarding the location of their offices and that the proposed location would allow them to efficiently serve the area(s) their programs are designed to assist.

Currently, the DGS owns only one multi-tenant state office building in the region: the Alfred E. Alquist Building located at 100 Paseo de Antonio in downtown San Jose. The building is 100 percent occupied by 11 state agencies. The table on page 53 summarizes the tenant mix in the building, listing each agency, the amount of office space they occupy, and the number of employees in each space.

Table 6
Alfred E. Alquist Building Tenants

<i>Agency</i>	<i>Office Space (NSF)</i>	<i>Employees (Full-Time)</i>
Industrial Relations	24,461	150
Board of Equalization	20,966	133
Health Services	13,340	50
Rehabilitation	11,024	49
Assembly	4,102	20
Alcoholic Beverage Control	3,637	16
Senate	3,370	18
General Services	1,948	7
Housing and Community Development	1,350	8
Consumer Affairs	1,170	1
Highway Patrol	700	0
Totals	86,068	452

State agencies receiving questionnaires for this Plan employ over 2,200 staff in the Santa Clara Region. The state leases nearly 451,000 NSF of office space in the region; over 211,000 NSF (47 percent) is considered consolidatable. The amount of consolidatable leased office space for the three counties in the region is listed below:

- Santa Clara County – 102,404 NSF (38% of the 269,843 NSF leased)
- Alameda County – 36,236 NSF (56% of the 65,139 NSF leased)
- Contra Costa County – 72,375 NSF (63% of the 115,688 NSF leased)

The 86,068 NSF Alfred E. Alquist Building in downtown San Jose is also classified as consolidatable office space. State agencies already occupying multi-tenant state-owned buildings are still considered to be consolidatable because their programs make them compatible for future consolidation projects in the region. In addition to the Alfred E. Alquist Building, the state leases an additional 94,972 NSF in San Jose

that is also considered consolidatable. Appendix 1 identifies all DGS-owned and leased office space, using a “Y” to indicate agencies that are considered to be suitable for future consolidation projects.

Several other state agencies, including DMV, CHP, Fish and Game, and EDD, own office space in the Santa Clara Region. However, all of these properties are field offices or small, satellite offices. While these types of offices are sometimes considered for consolidation projects, more often they are not included as potential tenants for a multi-tenant state office building for several reasons:

- The agency owns its field office “free and clear”, making it more cost effective to stay in its current building than to move to a new state office building and pay its prorata share of bond payments necessary to finance construction;
- The agency has a specific geographic area it serves and cannot effectively function in a downtown location that is out of the area it serves;
- The agency has unique facility needs that cannot be accommodated in a multi-tenant state office building located in an urban area.

Instances when a state agency that already owns its own field office or satellite office might be a potential candidate for a multi-tenant state office building would be:

- The building it owns is obsolete and no longer meets their program needs;
- The building is in an area of rapid growth, making the site attractive to developers interested in changing the land use (residential, commercial, etc.);
- A new state office building is proposed within the geographic area it serves and any unique features and build out requirements can be incorporated into the design of the new building.

B. Non-Consolidatable State Office Space

State agencies occupy a combined 239,655 NSF of non-consolidatable leased office space in the Santa Clara Region. The following state agencies lease office space in the region and were determined to be non-consolidatable: CHP, DMV, EDD, Corrections (parole offices), Youth Authority, and Justice. Some of the reasons agencies are determined to be incompatible with a multi-tenant state office building located in an urban area include:

- Law enforcement programs are often better suited for single tenant building
- Program generates excessive vehicular traffic or public parking needs
- Program generates excessive pedestrian traffic
- Program serves a specific geographic area
- Program has unique facility or build out needs that cannot be met in a multi-tenant office building
- Multi-tenant state office building location may be less accessible to clients

Appendix 1 identifies all state agencies in the planning area, using an “N” to indicate agencies that are considered non-consolidatable.

Location Recommendations

Locating office space for state agencies in real estate markets throughout California is a challenging job for the DGS leasing and planning staff. Agencies often have a variety of different office space requirements that must be weighed against the types of suites and buildings that are available at the time of their search. Many different factors must be evaluated when deciding on how best to house agencies programs including:

- Geographic area(s) they serve;
- Geographic area where a majority of their clients reside;
- Proximity to local, state, or federal programs with frequent interaction;
- Best location they can afford given a finite budget; and
- Quality of office space they can afford given a finite budget.

This micro-approach to procuring office space considers only the needs of a specific state agency at a particular point in time; a location is chosen exclusively based on what would be in the best interests of the individual agency.

The DGS planning staff take a more macro-approach to locating state agencies, examining all agencies occupying space in a specific market. Planning staff use agency questionnaires, conversations with Business Services Office staff, market data, the DGS' leasing, planning, and portfolio management staff's expertise in the market, and their own knowledge of state agencies and programs to determine appropriate locations for all agencies in the region. The focus is to identify facility alternatives that are cost effective, responsive to agencies' facility needs, and are consistent with the state's asset management policies and directives. Regional plans authored by the DGS planning staff consider the current

locations of agencies in the region and, after extensive analysis, determine which agencies are compatible, general office spaces users that could be adequately housed in a multi-tenant office building in a downtown area. Regional plans guide management of the state's real estate portfolio in markets all over California, in an effort to house agencies in office space that meets or exceeds their expectations, while aggressively managing the state's overall facility and real estate costs.

After an analysis of the state's real estate portfolio in the Santa Clara Region, only the City of San Jose had a sufficient concentration of consolidatable leased office space (94,972 NSF) to justify further study of a possible office consolidation project. Alameda County and Contra Costa County, with 36,236 NSF and 72,375 NSF respectively, did not have enough consolidatable leased office space to merit office consolidation projects at this time. Also, the leases in these two counties were dispersed between as many as six different cities, making a centralized location to serve programs in these geographic locations impractical.

A downtown site is the recommended location for a new office consolidation project in San Jose. Local government, including, the City of San Jose and County of Santa Clara, are making major financial commitments by moving large numbers of staff from suburban to downtown offices.

Locating downtown would also be consistent with Executive Order D-46-01, which promotes "Smart Growth" policies in the siting of state buildings and facilities. Smart growth principles dictate that a denser urban environment is preferable to a low-density downtown, which would force both employers and citizens away from downtown, creating "urban sprawl". Smart growth also recognizes that millions of dollars have been spent on public transit infrastructure designed to move people in and out of downtown efficiently. Lastly, the development of high-density housing in downtowns is becoming increasingly more popular and profitable, as employees want to be closer to their jobs to avoid long commutes. More people living in downtowns "activate" the pedestrian environment and patronize businesses more at night and on weekends. All of these trends create healthier downtowns and healthier local economies.

While a downtown site is the recommended location for any office consolidation project in San Jose, several challenges with construction in an urban environment must be acknowledged:

- Assembling a site capable of accommodating all office, parking, retail, and open space in an area that is almost completely built out can be difficult; purchasing two or more adjacent sites may be necessary and complicates the site acquisition process.
- Proximity to other buildings makes construction, demolition of existing improvements, and hazardous materials abatement more difficult.
- No staging area for job-site materials may require transporting materials in periodically from remote locations, creating a slower overall project construction schedule.
- Traffic controls around the site will be more difficult than in a suburban area.

Due to the time constraints necessary to justify and approve a project like the one studied in this Plan, no specific sites or buildings currently available for sale or lease are discussed in this Plan. San Jose Redevelopment Agency staff shared information regarding possible office development sites in the downtown area but did not indicate a willingness to provide a site they control to accommodate a state office project. Several potential scenarios for the procurement of an office consolidation project in downtown San Jose are described below:

- An existing downtown office site currently being marketed.
- A downtown site that is currently encumbered by improvement(s) that could be reused, renovated, or demolished to accommodate a project.
- An existing downtown building that is substantially or completely vacant and available for sale.

- An existing downtown building that is substantially or completely vacant that is available for long-term lease with a purchase option.

The site of the current Alfred E. Alquist Building in downtown San Jose must also be considered. The 1.64-acre site is currently occupied by a three-story, 108,561 GSF office building completed in 1983. It has an excellent location, with a VTA light rail station adjacent, one block from San Jose State University, and three blocks from both the convention center and the City of San Jose's new 550,000 SF civic center project, currently under construction.

The 20-year-old Alfred E. Alquist Building has no on-site parking, no ground floor retail, and does not take advantage of a higher development density possible for the site. The heights of buildings adjacent to the state building are a minimum of five to six-stories, and include both high-density housing and office buildings. The site is underutilized with the current building and a new development project could accommodate all current occupants of the Alfred E. Alquist Building (86,068 NSF) as well as all consolidatable state offices currently located in leased space throughout the City of San Jose (94,972 NSF).

Officials from the San Jose Redevelopment Agency have expressed interest in a new, larger state office building on the site that would include ground floor retail, consistent with their goals to continue to bring after-hours retail and entertainment to the area. A preliminary site assessment suggests the site could accommodate a 181,000 NSF office building and associated parking, as well as some ground floor retail and an outdoor child care area. This larger building size (181,000 NSF) would house all current tenants in the Alfred E. Alquist Building and all consolidatable state office leases in the City of San Jose.

The next three chapters will present the alternatives for procuring a multi-tenant state office building in downtown San Jose. Chapter 5 examines all of the alternatives considered; Chapter 6 analyzes the alternatives which were determined to be feasible; and Chapter 7 discusses the implementation of the recommended alternative(s).

Alternatives for Meeting Space Needs

A. Planning Considerations

The office consolidation concepts and specific alternatives for each concept presented at the end of this chapter were the result of compiling and analyzing data and information from many sources, including:

- Agency responses to DGS real estate questionnaires.
- Conversations with agency Business Services Office staff.
- Correspondence and conversations with local government planning staff.
- Correspondence and conversations with local redevelopment agency staff.
- DGS staff field reviews of state-owned and leased office properties.
- Market research.
- Economic analysis of alternatives.

Agency Responses to Space Needs Questionnaire

An analysis of agency responses to the DGS' real estate questionnaire identified nine different San Jose locations that could be appropriately housed in a multi-tenant state office building; these agencies currently occupy 94,972 NSF of office space. The agencies identified many specific space requirements they deemed necessary to effectively deliver their respective programs. A summary of each questionnaire returned by agencies proposed for an office consolidation project in San Jose is presented on the following pages.

- Court of Appeal, 333 West Santa Clara Street - San Jose (29,601 NSF)

This 6th District Court of Appeal office hears cases originating in the four-county (Santa Clara, Santa Cruz, San Benito, and Monterey Counties) district it serves. This agency prefers a multi-tenant office building in a Central Business District or a stand-alone courthouse. They must be located in the four-county district they serve and are currently located in San Jose because it is the population center of the 6th District. The only special build out requirement noted was secure parking for justices and convenient parking for the public.

- Department of Transportation, 475 Holger Way – San Jose (19,550 NSF)

This office houses a design unit for the Department of Transportation. The agency identified three special requirements for this office: a location near both county offices and the Department of Transportation District office, and on-site parking for some state vehicles. The agency prefers an independent field office with easy access to freeways and stated they would not be an appropriate tenant for a multi-tenant state office building. As a specific location for a state project has not yet been determined, the DGS planning staff believe this office is compatible with other agencies and have included it as a potential tenant for the proposed office consolidation project.

- Social Services, 111 North Market Street – San Jose (13,599 NSF)

This office houses the Community Care Licensing and Day Care programs, which carry out Title 22 compliance in a four-county area. Their questionnaire response stated they would be an appropriate tenant for a multi-tenant office building. The agency cited more storage area for case files, office space for one investigator, and parking for one state vehicle on-site at all times as its unmet facility needs. They also noted that parking costs are continuing to rise, making parking for both staff and visitors difficult at their current location.

- **Industrial Relations, 2010 North First Street – San Jose (5,004 NSF)**

This office contains the Division of Occupational Safety and Health, which is responsible for ensuring safe and healthy working conditions for California employees. Staff conduct ongoing site reviews in surrounding cities. At one time, the program requested Plexiglas be installed for security reasons. The agency also acknowledged it would be an appropriate tenant for a multi-tenant office building.
- **Consumer Affairs, South Winchester Blvd. – San Jose (3,962 NSF)**

This is a Bureau of Automotive Repair (BAR) field office that serves Santa Clara County consumers, auto repair dealers, and smog check program operations. The BAR office requires parking for consumers, state vehicles, and staff. This program could be housed in a multi-tenant office building.
- **Consumer Affairs, 1735 Technology Drive – San Jose (3,671 NSF)**

This office is an enforcement branch of the Medical Board of California (MBC). The MBC investigators are peace officers, they carry firearms, work a flexible work schedule (including late nights and weekends), and require access to their office 24 hours a day, seven days a week. Their questionnaire response indicated they would prefer an independent field office or leased space. Special build out requirements include a locked/secure evidence room to hold evidence, weapons, and ammunition. While this office is not a typical tenant in a multi-tenant office building, the programmatic needs could be accommodated in a proposed office consolidation project.
- **Rehabilitation, 1331 Piedmont Road – San Jose (3,515 NSF)**

This office assists Californians with disabilities in obtaining and retaining employment and maximizing their ability to live independently in their communities. They require first floor office space and disabled and van accessible parking for their clients. This program could be housed in a multi-tenant office building.

- Fair Employment and Housing, 111 North Market Street – San Jose (3,285 NSF)

This office provides enforcement of discrimination laws (employment, housing, public accommodation, and hate crimes) through complaint processing and investigations. The program's ideal location would be a multi-tenant office building in a Central Business District and should be located in San Jose to properly serve their regional area. The only facility requirement noted was free or low-cost parking for clients that may not be able to afford high parking costs in San Jose.

- Social Services, 359 Northlake Drive – San Jose (1,073 NSF)

This office provides advocacy for people with developmental disabilities. Their questionnaire indicated they need more record storage area, a conference room, and parking for meetings and training. The staff attends meetings daily in a four-county area and need a central location with good freeway access. The agency stated it would not be an appropriate tenant for a multi-tenant state office building. However, the identified program requirements could be accommodated in a proposed office consolidation project.

Existing Conditions at the San Jose State Building

The Alfred E. Alquist Building in downtown San Jose is currently fully occupied and at an acceptable level of repair. Two special repair projects involving the roofing and HVAC systems are scheduled to be performed in the near future. These repair projects will improve the comfort of state tenants and resolve costly and time-consuming maintenance issues for property management staff. After the completion of this work, the building will be in good condition, with only minor, periodic maintenance issues to address. This Plan presents a detailed description of the building's current condition in Chapter 2.

An analysis of the DGS questionnaires of agencies housed in the Alfred E. Alquist Building indicated that the building meets most of their individual space requirements. Ten different agencies occupying space in the building answered questionnaires sent by the DGS planning staff; only one

agency offered any specific comments about the building. Staff from the Department of Housing and Community Development observed that public access to the building was poor and that parking in the area was very expensive. They also noted that access from the parking lot (a city-owned parking structure south of the state building) to the building is poor, especially for their elderly clients.

Unfortunately, the lack of on-site parking is a design issue that cannot be resolved. However, the building is well-served by public transit, with a light rail station adjacent to the building and extensive bus service in downtown San Jose.

Availability of Lease Space

The Silicon Valley office market is currently one of the softest markets in the country, with lessees and buyers having all of the negotiating leverage. Vacancy rates are very high in most submarkets and rents have plunged since the dot com industry downturn began in 2000 (see Chapter 2 for a detailed description of market conditions). Downtown San Jose has the lowest vacancy rate, the highest average rental rates, and the least amount of existing office space of all submarkets in the Silicon Valley. Large blocks of office space appropriate for a state office consolidation of either 95,000 NSF or 181,000 NSF do not currently exist in the downtown area. The N. First Street/San Jose Airport submarket, which is several miles north of downtown San Jose, has many existing and proposed office buildings that could accommodate a state office consolidation. Some modifications to these existing buildings would need to be made prior to occupancy to meet the state's build out requirements; however, even with the costs of modifications, the cost of leasing an existing building with a purchase option are dramatically less than constructing a new state office building.

Consolidation Opportunities

The City of San Jose was the only city in the Santa Clara Region with enough consolidatable leased office space to justify a state office project at this time. The State of California has a significant presence in the city and will continue to require a substantial amount of office space to effectively deliver state programs to over 918,000 San Jose residents as well as the greater Silicon Valley region (Santa Clara, Campbell, Mountain View, Sunnyvale, and Fremont). The volatility of office rents in the San Jose market is another reason to consider a project in the city, insulating the state from sudden increases in rents that periodically affect this market.

Table 7 below represents the proposed state tenants for an office consolidation project in the City of San Jose.

Table 7
Consolidatable Office Space in San Jose

<i>Lease #</i>	<i>Agency</i>	<i>Address</i>	<i>Office Space</i>	<i>Rent</i>	<i>Rent/SF</i>	<i>Firm Date*</i>
2772001	Industrial Relations	2010 N. First Street	5,004	\$8,598	\$1.72	12/31/98
2763001	Rehabilitation	1331 Piedmont Road	3,515	\$9,450	\$2.69	8/31/99
2753003	Social Services	111 N. Market Street	13,599	\$26,333	\$1.94	12/31/01
4583001	Social Services	359 Northlake Drive	1,073	\$3,050	\$2.84	9/30/02
Consolidatable Office Space Totals - Now			23,191	\$47,431	\$2.30	Average
4800001	Transportation	475 Holger Way	19,550	\$60,019	\$3.07	4/30/04
Consolidatable Office Space Totals - by 4/30/04			42,741	\$107,450	\$2.45	Average
2753001	Fair Employment and Housing	111 N. Market Street	3,285	\$12,812	\$3.90	6/30/05
Consolidatable Office Space Totals - by 6/30/05			46,026	\$120,262	\$2.69	Average
2779001	Consumer Affairs	1735 Technology Drive	3,671	\$8,822	\$2.40	5/31/06
2749003	Court of Appeals (6th District)	333 W. Santa Clara Street	1,819	\$8,819	\$4.85	6/30/06
2766001	Consumer Affairs	1361 S. Winchester Blvd.	3,962	\$8,914	\$2.25	12/1/06
Consolidatable Office Space Totals - by 12/01/06			55,478	\$146,817	\$2.85	Average
2773001	Franchise Tax Board	96 N. Third Street	9,893	\$36,702	\$3.71	5/31/07
2749002	Court of Appeals (6th District)	333 W. Santa Clara Street	29,601	\$85,690	\$2.89	9/30/07
Consolidatable Office Space Totals - by 9/30/07			94,972	\$269,209	\$2.93	Average

* Firm date - date when agency may vacate current space without penalty

B. Consolidation Concepts

Three office consolidation project concepts were developed to address the state's office space needs in the city of San Jose. Costs associated with continuing to lease at 11 current locations (status quo) were also calculated and are presented in Chapter 6. These concepts involve only agencies that could be appropriately housed in a multi-tenant state office building. The concepts considered were:

Concept #1

Secure 95,000 NSF of office space in the City of San Jose, allowing the consolidation of 11 different leases into a single building on a site to be determined.

Concept #2

Secure 181,000 NSF of office space in the City of San Jose, allowing the consolidation of 11 different leases and 86,000 NSF of tenants in the Alfred E. Alquist Building to occupy a single, multi-tenant state office building on a site to be determined.

Concept #3

Secure 181,000 NSF of office space in the City of San Jose, allowing the consolidation of 11 different leases and 86,000 NSF of tenants in the Alfred E. Alquist Building to occupy a single, multi-tenant office building on the current site of the state building. The current state-owned building would be demolished and a new building would be constructed on the state-owned land.

Each of the three concepts could be implemented by three different procurement alternatives:

1. Single Lease – consolidate leases into a single, leased building with no purchase option.
2. Lease with Purchase Option – consolidate leases into a single, leased building with a purchase option.

3. Capital Outlay – consolidate leases into a single, new building using tax exempt lease revenue bond financing.

Space Requirements for Consolidation Concepts

The two building sizes proposed for the office consolidation project in San Jose were determined by the current amount of office space occupied by each agency. Additional space to accommodate future growth was not added to the proposed building. Concept #1 considered a building of 95,000 NSF, which would allow for the consolidation of 11 leases dispersed throughout San Jose into a single building. Concepts #2 and #3 considered a building of 181,000 NSF, which could accommodate the 11 leases as well as 86,000 NSF of state tenants currently housed in the Alfred E. Alquist Building.

C. Parking and Site Requirements

Parking requirements for new office development in the City of San Jose requires that new office space supply 3.0 parking spaces per 1,000 GSF of building area. The city further advises that this ratio should be treated as the maximum allowable parking supply for new downtown office buildings. Under the city's guidelines, three adjustments to this ratio would be appropriate:

- The rate could be reduced by 15 percent to 2.55 spaces per 1,000 GSF with the building's participation in a travel demand management program.
- The rate would be reduced over time to reflect the increasing role of transit, carpool/vanpool, and walking as mode of arrival to downtown office buildings.
- A portion of the total parking requirements would be provided in an off-site location.

One of the goals of San Jose's Strategy 2000 is to achieve a 25 percent transit mode split for commuters by the year 2010. If additional bus and light rail service to downtown is provided, the travel demand management program is effective, and downtown housing development continues to be successful, the 25 percent transit mode split goal would likely be met. If those three goals are achieved by 2010, the office parking ratio could be reduced from 3.0 to 2.0 parking spaces per 1,000 GSF.

After discussions with San Jose parking staff and consideration that a new state office building in downtown San Jose would likely not be completed until 2009, a ratio of 2.0 spaces per 1,000 GSF was used for the three cost estimates included in this Plan.

The state encourages its employees to utilize alternative modes of transportation in commuting to and from the office whenever possible. Several state programs offer incentives for state employees to use public transit, carpool, or vanpool. The programs have been successful at reducing the number of state employees that commute to work in single-occupant vehicles.

The size of the site used for the three cost estimates was determined by the average size of a commercial block in downtown San Jose (4.4 acres). Many existing and proposed office projects are constructed on quarter-block sites (1.1 acres). Concepts #1 and #2 used a site size of 1.1 acres, consistent with development in downtown San Jose. Concept #3 used a site size of 1.63 acres, the size of the site that currently accommodates the Alfred E. Alquist Building; this concept would demolish the existing state building and construct a new, larger office building on the site.

D. Feasible Alternatives

The three office consolidation concepts and the three procurement alternatives for each concept were presented in Section B of this chapter. All concepts were determined to be feasible options for addressing the state's office space needs in San Jose. The assumptions used by the DGS Project Management Branch staff to develop cost estimates (see Appendix 2) for three proposed consolidation concepts were developed by the DGS planning staff. A matrix detailing the project scopes and assumptions is presented for all three concepts on the following pages.

The costs associated with the three office consolidation project concepts and the three alternatives for each concept are presented in Chapter 6 along with the pros and cons related to each.

Table 8

Concept #1 - Construct a 95,000 NSF state office building in San Jose on a site to be determined

new building size (GSF):	127,000	gross square feet (GSF)
new building size (NSF):	95,000	net square feet (NSF); 75% of GSF
# of floors:	4	total # floors above grade (excludes subterranean parking)
low, mid, or high rise:	mid-rise	low: 1-3 stories; mid: 4-8 stories; high: 9+ stories
parcel size:	1.1 acres	47,916 SF; 1/4 of a typical city block (4.4 acres)
land cost:	\$125/sf	based on land comps and input from local commercial appraiser
estimated construction start date:	4/1/2007	
LEED rating goal (green / sustainable building features):	LEED Silver	Indicate one of four levels: certified, silver, gold, or platinum
topography:	level	describe as level, sloping, urban, suburban, etc.
demolition (if any):	N/A	
hazardous material removal (if any):	N/A	
total # of employees occupying building:	330	
% open space vs. hard wall buildout:	60%/40%	198 cubicles; 132 hard-wall offices; 330 total employees
% modular furniture vs. traditional desk furniture:	100%	new furniture, with a mix of modular and traditional furniture
% for public art:	1%	typically 1% of budget
child care center - Yes or No:	No	# of employees does not meet statutory threshold
child care center - interior & exterior size:	N/A	70 SF per child - interior; 75 SF per child - exterior
BEP cafeteria/vending area - Yes or No:	Yes	vending areas only; no full cafeteria buildout
BEP cafeteria/vending area - interior size:	1,000	size varies depending on project size, location, BEP interest, etc.
retail space (private-sector):	2,000	2% of NSF (95,000 NSF)
parking - surface, garage, subterranean, or combo:	combo	one level below grade and one level at grade
parking - total number of spaces:	254	assumes 400 SF per space (structure)
	127,000	GSF office area
	101,600	GSF parking area
	228,600	Total GSF (GSF office area + GSF parking area)
	47,916	1.1 acre site x 43,560 SF
	2,396	subtract 5% of site for entry plaza, open space, setbacks
	0	subtract 0 SF for child care outdoor play area
	45,520	GSF floor plates
	2.79	# of floors for office area (GSF office area / GSF floor plates)
	2.23	# of floors for parking area (GSF parking area / GSF floor plates)
	5.02	Total # of floors for building (# floors office + # floors parking)
	34,140	NSF floor plates (75% of 45,520 GSF floor plates)

Table 9

Concept #2 - Construct a 181,000 NSF state office building in San Jose on a site to be determined

new building size (GSF):	242,000	gross square feet (GSF)
new building size (NSF):	181,000	net square feet (NSF); 75% of GSF
# of floors:	9	total # floors above grade (excludes subterranean parking)
low, mid, or high rise:	high-rise	low: 1-3 stories; mid: 4-8 stories; high: 9+ stories
parcel size:	1.1 acres	47,916 SF; 1/4 of a typical city block (4.4 acres)
land cost:	\$125/sf	based on land comps and input from local commercial appraiser
estimated construction start date:	6/1/2007	
LEED rating goal (green / sustainable building features):	LEED Silver	Indicate one of four levels: certified, silver, gold, or platinum
topography:	level	describe as level, sloping, urban, suburban, etc.
demolition (if any):	N/A	
hazardous material removal (if any):	N/A	
total # of employees occupying building:	781	
% open space vs. hard wall buildout:	70%/30%	547 cubicles; 234 hard-wall offices; 781 total employees
% modular furniture vs. traditional desk furniture:	100%	new furniture, with a mix of modular and traditional furniture
% for public art:	1%	typically 1% of budget
child care center - Yes or No:	Yes	# of employees above/near statutory threshold
child care center - interior & exterior size:	Yes	4,200 SF interior space; 4,500 SF outdoor play area
BEP cafeteria/vending area - Yes or No:	Yes	vending areas only; no full cafeteria buildout
BEP cafeteria/vending area - interior size:	2,000	size varies depending on project size, location, BEP interest, etc.
retail space (private-sector):	3,500	2% of NSF (181,000 NSF)
parking - surface, garage, subterranean, or combo:	combo	two levels below grade and three levels above grade
parking - total number of spaces:	484	assumes 400 SF per space (structure)

242,000	GSF office area
193,600	GSF parking area
435,600	Total GSF (GSF office area + GSF parking area)
47,916	1.1 acre site x 43,560 SF
2,396	subtract 5% of site for entry plaza, open space, setbacks
4,500	subtract 4,500 SF for child care outdoor play area
41,020	GSF floor plates
5.90	# of floors for office area (GSF office area / GSF floor plates)
4.72	# of floors for parking area (GSF parking area / GSF floor plates)
10.62	Total # of floors for building (# floors office + # floors parking)
30,765	NSF floor plates (75% of 41,020 GSF floor plates)

Table 10

Concept #3 - Demolish an existing 86,086 NSF state office building and construct a new 181,000 NSF state office building on that site

new building size (GSF):	242,000	gross square feet (GSF)
new building size (NSF):	181,000	net square feet (NSF); 75% of GSF
# of floors:	5	total # floors above grade (exclude subterranean parking)
low, mid, or high rise:	mid-rise	low: 1-3 stories; mid: 4-8 stories; high: 9+ stories
parcel size:	1.63	71,003 SF; typical city block (4.4 acres)
land cost:	\$0	existing state-owned office building site
estimated construction start date:	6/1/2007	construction costs escalated to midpoint of project
LEED rating goal (green / sustainable building features):	LEED Silver	Indicate one of four levels: certified, silver, gold, or platinum
topography:	level	describe as level, sloping, urban, suburban, etc.
demolition (if any):	Yes	Demolish three-story, cast concrete building completed in 1983
hazardous material removal (if any):	TBD	
total # of employees occupying building:	781	
% open space vs. hard wall buildout:	70%/30%	547 cubicles; 234 hard-wall offices; 781 total employees
% modular furniture vs. traditional desk furniture:	100%	new furniture, with a mix of modular and traditional furniture
% for public art:	1%	Typically 1% of budget
child care center - Yes or No:	Yes	# of employees above/near statutory threshold
child care center - interior & exterior size:	Yes	4,200 SF interior space; 4,500 SF outdoor play area
BEP cafeteria/vending area - Yes or No:	Yes	vending areas only; no full cafeteria buildout
BEP cafeteria/vending area - interior size:	2,000	size varies depending on project size, location, BEP interest, etc.
retail space (private-sector):	3,500	2% of NSF (181,000 NSF)
parking - surface, garage, subterranean, or combo:	combo	two levels below grade and one level at grade
parking - total number of spaces:	484	assumes 400 SF per space (structure)
	242,000	GSF office area
	193,600	GSF parking area
	435,600	Total GSF (GSF office area + GSF parking area)
	71,003	1.63 acre site x 43,560 SF
	3,550	subtract 5% of site for entry plaza, open space, setbacks
	4,500	subtract 4,500 SF for child care outdoor play area
	62,953	GSF floor plates
	3.84	# of floors for office area (GSF office area / GSF floor plates)
	3.08	# of floors for parking area (GSF parking area / GSF floor plates)
	6.92	Total # of floors for building (# floors office + # floors parking)
	47,215	NSF floor plates (75% of 62,953 GSF floor plates)

E. Other Alternatives Considered

Only one alternative was considered that was not studied in the Economic Analysis presented in Chapter 6: purchasing an existing office building. This alternative was eliminated from further consideration given the state's current budget deficit and low bond rating. The ability of the state to pay cash for an office building or issue revenue bonds to finance such a purchase is not feasible at this time. This alternative was also eliminated because of the state's inability to quickly secure authorization and funding for such a purchase if/when such opportunities arrive in a competitive market environment. The state's traditional procurement process does not allow a specific building to be purchased in a non-competitive environment. Authorization from the Legislature must be secured prior to the release of a Request for Proposals. All offers received would be evaluated and ranked before a building could be purchased. The time this process would take makes successfully purchasing an office building before other buyers without such constraints nearly impossible.

Analysis of Alternatives

A. Economic Comparison of State-Ownership versus Leasing

This chapter compares several methods the State of California may use to finance the cost of housing consolidatable state agencies in the City of San Jose. It compares the cumulative, present value costs of three different office consolidation concepts over a 25-year period, and shares the advantages and disadvantages of each concept and the related alternatives.

Executive Order W-18-91 directs the state to relocate state agencies into DGS-owned buildings where feasible. This goal is practical in cities such as San Jose where agencies have a large presence but are dispersed in leased space throughout the city. The state's office space portfolio is a balance of both owned and leased office space because it is not practical to locate state agencies in 100 percent state-owned office space. Agencies that are considered non-consolidatable (incompatible with other agencies and having needs that cannot be met in a multi-tenant office building) such as CHP, DMV, and EDD are typically housed in stand-alone field offices that are either state-owned or leased. A balanced portfolio allows the state to provide leased office space for agencies that experience staff increases or decreases affected by periodic changes in their programs and population levels in the region they serve. An economic analysis was performed on three office consolidation concepts; a summary of the concepts is described on the following page.

Economic Analysis

The economic analysis presented later in this chapter includes the costs associated with continuing to lease at the current locations in the City of San Jose (status quo) as well as the three occupancy concepts outlined below.

Concept #1

Secure 95,000 NSF of office space in the City of San Jose, allowing the consolidation of 11 different leases into a single building on a site to be determined.

Concept #2

Secure 181,000 NSF of office space in the City of San Jose, allowing the consolidation of 11 different leases and 86,000 NSF of tenants in the San Jose State Building to occupy a single, multi-tenant state office building on a site to be determined.

Concept #3

Secure 181,000 NSF of office space in the City of San Jose, allowing the consolidation of 11 different leases and 86,000 NSF of tenants in the San Jose State Building to occupy a single, multi-tenant office building on the current site of the San Jose State Building. The current state-owned building would be demolished and a new building would be constructed on the state-owned land.

Costs associated with three different alternatives for each of the three broader office consolidation concepts stated above were developed based on current market costs for land, existing buildings, new construction, and financing. Purchasing an office building was not considered for the reasons identified in Chapter 5. Cost differences between Capital Outlay and Lease with a Purchase Option alternatives in-

volve the differences in design elements typically found in office buildings. Government buildings usually have design features not included in typical private-sector office buildings, including:

- Dedicated public service areas, meeting rooms, child care, and cafeterias.
- Institutional quality public lobbies, courtrooms, clinics, and laboratories.
- Safety features, access controls, energy codes, and labor law compliance standards.

Commercial Land Values and Rental Rates

State agencies proposed as tenants for an office consolidation project currently pay an average of \$2.93 per square foot per month, full service. Some of these state leases include tenant improvement costs (costs to prepare the space for the state's occupancy), which agencies sometimes elect to amortize over the term of the lease instead of paying cash for them up front. Adjusted market rents at the end of 2002 for office space in downtown San Jose averaged \$2.92 NSF per month, full service. The \$2.92 NSF rent was used in the economic analysis, as occupancy cost comparisons are based on a 25-year period that begins in 2008. All current leases proposed for this consolidation project have firm term expiration dates of no later than 2007, so it is assumed that the rates to renew leases would be closer to current market rates at that time.

Land values in San Jose were difficult to establish because few sales have occurred during the last two years. Owners are forced to hold the land they control in the market because there is almost no construction activity. Local commercial real estate sources assisted the DGS planning staff with arriving at a downtown land value of \$125 per square foot in downtown San Jose, based on sales that occurred in 1999 and 2000 and an assessment of current market conditions; this value was applied for Concepts #1 and #2.

Estimating Total Project Costs in Ownership Alternatives

Three concepts to consolidate state agencies in San Jose were analyzed. In each case, the estimated total project cost includes design, construction, tenant improvements, workstations, fees, and construction management (where applicable). The cost of off-site improvements, telecommunications, and moving were not included in the analysis as those costs are incurred in all alternatives.

Other Costs of Consolidation

Some direct and indirect costs are not included in the estimated total project costs developed for this study. Moving expenses and telecommunications equipment purchases are necessary indirect costs for agencies when they relocate. These one-time costs are typically funded through agency support budgets rather than included in bond issues for debt funded projects and are not included in the model. Lost productivity is an indirect cost associated with moving due to physical disruption of the office environment. No cost has been assigned as it is difficult to quantify. However, direct costs such as modular office furnishings are essential to the efficient occupancy of a building and were included in the total project cost.

State-Ownership versus Leasing

Three consolidation concepts were analyzed for San Jose, with project sizes of 95,000 NSF (Concept #1) and 181,000 NSF (Concepts #2 and #3). Three financing alternatives were considered for the three concepts, which were stated earlier in this chapter. One of the alternatives presented, Multiple Leases, represents the cost to continue leasing office space at current locations. This alternative does not consolidate any agencies into an office building and was shown for informational purposes only.

The present values of the total project costs over a 25-year period in the table on the next page were based on the following assumptions:

- The Single Lease alternatives were assigned a 10 percent discount over the Multiple Leases alternatives because a more aggressive rate could be negotiated for one, large lease compared to rates for 11, smaller leases.
- The Lease with Purchase Option alternatives used \$300 per square foot for a purchase price.
- The Capital Outlay alternatives were based on construction cost estimates prepared by DGS' Project Management Branch based on information and assumptions provided by DGS' Asset Planning and Enhancement Branch.
- The Multiple Leases (status quo) cost calculation used an adjusted market rental rate of \$2.92 NSF, per month (full service). This rent was then escalated at two percent annually over the period.

Three office consolidation project concepts with three financing alternatives for each are presented in Table 8 on the following page. Costs associated with continuing to lease at 11 current locations (status quo) was also calculated and is presented for informational purposes only. The three office consolidation concepts are summarized below.

1. Single Lease (consolidate 11 leases in 9 locations into a single building)
2. Lease with Purchase Option (acquire existing or build-to-suit building)
3. Capital Outlay (develop new building using bond financing)

Table 11
Concepts

<i>Concepts</i>	<i>Alternative 1 Single Lease</i>	<i>Alternative 2 Lease with Purchase Option</i>	<i>Alternative 3 Capital Outlay</i>	<i>Multiple Leases (Status Quo)</i>
-----------------	---------------------------------------	---	---	---

CONCEPT #1 - Partial Consolidation [95,000 NSF office building; Site: To be determined]				
Total Development Cost (excluding financing)	-	-	\$52,536,000	-
Total Bond Amount	-	-	\$62,228,670	-
Present Value (25-year period)	\$55,224,409	\$19,818,728	\$30,349,491	\$60,843,735
Monthly Rent (Full Service/NSF)	\$2.85	\$2.37	\$3.87	\$3.14

CONCEPT #2 - Full Consolidation [181,000 NSF office building; Site: To be determined]				
Total Development Cost (excluding financing)	-	-	\$88,277,000	-
Total Bond Amount	-	-	\$104,563,733	-
Present Value (25-year period)	\$105,217,033	\$37,764,821	\$51,715,201	\$115,923,327
Monthly Rent (Full Service/NSF)	\$2.85	\$2.37	\$3.41	\$3.14

CONCEPT #3 - Full Consolidation [181,000 NSF office building; Demolish existing state office Building; construct new building on state-owned site]				
Total Development Cost (excluding financing)	-	-	\$87,182,000	-
Total Bond Amount	-	-	\$103,266,710	-
Present Value (25-year period)	\$105,217,033	\$37,764,821	\$51,149,120	\$115,923,327
Monthly Rent (Full Service/NSF)	\$2.85	\$2.37	\$3.37	\$3.14

Assumptions

- “Lease with Purchase Option” and “Capital Outlay” include equity buildup as part of analysis.
- “Single Lease” assumes 10 percent rent discount over “Multiple Leases”.
- “Lease with Purchase Option” based on building price of \$300 per square foot.
- Present value discount rate: 5.10 percent.
- Bond finance rate of 5.10 percent.
- Lease rate inflation factor: two percent annually.
- Operations and maintenance (O&M): \$.90 per square foot, per month.
- O&M inflation factor: two percent annually.
- All dollars are escalated to year 2008 values.

B. Comparison of Alternatives

The advantages and disadvantages of feasible alternatives for an office consolidation project in the City of San Jose are summarized on the following page.

**Table 12
Comparison of Concepts**

	CONCEPT #1 - PARTIAL CONSOLIDATION (95,000 NSF): Consolidate 11 state agencies leasing office space into a single, private-sector office building.	CONCEPT #2 - FULL CONSOLIDATION (181,000 NSF): Consolidate 11 state agencies leasing office space and 11 state agencies housed in the Alquist Bldg. into a multi-tenant state office building on a site to be determined.	CONCEPT #3 - FULL CONSOLIDATION (181,000 NSF): Consolidate 11 state agencies leasing office space and 11 state agencies housed in the Alquist Bldg. into a multi-tenant state office building on the current site of the Alquist Bldg.	STATUS QUO - Multiple Leases: Continue to lease office space for 11 state agencies at numerous locations throughout the City of San Jose.
Concepts >>>>>				
Advantages	<ul style="list-style-type: none"> Continued occupancy of Alquist Bldg. maintains below market rate. Consistent with consolidation goals in EO W-18-91. Consistent with EO D-46-01. Continued occupancy of Alquist Bldg. recognizes state's large capital investment in building. 	<ul style="list-style-type: none"> Consolidate 11 leases and 11 agencies in the Alquist Bldg. into a single, larger bldg. Consistent with consolidation goals in EO W-18-91. Consistent with EO D-46-01. Sale of Alquist Bldg. allows redevelopment of site into mixed-use project, consistent with goals of San Jose Redevelopment Agency. 	<ul style="list-style-type: none"> Consolidate 11 leases and 11 agencies in the Alquist Bldg. into a single, larger bldg. Consistent with consolidation goals in EO W-18-91. Consistent with EO D-46-01. Demolition of Alquist Bldg. allows redevelopment of site into mixed-use project, consistent with goals of San Jose Redevelopment Agency. 	<ul style="list-style-type: none"> Flexibility to expand and contract office space to agency needs. Ability to site each agency in a location to maximize efficiency of program delivery.
Disadvantages	<ul style="list-style-type: none"> Smaller project size minimizes savings from economies of scale. Location of building may impact efficiency of program delivery for some agencies. Two buildings in two different locations in San Jose will increase management, maintenance, and operations costs. 	<ul style="list-style-type: none"> Rents for agencies formerly housed in the Alquist Bldg. would increase. Location of building may impact efficiency of program delivery for some agencies. Cost of purchasing a development site would increase total project cost. 	<ul style="list-style-type: none"> Rents for agencies formerly housed in the Alquist Bldg. would increase. Location of building may impact efficiency of program delivery for some agencies. Cost of demolishing the Alquist Bldg. would increase total project cost. 	<ul style="list-style-type: none"> Inconsistent with EO W-18-91. Inconsistent with EO D-46-01. Market rental rates dictate long-term occupancy costs.
Leased Space to be Consolidated	94,972 NSF	94,972 NSF	94,972 NSF	0
DGS-Owned Space Provided	95,000	181,000 NSF	181,000 NSF	0
No. of Offices Consolidated	11	22	22	0

Note: Three different procurement alternatives may be used to address the proposed consolidation concepts listed above: 1. Single Lease (no equity), 2. Lease with a Purchase Option (equity), and 3. Capital Outlay (equity). Alternative 1 (Single Lease) is the only alternative that would not offer the state the opportunity to own a building. Alternative 2 (Lease with a Purchase Option) and Alternative 3 (Capital Outlay) would allow the state to own a building. Detailed cost information for all procurement alternatives can be found in Chapter 6, Table 11.

C. Recommendations

The most cost-effective method to consolidate state agencies in San Jose, as indicated by the economic analysis performed on the procurement concepts, is to secure a long-term lease with a purchase option on a 95,000 NSF existing office building or a building to be constructed by a private-sector developer. Considerations that support this recommendation include:

- Tenants have all of the leverage in the San Jose market with high vacancy rates and no new construction. It is anticipated that many developers and building owners would be interested in providing a long-term lease with a purchase option to the State of California.
- Total project costs over a 25-year period are significantly less for the Lease With Purchase Option alternatives than the Capital Outlay alternatives.
- The Multiple Leases and Single Lease alternatives offer no ownership position in a building. These alternatives were rejected as they are not fully consistent with the equity goals included in Executive Order W-18-91. Consequently, the state cannot control its long-term occupancy costs as a tenant.
- There is no programmatic need to consolidate the agencies in the 11 existing leases and agencies currently occupying the Alfred E. Alquist Building into a single office building. A partial consolidation, with the state having equity positions in two different office buildings, is the most economically and programmatically feasible approach.
- The San Jose Redevelopment Agency does not have a specific area in San Jose it would prefer the State of California locate. Preliminary discussions with local government officials indicated they would be supportive of a partial office consolidation project outside of the downtown core.

- Public transit in San Jose is far above average, with many areas of the city well-served by light rail, Caltrain, and buses. This makes opportunities outside of the downtown area more viable as transit access is mandated for state office projects.

Implementation Recommendations

A. Overview

This 2002 Santa Clara Regional Facilities Plan is classified by the DGS planning staff as a “full” regional plan. These “full” regional plans are produced every five years for real estate markets throughout California and contain specific recommendations and implementation strategies designed to lower long-term occupancy costs and increase the efficiency of program delivery for state employees working in the region. Recommendations and strategies endorsed by this Plan recognize the diversity of state programs being delivered in the region as well as the finite budgets these agencies have for office space.

The recommendations for the most effective management of the state’s real estate portfolio in the Santa Clara Region are offered below and are based on:

- Agency responses to DGS real estate surveys;
- Conversations with agency Business Services Office staff;
- Correspondence and conversations with local government planning staff;
- Correspondence and conversations with local redevelopment agency staff;
- DGS staff field reviews of state-owned and leased office properties;
- Market research; and
- An economic analysis of alternatives.

Recommendations for the proposed building program, leasing strategy, and existing state-owned space will be focused on Santa Clara County, specifically in or near the City of San Jose. Alameda and Contra Costa Counties were excluded from the recommendations that follow because:

- Neither county has enough office space requirements to justify a consolidation project;
- Overall costs to consolidate agencies would far exceed the smaller, financial benefits realized;
- No programmatic need to co-locate specific agencies was indicated on DGS real estate surveys;
- Current rents paid by agencies in these two counties average at or below current market rates;
- Office rents have been historically lower and much less volatile in these two counties compared to Santa Clara County;
- There are no DGS state-owned office buildings in either county to review.

B. Proposed Building Program

An office consolidation is recommended for eight agencies currently leasing 95,000 NSF of office space in nine different locations in the City of San Jose. This alternative would involve the State of California entering into a lease-purchase arrangement with a private-sector developer for a 95,000 NSF build-to-suit office project on a site to be determined. Prior to entering into a lease purchase agreement, the state's existing portfolio of state-owned land and buildings should be re-examined to determine if any vacated or surplused site or building exists that could appropriately house state agencies in the region.

State agencies currently occupying the Alfred E. Alquist Building would not be part of the proposed consolidation project. State agencies would be housed in two different buildings in the San Jose market, as no programmatic need to consolidate all agencies in a single building could be established. The proposed partial consolidation is recommended mostly for the significant occupancy cost savings the state would realize over a 25-year period; efficiencies gained by co-locating eight different agencies in a single facility is an additional benefit.

The economic analysis in this chapter supports this recommendation as the most cost effective, long-term real estate decision for this market over a 25-year period. The economic model used included an “equity buildup” component which recognized the benefits of ownership versus leasing by assigning value to the equity being accumulated during the 25-year term of the lease-purchase agreement. The recommended project could also be constructed and occupied more quickly than a traditional capital outlay office construction project. This alternative would also offer protection from large swings in rents typical for a volatile San Jose office market with long-term stability for agencies requiring office space in San Jose to effectively deliver their programs.

Should the recommended alternative not be adopted and implemented, an existing office building could be acquired by the state at a substantial discount given current market conditions in the Silicon Valley. Given the state’s current budget difficulties, a long-term lease with a purchase option would be the recommended procurement alternative. Distressed sellers are marketing buildings for as little as \$95 per GSF, which includes land costs and parking. These bargain properties are scattered throughout the Silicon Valley office market, particularly in the San Jose Airport/N. First Street submarket (north of downtown San Jose). However, no such properties exist in downtown San Jose. Modifications would need to be made to existing buildings before state tenants could occupy them and most would not meet the state’s stringent build out requirements, including energy efficiency

and green/sustainable goals. The state would negotiate with distressed building owners, offering to pay above market rents during the term of the long-term lease to allow the owner to make a small profit. At the end of the lease term the state would exercise a purchase option, acquiring the building for a nominal price.

Buying an office property that is not located in a downtown/CBD would be contrary to administrative directives to locate projects downtown whenever possible. The spirit of these directives is to support smart growth principles, assist local redevelopment efforts in the urban core where possible, and locate in close proximity to transit to capitalize on the sizable investment local governments make in their public transportation systems.

However, San Jose Redevelopment Agency staff indicated they do not have a specific area or site they would like the state to consider and advised the state to consider office space opportunities in other submarkets, not just downtown. Also, mass transit serves many submarkets in the area extremely well, with a combination of buses, light rail, and Caltrain. Smart growth goals could also be achieved in submarkets other than downtown. The unique features of this market make it an ideal location to look outside of the downtown area for a site or building to address the state's consolidatable office space needs.

Several Real Estate Investment Trusts have made significant investments recently, purchasing properties at large discounts. The opportunity currently exists for an owner/user like the State of California to acquire an office property in San Jose, locking in low occupancy costs in a market where the state will continue to have a large presence.

The recommended alternative for San Jose should be compared to other state office projects being proposed around California to determine its relative priority. Also, if the recommended project is not funded in the near future, agency space requirements, construction cost estimates, and current market conditions in San Jose should be re-evaluated before moving forward with the recommended alternative.

C. Leasing Strategy

State agencies not targeted for a consolidation project should secure the longest lease term possible given the severely depressed Silicon Valley office market. Lease rates are continuing to drop and locking in leases with longer terms will save the state money in the short run as well as insulate the state from an unexpected rise in rents should the dot com industry begin to thrive again. The only exception to this strategy involves the 11 state office leases in the City of San Jose that are targeted for a future office consolidation project.

***Table 13
State Office Leases Targeted for a Future
Consolidation Project***

Address	Agency	NSF
2010 North First Street	Industrial Relations	5,004
1331 Piedmont Road	Rehabilitation	3,515
111 North Market Street	Social Services	13,599
111 North Market Street	Fair Employment and Housing	3,285
359 Northlake Drive	Social Services	1,073
475 Holger Way	Transportation	19,550
1735 Technolodgy Drive	Consumer Affairs	3,671
333 West Santa Clara Street	Court of Appeals (6th District)	29,601
333 West Santa Clara Street	Court of Appeals (6th District)	1,819
1361 South Winchester Blvd.	Consumer Affairs	3,962
96 North Third Street	Franchise Tax Board	9,893

These leases should be evaluated very carefully by the DGS, Asset Planning and Enhancement Branch, Regional Portfolio Manager when they come up for renewal. As authorization and funding for the proposed office consolidation project has not yet been secured, negotiating shorter lease terms is recommended. This approach would allow agencies the flexibility to vacate their existing locations without paying double rent should support and funding for an office consolidation project become available.

Agencies in both Alameda and Contra Costa Counties should continue leasing office space in their current locations when possible. This is the most cost-effective way to house state employees, given current market conditions in the East Bay.

Leases coming up for renewal in the near future should be extended for as long as possible to take advantage of the aggressive lease rates currently available in the East Bay office market. The office space requirements for both counties should be reevaluated periodically to determine if any significant growth in agency staffing has occurred. If staffing levels are increasing, additional office space may need to be secured and an office consolidation project may be feasible.

D. Existing State-Owned Space Strategy

It is recommended that the Alfred E. Alquist Building in San Jose remain in the state's real estate portfolio considering it as a long-term asset that will be repaired and maintained in a manner to allow continued state occupancy for the foreseeable future. The 20-year-old building has some design deficiencies, functional obsolescence, and is a low-density building for a well-located, 1.6 acre site in the downtown core. The site could easily accommodate at least twice the density of the existing building.

Significant repairs to the roofing and HVAC systems estimated at a combined cost of \$1.7 million in January 2000 must be made to preserve the state's sizable investment in the asset, minimize or eliminate consistent maintenance issues, and improve the comfort of state agencies occupying the building. Upon completion of these two major special repair projects, the building will be in good condition and no other major capital expenses are anticipated.

The benefits of continuing to own and occupy the building far outweigh the problems associated with the building stated above. State agencies occupying the building currently pay the Standard Rental Rate for FY 2002/2003 of \$1.85 per SF per month for office space; the adjusted average downtown San Jose office rent at the end of 2002 was \$2.92. Given the current state budget deficit and cost-cutting measures being implemented by all state agencies, this \$1.07 difference in rent is a significant cost savings. The Department of Industrial Relations, which occupies more than 24,000 NSF in the

building, would pay over \$308,000 more per year in rent if it paid the adjusted average downtown market rent of \$2.92 instead of the state's Standard Rental Rate of \$1.85. The Alfred E. Alquist Building also generated a positive net cash flow to the state of \$411,000 in FY 2002/2003 because the rent collected, even at only \$1.85, exceeded the daily operation and maintenance expenses for the building. The net cash flow services the debt for other state buildings and is used to fund special repairs and deferred maintenance.

The state could pursue opportunities to sell or trade the building in 2004 after completion of the infrastructure study that is currently underway and expected to be completed by the end of 2003. Exploring these opportunities should only be done if authorization and funding for a suitable replacement facility is secured and adequate time is given for the state to construct a new facility or modify an existing building prior to vacating the Alfred E. Alquist Building. The detailed analyses of all major building systems and cost estimates for upgrading those systems contained in the infrastructure study will be a valuable disclosure document, should a buyer be identified.

Additional Development Considerations and Potential Costs

Many factors have been identified as having the potential to impact or influence facility development and leasing strategies. These additional development considerations are summarized below and include: a) administrative directives, b) statutory requirements, c) alternative officing considerations, d) local considerations, and e) local government measures.

A. Administrative Directives

Energy Efficiency and Sustainable Building Measures

Recent administration and legislative actions have advanced the state's leadership in constructing energy efficient buildings including the use of sustainable materials to ensure that the state's buildings are models of energy, water, and materials efficiency. Various Executive Orders and their relation to applicable sections of the California Government Code regarding energy efficiency and sustainable building measures are presented later in this chapter under Statutory Requirements.

Excellence in Public Buildings Initiative

To ensure the planning, design, construction, and evaluation of state buildings result in the highest quality project, the "Excellence in Public Buildings Initiative" has been added as a required component in DGS advertisements for selected state building projects. The purpose of this initiative is to produce high performing public buildings and a positive architectural legacy that reflects the state's commitment to excellence. Project goals may include:

- Design excellence including peer evaluation
- Use of sustainable building materials
- Quality control
- Building life span

- Energy efficiency and conservation
- Operating efficiency
- Cost and schedule
- Siting
- Accessibility and concepts of Universal Design
- Communication and controls technology
- Placement of public art
- Occupant satisfaction
- Commissioning

Early in the design process, the design and construction firms selected for public building projects will assist the state in developing project goals that may address some or all of the elements listed above as well as other goals determined by the project team. The goals established by the project team will define the extent each element will be incorporated into the project and establish criteria for their evaluation. A Facility Performance Evaluation (PFE) will be conducted shortly after completion of the project to evaluate whether the project goals were achieved. The PFE will focus on the satisfaction of the occupants, operators, users, and the process to achieve the completed project.

The DGS, with coordination of the Division of the State Architect and the Real Estate Services Division, has crafted this initiative to provide the leadership, education, and guidance required to improve the outcomes of leasing efforts by implementing a set of policies, guidelines, procedures, and practices that will lead to sustained excellence in the planning, design, construction, operations, and evaluation of public buildings.

Location of State-Owned and Leased Offices

Executive Order D-46-01 and Management Memo 01-18 provide the DGS directive on locating state-owned and leased state offices to promote smart growth policies. The criteria for locating offices includes compliance with existing and applicable statutory requirements and state policies, consideration of agency facility and program needs, cost effectiveness, ownership verses leasing, the availability of existing state-owned property, and implementation of sound and smart growth policies. These include locating in a central city area to strengthen California's population centers; locat-

ing in proximity to transit and available and affordable housing; fostering relationships with local governments, businesses, and communities; and observing environmental concerns, and historic, cultural, or architectural preservation opportunities. Additionally, energy efficiency, green and sustainable building practices and design excellence in public buildings will ensure the quality and integrity of a state building's design, operation, and place in the community.

State-Owned Space

State policy, State Administrative Manual 1310.3, mandates that state-owned or state-controlled space must be utilized prior to consideration of leasing additional or private sector space. Furthermore, when tenant agencies located in existing state-owned space vacate their premises, they are obligated to continue to pay rent unless and until a new tenant can be assigned or until RESD can negotiate a mutual termination of the lease. However, if the DGS generated the tenant's relinquishment they are not so obligated.

Transportation Management

Executive Order D-73-88 requires state agencies to implement a transportation management program designed to result in an annual reduction in the number of commute trips by state employees.

B. Statutory Requirements

Americans with Disabilities Act

The Americans with Disabilities Act (ADA), as set forth by California law Civil Code Section 54.1(d), was established to ensure that any person(s) shall not have limited access to a public building. Pursuant to CGC Section 4451(b), buildings, structures, and facilities, or portions thereof, that are leased, rented, contracted, sublet, or hired by any municipal, county, or state divisions of government, or special district shall be made accessible to, and usable by, persons with disabilities.

Senate Bill 1242 (Ch. 989, Section 2, Stats. of 2000) governs accessibility requirements that apply to “all buildings, structures, sidewalks, curbs, and related facilities constructed (or leased) in California by the use of state, county or municipal funds, or the funds of any political subdivision of the state... and for privately funded facilities providing public access”. It is intended to provide full accessibility to and within the buildings for visitors, employees, and the public. Furthermore, to implement regulation and policy of Senate Bill 1242, additional language is included within the lease for all state facilities to comply with ADA access guidelines and Title 24 accessibility requirements.

Art in Public Buildings Program

In the 1996/1997 California legislative session, legislation was enacted to create the Art in Public Buildings Program. The purpose of the program is to expand public experience with art in those state government buildings identified by the State Architect (CGC Sections 15813–15813.8). The legislation stipulates that financing for works of art in state buildings would be subject to an appropriation to the California Arts Council (Council) in its annual budget.

The State Architect and the Council, jointly, were given authority to accept state and federal money made available to the Council, to expend such funds for the purposes specified in the plans of building projects, and to select works of art. Although program funding has not been available for the Art in Public Buildings Program, the DGS in the spirit of the legislation, and by direction of the governmental entities with the power to issue bonds, e.g., Joint Powers Authorities, includes one percent of funds allocated for the construction of state buildings deemed appropriate for the inclusion of art, toward works of art for such buildings.

California Environmental Quality Act

The California Environmental Quality Act, as set forth by Public Resources Code 21000, established procedures intended to ensure that public agency officials are fully aware of the environmental implications of the projects they approve. If the initial environmental study finds a potential for a significant impact to the environment, an Environmental Impact Report (EIR) must be prepared. This document typi-

cally takes from three to six months to prepare and is subject to public review; comments submitted during review require specific response. An EIR also requires funding for document preparation.

Energy Efficiency and Sustainable Building Measures

Recent administration and legislative actions have advanced the state's leadership in constructing energy efficient buildings. On August 2, 2000, Governor Gray Davis issued Executive Order D-16-00 establishing a state sustainable building goal to site, design, deconstruct, construct, renovate, operate, and maintain state buildings that are models of energy, water, and materials efficiency. The Secretary of the State and Consumer Services Agency, through DGS' real estate program, will identify economic and environmental performance measures in order to implement the sustainable building goal. The Secretary shall report on the activities and the efforts of all state entities on an annual basis to the Governor.

The Executive Order relates to CGC Sections 15814.30 - 15814.35 (1991), which require that state buildings for which construction began after January 1, 1993, be designed, constructed, and equipped with energy efficiency measures, materials, and devices that are feasible and cost-effective over the life of the building. The existing law also requires all state public buildings, when remodeled, to meet minimum Title 24 standards applicable to the building. In addition, the section of the law requires the DGS to develop and implement lease provisions that maximize energy savings in buildings leased by the state.

Other directives that provide the DGS authority or access to special funds and resources to help satisfy these requirements include Executive Order W-83-94, which requires state agencies to maintain five-year Energy Management Plans; and Section 388 of the Public Utility Code, which allows the DGS to establish a pool of qualified energy service companies. Through the directives of CGC Sections 15814.10 - 15814.27, the Energy Efficiency Revenue Bond Program helps to implement policy set forth in Section 25008 of the Public Resources Code by providing a mix of financing options for state energy and water conservation projects, including lease-purchase arrangements and energy service contracts.

Seismic Program

Assembly Bill 4333 (Ch. 1339, Stats. of 1990) funded this DGS program which identifies and prioritizes seismic retrofits for state buildings. All funding for this program has been exhausted. The DGS staff are currently seeking alternative funding sources to continue seismic retrofit work on state buildings throughout California

Business Enterprise Program

The Welfare and Institution Code, Article 5 authorizes the director of the Department of Rehabilitation to establish and promote the Business Enterprise Program for the Blind. The state code notes it is the intent of the Legislature that the Randolph-Sheppard Act (20 U.S.C. Sec. 107 et seq.) and the federal regulations for its administration set forth in Part 395 of Title 34 of the Code of Federal Regulations shall serve as minimum standards for the operation of the Business Enterprises Program.

The state code stipulates no department or agency of the state shall undertake to acquire by ownership, rent or lease, or substantially renovate existing state-owned property unless it is determined that the property includes a satisfactory site or sites for the location and operation of a vending facility by a blind person. A “vending facility” is defined as a location that may sell foods, beverages, confections, newspapers, periodicals, tobacco products, and other articles or services dispensed automatically or manually.

The director of the Department of Rehabilitation is authorized to establish vending facilities, where feasible, on any real property that is owned, leased, rented, or otherwise controlled or occupied by any department or other agency or body of the State of California. Feasibility considerations include:

- The number of state employees in the building or on the state property.
- The size, in square feet, of the area leased, occupied, owned, or otherwise controlled by the state.
- The length of time the property will be leased or occupied by the state.

- Whether establishment of a vending facility would adversely affect the interests of the state.
- The likelihood the vending facility will produce sufficient net income for a blind vendor.

The state code stipulates that the amount of space allotted for a vending facility shall be based on 1) services to be rendered, and 2) number of persons to be served.

Child Care for State Employees

Pursuant to CGC Section 4560, upon determination of need, state-owned office buildings accommodating 700 employees or more, which are newly constructed or acquired, or existing facilities being rehabilitated more than 25 percent, shall include space for child care facilities. The code further stipulates that the director of the Department of General Services may secure space in any adequate facility for the same purposes if funds for an off-site facility are made available and other cost and/or allocation factors make an off-site option viable.

Space for child care would need to be included in any newly acquired facility if the need for child care is identified; the building is a single facility able to accommodate 700 or more employees; or the building shares a common foundation with other state-owned building(s) and the total employee population exceeds 700 in these adjacent and/or adjoining buildings.

Amount of space required. Licensing requirements stipulate that each child shall be allocated a minimum of 35 SF of usable indoor play area and 75 SF of usable outdoor play area. A center for 60 children would typically require a minimum of 4,200 SF of first floor space, which would include 2,100 SF for play area, and an equal amount of space for kitchen, toilets, cribs, office, and storage, plus 4,500 SF of usable outdoor play area.

Floor location requirements. For safety, convenience and cost effectiveness, state-associated child care facilities are typically located on the first floor with an adjacent outdoor play area where feasible. The State Fire Marshal will allow space for child care to be located as high as the fourth floor of a building if specific criteria are met including a stairwell for the sole use of the child care facility.

Space for child care is not required in facilities leased by the state.

Integrated Waste Management

Public Resources Code Sections 42920 - 42928 includes a California state agency model requiring each agency to develop and adopt before July 1, 2000, an integrated waste management plan. Each plan that will build upon the existing Integrated Waste Management Plan adopted by the Waste Management Board (Board) pursuant to the Integrated Waste Management Act, introduced by Assembly Bill 939 (Ch. 1905, Section 22, Stats. of 1989). Agencies are required to meet solid waste diversion requirements through source reduction, reuse of materials where possible, recycling, composting activities, and procuring products with recycled content in state agency offices and facilities, including any leased locations.

According to Public Resources Code Sections 42920 - 42928, the Board will assist state agencies with identifying plans. Assembly Bill 75 (Ch. 764, Stats. of 1999) repealed Sections 42927 and 42928 of the Public Resources Code and expanded the level of environmental operations and maintenance training programs in state-owned buildings and leased facilities, incorporating job-specific ergonomic issues and health and safety policies.

By January 1, 2002, state agencies and large facilities would divert at least 25 percent of all solid waste generated by the agency or large facility. Before January 1, 2004, state agencies and large facilities would divert at least 50 percent of all solid waste from landfill disposal or transformation facilities. The state agency or large state facility may be granted an alternative requirement if the circumstance that supports the request for alternative requirement, such as disposal patterns

and the types of waste disposed of by the agency or facility, is reviewed or extended prior to implementation of the plan. The Board would consider circumstances that contributed to the request for the time extension, such as lack of market for recycled materials, local efforts to implement source reduction, recycling, and composting programs, facilities built or planned, waste disposal patterns, and the type of waste disposal by the agency. By January 1, 2006, any alternative requirements will have expired. However, the Board may grant time extensions under certain conditions according to Public Resources Code Section 42923.

Historic Preservation

Public Resources Code 5024 and 5024.5 requires inventory and protection of state-owned buildings over 50 years old. No state agency shall alter a building's original or significant historical features, or transfer, relocate, or demolish historical resources listed on the inventory without first submitting plans for proposed alterations to the State Office of Historic Preservation for review and approval.

State Employee Telecommuting Program

Pursuant to CGC Sections 14200 - 14203, every state agency shall review their work operations to determine where telecommuting can be of practical benefit to that agency. The DGS is required to establish criteria for evaluating the state's telecommuting program and recommending modifications, if necessary. Each agency is responsible for examining its operation with a view toward effectively using the telework option. CGC Section 14201, states that "Every state agency shall review its work operations to determine where in its organization telecommuting can be of practical benefit to the agency...each agency shall develop and implement a telecommuting plan as part of its telecommuting program in work areas where telecommuting is identified as being both practical and beneficial to the organization." With careful planning and management, teleworking, telecommuting, alternative officing or virtual office concepts can reduce office space demand. Advancements in computer and telecommunications technology are considered during project development. Telecommuting opportunities are thoroughly examined in the programming phase for authorized projects.

Transit Access

CGC Section 15808.1 stipulates that acquisition or construction of a state facility which employs more than 200 people or directly serves the public be located within one-quarter mile of a public transit corridor. As defined in the Health and Safety Code, Section 50093.5, a public transit corridor is that area within one-quarter mile of a route on which level of service (headway) is at or above the average for the system as a whole.

C. Alternative Officing and Telecommuting Considerations

Advancements in computer and telecommunications technology have enabled a growing number of organizations to develop strategies that allow employees to work independent of location; that is, for at least some part of their work-week, employees no longer need to report to a conventional office.

Refinement of office space needs may be possible where jobs/tasks can be performed independent of location. With the willingness of agencies and the technical and logistical support, it may be feasible to reduce the overall office space demand forecast for a multi-tenant state-owned (or leased space) building.

D. Local Planning Considerations

Typically, local codes and issues of concern are site or project specific and must be identified for each new development project. The state, although not bound by local regulations, does consider them when planning state projects. Considerations which may take precedence over local codes include limiting project expenditures, inclusion of an amount of housing or retail use, reducing required parking ratio to promote transit use and ridesharing, which would in turn decrease traffic congestion, air, and noise pollution.

Downtown Revitalization Efforts

The San Jose Redevelopment Agency has worked very diligently and been very successful with its plans to revitalize downtown San Jose. During, the 1980s and 1990s, redevelopment made its biggest strides with the construction of a new convention center, several major hotels, new office building, refurbished parks, new museums, new housing, new sports arena for the San Jose Sharks, and a new home for the San Jose Repertory Theatre. An extensive light rail system was developed in the late 1980s to serve the rapidly growing area. High technology company Adobe Systems developed an 800,000 SF downtown “campus” at the corner of Almaden Boulevard and Park Avenue, adjacent to the Guadalupe River. And today, plans for a new 550,000 SF city hall complex at Santa Clara Street and Fourth Street will renew the downtown area just north of San Jose State University.

The state supported downtown revitalization efforts with its development and occupancy of the Alfred E. Alquist Building in downtown San Jose in 1983. Nearly 500 state employees work in the building and contribute to the downtown economy. Santa Clara’s Valley Transportation Authority (VTA) offers excellent service to downtown, including a light rail stop adjacent to the Alfred E. Alquist Building.

Parking

The City of San Jose requires new office space should supply 3.0 parking spaces per 1,000 GSF of building area. The city further advises that this ratio should be treated as the maximum allowable parking supply for new downtown office buildings. Three adjustments to this ratio would be appropriate:

- The rate could be reduced by 15 percent to 2.55 spaces per 1,000 GSF with the building's participation in a travel demand management program.
- The rate would be reduced over time to reflect the increasing role of transit, carpool/vanpool, and walking as mode of arrival to downtown office buildings.
- A portion of the total parking requirements would be provided in an off-site location.

One of the goals of San Jose's Strategy 2000 is to achieve a 25 percent transit mode split for commuters by the year 2010. If additional bus and light rail service to downtown is provided, the travel demand management program is effective, and downtown housing development continues to be successful, the 25 percent transit mode split goal would likely be met. If those three goals are achieved by 2010, the office parking ratio could be reduced from 3.0 to 2.0 parking spaces per 1,000 GSF.

After discussions with San Jose parking staff and consideration that a new state office building in downtown San Jose would likely not be completed until 2009, a ratio of 2.0 spaces per 1,000 GSF was used for the three construction cost estimates included in the plan.

Ground Floor Retail Space

Discussions with the San Jose Redevelopment Agency indicated they would favor any state office building in downtown San Jose to include a percentage of ground floor retail that would be accessible not just to state employees, but to all downtown pedestrian traffic as well. The state office building at 100 Paseo de San Antonio, completed in 1983,

includes a 1,300 SF cafeteria located on the second floor serviced by several vending machines. No ground floor retail space exists and the building is fully occupied, so no conversion of space from office to retail use is being considered.

The State of California acknowledges the potential benefits to local government of including ground floor retail space in downtown office buildings. However, public facilities financed through the sale of tax-free revenue bonds typically limit the amount of private-use space to five percent of the total bond amount. Pursuant to federal tax laws, the tax-free status of revenue bonds is jeopardized if a larger percentage of private-use space is provided. The amount of retail space available for lease in new facilities will be driven by a number of factors including but not limited to: project financing, on-site child care requirements, cafeteria uses, market forces, and an assessment of vacancy risks.

The three state office building construction cost estimates included in this Plan include ground floor retail space ranging from 2,000 to 3,500 SF, or about two percent of the building. This percentage is consistent with other recently completed state office buildings, including the East End State Office Complex in Sacramento. It is anticipated that the San Jose Redevelopment Agency would assist the state with securing several private-sector users for this ground floor retail space.

Glossary of Terms

Average Asking Rate

Weighted average full service rate (square footage available within 12 months including speculative and build-to-suit buildings) with NNN rates converted to full service rates.

Backfill Tenant

For the purposes of this study, an agency, or portion of an agency, that fills, or assists in filling, state-owned space vacated or unused by another state agency.

Build-to-Suit Lease

This is a process whereby an entity (public or private) constructs a facility to predetermined specifications provided by the state in exchange for the state's lease of the facility. This lease may include an option to purchase the building at some point in the lease term the tenant leases space, usually as a sole-tenant, at a rental rate based upon market competition. The tenant participates in limited development decisions for the building shell and common areas. The lease rate typically recovers the owner's construction costs, developer profit, tax obligation, and interest.

Central Business District (CBD)

The business center; the commercial and employment center of the city.

Co-locate

This term refers to locating two or more independent office groups together in the same building. The office groups would typically have one or more similar office characteristics; such as benefiting a similar clientele, services a similar geographic area, or having compatible functions that may lead to sharing service areas, employee areas, or meeting rooms.

Consolidatable

State agency offices that may be located with other agency offices in a joint-use office facility where the agencies have no unique program or client requirement or facility needs.

Full Service Lease

The landlord pays for the tenant's share of the cost of operating expenses, including direct and common area utilities, taxes, insurance, maintenance, landscaping, and repairs to the leased premises. These operating expenses are paid for by the tenant, and included in the rental payment as part of "full service" rent in the first year of the lease term (the base year). In subsequent years, the tenant's share of operating expense exceeding the tenants' share of operating expenses in the base year is passed through to the tenants.

Gross Square Feet (GSF)

All floor space within the exterior shell of a building. GSF is the result of combining all net square feet with all non-tenant use spaces (common space). This includes stairwells, public restrooms, public corridors, elevators, lobbies, duct shafts, equipment rooms, and wall thicknesses.

Lease in Dispersed Lease Space

The state leases space at the current market rental rates in buildings not owned by the state, with no prospects of ownership. The state participates only in the design of the leased premises (net square feet occupied by the state agency).

Local Serving Agencies

Agencies providing service to a specific city or neighborhood.

Net Absorption

Change in occupied building square footage in a given time period.

Net Square Feet (NSF)

The total space available for use by the tenant including internal circulation and meeting rooms. Restroom facilities are included in the net square feet if they are located within the tenant's usable space.

Non-consolidatable

Space that cannot be housed in a multi-tenant facility in an urban setting. Non-consolidatable state functions typically have special needs for security, freeway access, public access, or facility design. Spaces typically considered non-consolidatable include field offices of the California Highway Patrol, Department of Motor Vehicles, and the Employment Development Department, as well as parole offices of the Department of Corrections. For example, Unemployment Insurance and Job Services Offices of the Employment Development Department are typically considered non-consolidatable because they generate excessive pedestrian and vehicular traffic and serve clients in specific geographic areas. It should be noted that some offices categorized as non-consolidatable might be appropriate tenants of a Service Center in a suburban location where extensive public parking can be more easily provided.

Pooled Money Investment Account (PMIA) Revenue Bond Development Project

The state acts as the developer, hiring both architect and contractor to construct a DGS-owned building. The process begins with a formal request to the Legislature to authorize construction of a Revenue Bond funded project with interim financing provided by a loan from the PMIA. As a result of initial planning and legislative authorization of fund a building concept, the DGS obtains funding for land purchase, design, and an environmental impact study through a PMIA loan. The state repays the PMIA loan and funds the cost of the building construction through the lease payments made by the building tenants. The state pays market interest rates for the bond issue and the bond origination fees.

Project Costs

Project costs are estimated based on the California Construction Cost Index (CCCI), which provides estimates of the costs of architectural and engineering services, consulting fees, site development costs, miscellaneous fees, construction costs, and projected inflating adjustments over the life of the projects of July 1, 2000. The project costs have been escalated three percent annually for inflation to the date of project occupancy.

Regional Serving Agency

For the purposes of this study, a Regional Serving Agency is one that administers a state program for the service area of the five counties in the San Joaquin Valley Region.

Service Center

Typically, four or five state offices that serve a similar public clientele are accommodated in a single facility to increase the visibility and accessibility for the user and to enhance cost effectiveness for the state. A service center may include state offices that might not be considered consolidatable in a larger multi-tenant facility because of the large number of clients they serve and their high visitor parking space requirement.

Swing Space

Interim leased office space to accommodate short-term office space needs of state programs temporarily relocated for a project.

Tenant Improvements

Improvements in the form of partitions, wiring, equipment, etc., installed in the office to fit the needs of the occupants upon moving into the space. "Tenant", as a term, is used to describe not only lessees but also occupants of state-owned facilities.

Under Construction

Buildings which have begun construction as evidenced by site excavation or foundation work.

Vacancy

Total available square footage (direct and sublease) divided by total building base.

Appendix 1 A

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE ALAMEDA COUNTY

CONSUMER AFFAIRS - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
659002	FREMONT	39155 LIBERTY STREET	OFFICE (FIELD)	Y	1,463	0	\$3,804	9	09/01/96	02/29/04	02/28/05
823001	HAYWARD	2030 W. WINTON AVENUE	OFFICE (GENERAL)	Y	4,325	0	\$9,896	14	05/01/01	04/30/05	04/30/05
Consolidatable Leased Space					5,788	0	\$13,700	23			
Total Leased Space					5,788	0	\$13,700	23			
CONSUMER AFFAIRS (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					5,788	0	\$13,700	23			

CORRECTIONS - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
827001	HAYWARD	3524 BREAKWATER AVE	OFFICE (GENERAL)	N	5,500	0	\$5,000	16	05/01/96	05/01/96	04/30/97
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					5,500	0	\$5,000	16			
CORRECTIONS (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

EMPLOYMENT DEVELOPMENT - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
659003	FREMONT	39155 LIBERTY STREET	OFFICE (FIELD)	N	7,720	0	\$15,550	23	03/01/02	03/01/02	02/28/06
4661001	FREMONT	39355 CALIFORNIA STREET	OFFICE (FIELD)	Y	1,748	0	\$3,706	3	08/01/98	07/31/02	07/31/03
5045001	HAYWARD	24100 AMADOR STREET	OFFICE (GENERAL)	Y	8,722	0	\$22,701	25	09/01/01	09/01/01	08/31/06
Consolidatable Leased Space					10,470	0	\$26,407	28			
Total Leased Space					18,190	0	\$41,957	51			
EMPLOYMENT DEVELOPMENT (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					10,470	0	\$26,407	28			

EQUALIZATION - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
826002	HAYWARD	22320 FOOTHILL BLVD	OFFICE (GENERAL)	Y	2,272	0	\$5,594	6	05/01/95	04/30/03	04/30/04
Consolidatable Leased Space					2,272	0	\$5,594	6			
Total Leased Space					2,272	0	\$5,594	6			
EQUALIZATION (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					2,272	0	\$5,594	6			

HIGHWAY PATROL - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
5119001	CASTRO VALLEY	21020 REDWOOD ROAD	OFFICE (GENERAL)	Y	4,765	0	\$11,775	26	04/01/02	03/31/06	03/31/07
3089001	DUBLIN	4999 GLEASON DRIVE	OFFICE (GENERAL)	N	10,813	2,520	\$21,451	80	01/01/91	12/31/05	12/31/15
Consolidatable Leased Space					4,765	0	\$11,775	26			
Total Leased Space					15,578	2,520	\$33,226	106			
HIGHWAY PATROL (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					4,765	0	\$11,775	26			

MOTOR VEHICLES - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
831001	HAYWARD	1314 WEST WINTON AVE	OFFICE (GENERAL)	Y	2,500	0	\$3,325	12	05/01/97	04/30/00	04/30/07
Consolidatable Leased Space					2,500	0	\$3,325	12			
Total Leased Space					2,500	0	\$3,325	12			
MOTOR VEHICLES (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					2,500	0	\$3,325	12			

REHABILITATION - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
612002	FREMONT	39155 LIBERTY STREET	OFFICE (GENERAL)	Y	4,771	0	\$13,213	15	12/01/94	07/31/05	07/31/09
4883001	HAYWARD	1253 A STREET	OFFICE (GENERAL)	Y	5,430	0	\$17,875	13	10/01/00	09/30/04	09/30/08
1085001	LIVERMORE	3311 PACIFIC AVENUE	OFFICE (GENERAL)	Y	240	0	\$225	1	01/01/95	05/31/04	05/31/07
Consolidatable Leased Space					10,441	0	\$31,313	29			
Total Leased Space					10,441	0	\$31,313	29			
REHABILITATION (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					10,441	0	\$31,313	29			

Appendix 1 A

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE
ALAMEDA COUNTY

YOUTH AUTHORITY - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2025001	PLEASANTON	4637 CHABOT DRIVE	OFFICE (GENERAL)	N	4,870	0	\$12,029	22	03/01/93	02/28/02	02/29/04
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					4,870	0	\$12,029	22			
YOUTH AUTHORITY (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

TOTAL - ALAMEDA											
					NSF Office	NSF Other	Monthly Rent	PYS			
All Leased Space					65,139	2,520	\$124,693	265			
Consolidatable Leased Space					36,236	0	\$92,114	124			
DGS-Owned					0	0	\$0	0			
Total Consolidatable Space					36,236	0	\$92,114	124			

Appendix 1 A

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE CONTRA COSTA COUNTY

CONSUMER AFFAIRS - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2037003	PLEASANT HILL	3478 BUSKIRK AVENUE	OFFICE (GENERAL)	Y	3,396	0	\$7,912	13	11/01/91	10/31/03	10/31/04
4906001	RICHMOND	3260 BLUME DRIVE	OFFICE (GENERAL)	Y	4,795	0	\$9,716	21	08/01/99	01/31/04	07/31/07
Consolidatable Leased Space					8,191	0	\$17,628	34			
Total Leased Space					8,191	0	\$17,628	34			
CONSUMER AFFAIRS (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					8,191	0	\$17,628	34			

CORRECTIONS - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
416001	CONCORD	1957 PARKSIDE	OFFICE (GENERAL)	N	5,284	0	\$7,221	28	11/01/87	07/01/97	06/30/03
4660001	SAN PABLO	2555 EL PORTAL DRIVE	OFFICE (GENERAL)	N	4,767	0	\$7,627	15	10/01/98	09/30/02	09/30/06
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					10,051	0	\$14,848	43			
CORRECTIONS (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

EMPLOYMENT DEVELOPMENT - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2037002	PLEASANT HILL	3478 BUSKIRK AVENUE	OFFICE (GENERAL)	Y	6,144	0	\$14,657	30	08/01/91	07/31/03	07/31/05
2039001	PLEASANT HILL	363 CIVIC DRIVE	OFFICE (GENERAL)	Y	11,348	0	\$23,396	49	05/01/86	08/31/02	08/31/04
4045001	PLEASANT HILL	367 CIVIC DRIVE	OFFICE (GENERAL)	Y	2,464	0	\$4,752	5	12/01/93	04/30/03	01/31/04
Consolidatable Leased Space					19,956	0	\$42,805	84			
Total Leased Space					19,956	0	\$42,805	84			
EMPLOYMENT DEVELOPMENT (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					19,956	0	\$42,805	84			

INDUSTRIAL RELATIONS - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
415001	CONCORD	1465 ENEA CIRCLE	OFFICE (GENERAL)	Y	3,728	0	\$5,052	15	10/01/89	09/30/97	09/30/04
3604001	WALNUT CREEK	175 LENNON LANE	OFFICE (GENERAL)	Y	13,898	0	\$29,926	31	12/01/98	05/31/03	05/31/03
Consolidatable Leased Space					17,626	0	\$34,978	46			
Total Leased Space					17,626	0	\$34,978	46			
INDUSTRIAL RELATIONS (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					17,626	0	\$34,883	46			

JUSTICE - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
856001	HERCULES	875 ALFRED NOBEL DR	OFFICE (GENERAL)	N	3,062	0	\$3,960	20	02/01/89	01/31/02	01/31/04
4929001	PLEASANT HILL	395 TAYLOR BLVD	OFFICE (GENERAL)	N	3,587	0	\$9,414	9	12/01/00	11/30/04	11/30/07
5046001	RICHMOND	1001 W CUTTING BLVD	LABORATORY	N	13,503	52,878	\$485,557	99	01/01/02	06/30/06	12/31/11
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					20,152	52,878	\$498,931	128			
JUSTICE (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

MOTOR VEHICLES - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2021001	PITTSBURG	1399 BUCHANAN ROAD	OFFICE (FIELD)	N	7,075	0	\$10,131	20	04/01/01	03/31/05	03/31/11
3603001	WALNUT CREEK	1910 NORTH BROADWAY	OFFICE (FIELD)	N	6,035	0	\$21,131	38	12/01/98	11/30/03	11/30/08
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					13,110	0	\$31,262	58			
MOTOR VEHICLES (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

Appendix 1 A

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE CONTRA COSTA COUNTY
--

REHABILITATION - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
62001	ANTIOCH	3656 DELTA FAIR BLVD	OFFICE (GENERAL)	Y	3,697	0	\$6,740	14	04/01/97	03/31/06	03/31/09
4970001	CONCORD	1485 ENEA COURT	OFFICE (GENERAL)	Y	10,057	0	\$28,056	42	12/08/00	12/31/04	12/31/05
5106001	RICHMOND	1003 W CUTTING BLVD	OFFICE (GENERAL)	Y	5,201	0	\$19,806	17	06/01/02	05/31/06	05/31/10
Consolidatable Leased Space					18,955	0	\$54,602	73			
Total Leased Space					18,955	0	\$54,602	73			
REHABILITATION (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					18,955	0	\$54,602	73			

STATE LANDS COMMISSION - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
855001	HERCULES	725 ALFRED NOBEL DR	OFFICE (GENERAL)	Y	4,745	0	\$7,950	23	07/01/94	06/30/97	06/30/04
Consolidatable Leased Space					4,745	0	\$7,950	23			
Total Leased Space					4,745	0	\$7,950	23			
STATE LANDS COMMISSION (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					4,745	0	\$7,950	23			

VETERANS AFFAIRS - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
405001	CONCORD	2520 STANWELL DRIVE	OFFICE (GENERAL)	Y	2,902	0	\$4,633	9	06/01/96	05/31/98	05/31/03
Consolidatable Leased Space					2,902	0	\$4,633	9			
Total Leased Space					2,902	0	\$4,633	9			
VETERANS AFFAIRS (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					2,902	0	\$4,633	9			

TOTAL - CONTRA COSTA											
					NSF Office	NSF Other	Monthly Rent	PYS			
All Leased Space					115,688	52,878	\$707,637	498			
Consolidatable Leased Space					72,375	0	\$162,596	269			
DGS-Owned					0	0	\$0	0			
Total Consolidatable Space					72,375	0	\$162,596	269			

Appendix 1 A

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE
SANTA CLARA COUNTY

ALCOHOLIC BEVERAGE CONTROL - DGS-OWNED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2760009	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	3,637	0	\$0	16	05/14/83		
Consolidatable Leased Space N/A					0	0	\$0	0			
Total Leased Space					0	0	\$0	0			
ALCOHOLIC BEVERAGE CONTROL (DGS-Owned)					3,637	0	\$0	16			
Total Consolidatable Space					3,637	0	\$0	16			

ASSEMBLY - DGS-OWNED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2760017	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	1,715	0	\$0	10	03/28/85		
2760054	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	2,387	0	\$0	10	05/01/01		
Consolidatable Leased Space N/A					0	0	\$0	0			
Total Leased Space					0	0	\$0	0			
ASSEMBLY (DGS-Owned)					4,102	0	\$0	20			
Total Consolidatable Space					4,102	0	\$0	20			

CONSUMER AFFAIRS - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2766001	SAN JOSE	1361 S. WINCHESTER BLVD	OFFICE (GENERAL)	Y	3,962	0	\$8,914	27	12/01/02	12/01/06	11/30/10
2779001	SAN JOSE	1735 TECHNOLOGY DRIVE	OFFICE (GENERAL)	Y	3,671	0	\$8,822	16	06/01/95	05/31/06	05/31/07
2790001	SAN JOSE	6284 SAN IGNACIO AVENUE	STORAGE	N	0	1,776	\$2,042	0	12/01/91	11/30/99	11/30/04
Consolidatable Leased Space					7,633	0	\$17,736	43			
Total Leased Space					7,633	1,776	\$19,778	43			
DGS-OWNED											
2760053	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	1,170	0	\$0	1	05/01/01		
CONSUMER AFFAIRS (DGS-Owned)					1,170	0	\$0	1			
Total Consolidatable Space					8,803	0	\$17,736	44			

CORRECTIONS - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2748001	SAN JOSE	909 COLEMAN AVENUE	OFFICE (GENERAL)	N	12,664	0	\$24,469	60	01/01/96	01/01/06	12/31/11
2751001	SAN JOSE	165 LEWIS ROAD	OFFICE (GENERAL)	N	7,609	0	\$14,228	29	08/01/99	07/31/03	07/31/07
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					20,273	0	\$38,697	89			
CORRECTIONS (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

DEVELOPMENTAL SERVICES - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
4546001	SAN JOSE	2437 ZANKER ROAD	WAREHOUSE	N	0	18,190	\$15,825	10	06/01/97	05/31/01	05/31/01
4550001	SANTA CLARA	700 NUTTMAN STREET	WAREHOUSE	N	0	49,500	\$38,610	10	09/22/97	11/30/02	06/30/03
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					0	67,690	\$54,435	20			
DEVELOPMENTAL SERVICES (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

EMPLOYMENT DEVELOPMENT - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2765001	CAMPBELL	2450 S. BASCOM AVENUE	OFFICE (GENERAL)	N	22,957	0	\$47,191	75	09/01/94	08/31/04	08/31/09
421001	SAN JOSE	160 W. SANTA CLARA ST	OFFICE (FIELD)	N	23,804	0	\$39,595	116	07/01/94	06/30/01	06/30/06
2762001	SAN JOSE	1901 ZANKER & 227 DEVCON	OFFICE (GENERAL)	N	26,300	0	\$41,030	45	12/01/94	11/30/02	11/30/06
3294001	SUNNYVALE	420 S. PASTORIA AVENUE	OFFICE (GENERAL)	N	15,718	0	\$25,482	58	08/01/94	07/31/02	07/31/06
4684001	SUNNYVALE	505 WEST OLIVE AVENUE	OFFICE (GENERAL)	N	2,525	0	\$5,605	11	11/01/99	01/31/00	06/30/03
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					91,304	0	\$158,903	305			
EMPLOYMENT DEVELOPMENT (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

Appendix 1 A

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE SANTA CLARA COUNTY

EQUALIZATION - DGS-OWNED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2760044	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	20,966	0	\$0	139	07/17/95		
Consolidatable Leased Space N/A					0	0	\$0	139			
Total Leased Space					0	0	\$0	0			
EQUALIZATION (DGS-Owned)					20,966	0	\$0	139			
Total Consolidatable Space					20,966	0	\$0	139			

FAIR EMPLOYMENT AND HOUSING - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2753001	SAN JOSE	111 N. MARKET STREET	OFFICE (GENERAL)	Y	3,285	0	\$12,812	11	07/01/97	06/30/05	06/30/06
Consolidatable Leased Space					3,285	0	\$12,812	11			
Total Leased Space					3,285	0	\$12,812	11			
FAIR EMPLOYMENT AND HOUSING (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					3,285	0	\$12,812	11			

FOOD AND AGRICULTURE - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2792001	SAN JOSE	1890 DOBBIN DRIVE	OFFICE (GENERAL)	N	3,065	22,861	\$10,877	23	07/01/02	07/01/06	06/30/12
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					3,065	22,861	\$10,877	23			
FOOD AND AGRICULTURE (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

FRANCHISE TAX BOARD - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2773001	SAN JOSE	96 NORTH THIRD STREET	OFFICE (GENERAL)	Y	9,893	0	\$36,702	34	12/01/90	05/31/07	05/31/07
Consolidatable Leased Space					9,893	0	\$36,702	34			
Total Leased Space					9,893	0	\$36,702	34			
FRANCHISE TAX BOARD (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					9,893	0	\$36,702	34			

GENERAL SERVICES - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2995001	SANTA CLARA	473 SAPENA COURT	WAREHOUSE	N	242	983	\$1,570	2	03/01/86	07/31/02	07/31/03
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					242	983	\$1,570	2			

DGS-OWNED

2760026	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	188	0	\$0	1	07/01/86		
2760057	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	1,760	4,190	\$0	0	01/01/01		
GENERAL SERVICES (DGS-Owned)					1,948	4,190	\$0	1			
Total Consolidatable Space					1,948	4,190	\$1,570	3			

HEALTH SERVICES - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2776001	SAN JOSE	ONE ALMADEN BLVD	OFFICE (GENERAL)	Y	10,895	0	\$23,000	50	02/01/93	01/31/01	01/31/03
Consolidatable Leased Space					10,895	0	\$23,000	50			
Total Leased Space					10,895	0	\$23,000	50			
DGS-OWNED											
2760058	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	13,340	0	\$0	56	07/01/99		
HEALTH SERVICES (DGS-Owned)					13,340	0	\$0	56			
Total Consolidatable Space					24,235	0	\$23,000	106			

HIGHWAY PATROL - DGS-OWNED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2760049	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	700	0	\$0	0	07/01/95		
Consolidatable Leased Space N/A					0	0	\$0	0			
Total Leased Space					0	0	\$0	0			
HIGHWAY PATROL (DGS-Owned)					700	0	\$0	0			
Total Consolidatable Space					700	0	\$0	0			

Appendix 1 A

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE SANTA CLARA COUNTY

HOUSING AND COMMUNITY DEVELOPMENT - DGS-OWNED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2760007	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	1,350	0	\$0	8	05/04/83		
Consolidatable Leased Space N/A					0	0	\$0	0			
Total Leased Space					0	0	\$0	0			
HOUSING AND COMMUNITY DEVELOPMENT (DGS-Owned)					1,350	0	\$0	8			
Total Consolidatable Space					1,350	0	\$0	8			

INDUSTRIAL RELATIONS - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2772001	SAN JOSE	2010 NORTH FIRST STREET	OFFICE (GENERAL)	Y	5,004	0	\$8,598	20	11/01/90	12/31/98	12/31/02
Consolidatable Leased Space					5,004	0	\$8,598	20			
Total Leased Space					5,004	0	\$8,598	20			
DGS-OWNED											
2760050	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	24,461	0	\$0	150	03/01/98		
INDUSTRIAL RELATIONS (DGS-Owned)					24,461	0	\$0	150			
Total Consolidatable Space					29,465	0	\$8,598	170			

INSURANCE - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
4917001	MORGAN HILL	18425 TECHNOLOGY DRIVE	OFFICE (GENERAL)	N	7,905	0	\$20,476	14	04/01/01	09/30/05	09/30/08
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					7,905	0	\$20,476	14			
INSURANCE (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

JUSTICE - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2746001	SAN JOSE	2025 GATEWAY PLACE	OFFICE (GENERAL)	N	10,736	0	\$37,898	36	04/01/99	01/31/04	01/31/04
2755001	SAN JOSE	1671 THE ALAMEDA	OFFICE (GENERAL)	N	4,615	0	\$15,449	21	03/01/01	02/28/05	02/28/07
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					15,351	0	\$53,347	57			
JUSTICE (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

LAW REVISION COMMISSION - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
1943001	PALO ALTO	4000 MIDDLEFIELD ROAD	OFFICE (GENERAL)	Y	1,280	0	\$2,433	7	07/01/92	07/01/00	12/31/04
Consolidatable Leased Space					1,280	0	\$2,433	7			
Total Leased Space					1,280	0	\$2,433	7			
LAW REVISION COMMISSION (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					1,280	0	\$2,433	7			

MOTOR VEHICLES - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
317001	CAMPBELL	430 DARRYL DRIVE	OFFICE (GENERAL)	N	14,441	0	\$19,929	48	04/01/96	03/31/00	03/31/06
4950001	GILROY	6796 CHESTNUT STREET	OFFICE (FIELD)	N	9,295	0	\$23,423	15	06/01/01	05/31/11	05/31/16
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					23,736	0	\$43,352	63			
MOTOR VEHICLES (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

PARKS AND RECREATION - LEASED

Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
753001	GILROY	5750 OBATA WAY	WAREHOUSE	N	1,430	2,255	\$4,350	6	04/01/95	03/31/03	03/31/05
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					1,430	2,255	\$4,350	6			
PARKS AND RECREATION (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

Appendix 1 A

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE SANTA CLARA COUNTY

REHABILITATION - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
4696001	GILROY	7872 EIGLEBERRY STREET	OFFICE (GENERAL)	Y	2,477	0	\$6,267	7	01/01/00	12/31/03	12/31/07
1680001	MOUNTAIN VIEW	2570 WEST EL CAMINO REAL	OFFICE (GENERAL)	Y	3,675	0	\$16,776	11	07/01/99	06/30/03	06/30/06
2763001	SAN JOSE	1331 PIEDMONT ROAD	OFFICE (GENERAL)	Y	3,515	0	\$9,450	12	09/01/96	08/31/99	02/28/03
Consolidatable Leased Space					9,667	0	\$32,493	30			
Total Leased Space					9,667	0	\$32,493	30			
DGS-OWNED											
2760030	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	11,024	0	\$0	49	07/01/88		
2760052	SAN JOSE	100 PASEO DE SAN ANTONIO	CAFETERIA	Y	0	1,255	\$0	0	05/01/01		
REHABILITATION (DGS-Owned)					11,024	1,255	\$0	49			
Total Consolidatable Space					20,691	1,255	\$32,493	79			

SENATE - DGS-OWNED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2760004	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	2,200	0	\$0	12	04/15/83		
2760055	SAN JOSE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	1,170	0	\$0	6	01/01/01		
Consolidatable Leased Space N/A					0	0	\$0	0			
Total Leased Space					0	0	\$0	0			
SENATE (DGS-Owned)					3,370	0	\$0	18			
Total Consolidatable Space					3,370	0	\$0	18			

SIXTH DISTRICT COURT OF APPEAL - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2749002	SAN JOSE	333 WEST SANTA CLARA ST	OFFICE (GENERAL)	Y	29,601	0	\$85,690	57	10/01/98	09/30/07	09/30/11
2749003	SAN JOSE	333 WEST SANTA CLARA ST	OFFICE (GENERAL)	Y	1,819	0	\$8,819	5	02/01/02	06/30/06	01/31/12
Consolidatable Leased Space					31,420	0	\$94,509	62			
Total Leased Space					31,420	0	\$94,509	62			
SIXTH DISTRICT COURT OF APPEAL (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					31,420	0	\$94,509	62			

SOCIAL SERVICES - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2753003	SAN JOSE	111 N. MARKET STREET	OFFICE (GENERAL)	Y	13,599	0	\$26,333	68	07/01/97	12/31/01	06/30/05
4583001	SAN JOSE	359 NORTHLAKE DRIVE	OFFICE (GENERAL)	Y	1,073	0	\$3,050	9	10/15/97	09/30/02	09/30/02
Consolidatable Leased Space					14,672	0	\$29,383	77			
Total Leased Space					14,672	0	\$29,383	77			
SOCIAL SERVICES (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					14,672	0	\$29,383	77			

TRANSPORTATION - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
4800001	SAN JOSE	475 HOLGER WAY	OFFICE (GENERAL)	Y	19,550	0	\$60,019	71	11/01/99	04/30/04	04/30/06
Consolidatable Leased Space					19,550	0	\$60,019	71			
Total Leased Space					19,550	0	\$60,019	71			
TRANSPORTATION (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					19,550	0	\$60,019	71			

YOUTH AUTHORITY - LEASED											
Lease #	City	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2774001	SAN JOSE	118 WEST TAYLOR STREET	OFFICE (GENERAL)	N	4,133	0	\$6,860	13	03/01/97	02/29/00	02/28/03
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					4,133	0	\$6,860	13			
YOUTH AUTHORITY (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

TOTAL - SANTA CLARA											
					NSF Office	NSF Other	Monthly Rent	PYS			
All Leased Space					280,738	95,565	\$1,088,897	997			
Consolidatable Leased Space					113,299	0	\$317,685	405			
DGS-Owned					85,368	5,445	\$0	458			
Total Consolidatable Space					198,667	5,445	\$317,685	863			

Appendix 1 B

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE ALAMEDA, CONTRA COSTA, AND SANTA CLARA COUNTIES

ANTIOCH - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
62001	REHABILITATION	3656 DELTA FAIR BLVD	OFFICE (GENERAL)	Y	3,697	0	\$6,740	14	04/01/97	03/31/06	03/31/09
Consolidatable Leased Space					3,697	0	\$6,740	14			
Total Leased Space					3,697	0	\$6,740	14			
ANTIOCH (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					3,697	0	\$6,740	14			

CAMPBELL - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2765001	EMPLOYMENT DEVELOPMENT	2450 S. BASCOM AVENUE	OFFICE (GENERAL)	N	22,957	0	\$47,191	75	09/01/94	08/31/04	08/31/09
317001	MOTOR VEHICLES	430 DARRYL DRIVE	OFFICE (GENERAL)	N	14,441	0	\$19,929	48	04/01/96	03/31/00	03/31/06
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					37,398	0	\$67,120	123			
CAMPBELL (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

CASTRO VALLEY - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
5119001	HIGHWAY PATROL	21020 REDWOOD ROAD	OFFICE (GENERAL)	Y	4,765	0	\$11,775	26	04/01/02	03/31/06	03/31/07
Consolidatable Leased Space					4,765	0	\$11,775	26			
Total Leased Space					4,765	0	\$11,775	26			
CASTRO VALLEY (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					4,765	0	\$11,775	26			

CONCORD - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
416001	CORRECTIONS	1957 PARKSIDE	OFFICE (GENERAL)	N	5,284	0	\$7,221	28	11/01/87	07/01/97	06/30/03
415001	INDUSTRIAL RELATIONS	1465 ENEA CIRCLE	OFFICE (GENERAL)	Y	3,728	0	\$5,052	15	10/01/89	09/30/97	09/30/04
4970001	REHABILITATION	1485 ENEA COURT	OFFICE (GENERAL)	Y	10,057	0	\$28,056	42	12/08/00	12/31/04	12/31/05
405001	VETERANS AFFAIRS	2520 STANWELL DRIVE	OFFICE (GENERAL)	Y	2,902	0	\$4,633	9	06/01/96	05/31/98	05/31/03
Consolidatable Leased Space					16,687	0	\$37,741	66			
Total Leased Space					21,971	0	\$44,962	94			
CONCORD (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					16,687	0	\$37,741	66			

DUBLIN - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
3089001	HIGHWAY PATROL	4999 GLEASON DRIVE	OFFICE (GENERAL)	N	10,813	2,520	\$21,451	80	01/01/91	12/31/05	12/31/15
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					10,813	2,520	\$21,451	80			
DUBLIN (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

FREMONT - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
659002	CONSUMER AFFAIRS	39155 LIBERTY STREET	OFFICE (FIELD)	Y	1,463	0	\$3,804	9	09/01/96	02/29/04	02/28/05
659003	EMPLOYMENT DEVELOPMENT	39155 LIBERTY STREET	OFFICE (FIELD)	N	7,720	0	\$15,550	23	03/01/02	03/01/02	02/28/06
4661001	EMPLOYMENT DEVELOPMENT	39355 CALIFORNIA STREET	OFFICE (FIELD)	Y	1,748	0	\$3,706	3	08/01/98	07/31/02	07/31/03
612002	REHABILITATION	39155 LIBERTY STREET	OFFICE (GENERAL)	Y	4,771	0	\$13,213	15	12/01/94	07/31/05	07/31/09
Consolidatable Leased Space					7,982	0	\$20,723	27			
Total Leased Space					15,702	0	\$36,273	50			
FREMONT (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					7,982	0	\$20,723	27			

GILROY - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
4950001	MOTOR VEHICLES	6796 CHESTNUT STREET	OFFICE (FIELD)	N	9,295	0	\$23,423	15	06/01/01	05/31/11	05/31/16
753001	PARKS AND RECREATION	5750 OBATA WAY	WAREHOUSE	N	1,430	2,255	\$4,450	6	04/01/95	03/31/03	03/31/05
4696001	REHABILITATION	7872 EIGLEBERRY STREET	OFFICE (GENERAL)	Y	2,477	0	\$6,267	7	01/01/00	12/31/03	12/31/07
Consolidatable Leased Space					2,477	0	\$6,267	7			
Total Leased Space					13,202	2,255	\$34,140	28			
GILROY (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					2,477	0	\$6,267	7			

Appendix 1 B

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE ALAMEDA, CONTRA COSTA, AND SANTA CLARA COUNTIES

HAYWARD - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
823001	CONSUMER AFFAIRS	2030 WEST WINTON AVENUE	OFFICE (GENERAL)	Y	4,325	0	\$9,896	14	05/01/01	04/30/05	04/30/05
827001	CORRECTIONS	3524 BREAKWATER AVENUE	OFFICE (GENERAL)	N	5,500	0	\$5,000	16	05/01/96	05/01/96	04/30/97
5045001	EMPLOYMENT DEVELOPMENT	24100 AMADOR STREET	OFFICE (GENERAL)	Y	8,722	0	\$22,701	25	09/01/01	09/01/01	08/31/06
826002	EQUALIZATION	22320 FOOTHILL BLVD	OFFICE (GENERAL)	Y	2,272	0	\$5,594	6	05/01/95	04/30/03	04/30/04
831001	MOTOR VEHICLES	1314 WEST WINTON AVENUE	OFFICE (GENERAL)	Y	2,500	0	\$3,325	12	05/01/97	04/30/00	04/30/07
4883001	REHABILITATION	1253 A STREET	OFFICE (GENERAL)	Y	5,430	0	\$17,875	13	10/01/00	09/30/04	09/30/08
Consolidatable Leased Space					23,249	0	\$59,391	70			
Total Leased Space					28,749	0	\$64,391	86			
HAYWARD (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					23,249	0	\$59,391	70			

HERCULES - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
856001	JUSTICE	875 ALFRED NOBEL DRIVE	OFFICE (GENERAL)	N	3,062	0	\$3,960	20	02/01/89	01/31/02	01/31/04
855001	STATE LANDS COMMISSION	725 ALFRED NOBEL DRIVE	OFFICE (GENERAL)	Y	4,745	0	\$7,950	23	07/01/94	06/30/97	06/30/04
Consolidatable Leased Space					4,745	0	\$7,950	23			
Total Leased Space					7,807	0	\$11,910	43			
HERCULES (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					4,745	0	\$7,950	23			

LIVERMORE - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
1085001	REHABILITATION	3311 PACIFIC AVENUE	OFFICE (GENERAL)	Y	240	0	\$225	1	01/01/95	05/31/04	05/31/07
Consolidatable Leased Space					240	0	\$225	1			
Total Leased Space					240	0	\$225	1			
LIVERMORE (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					240	0	\$225	1			

MORGAN HILL - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
4917001	INSURANCE	18425 TECHNOLOGY DRIVE	OFFICE (GENERAL)	N	7,905	0	\$20,476	14	04/01/01	09/30/05	09/30/08
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					7,905	0	\$20,476	14			
MORGAN HILL (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

MOUNTAIN VIEW - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
1680001	REHABILITATION	2570 WEST EL CAMINO REAL	OFFICE (GENERAL)	Y	3,675	0	\$16,776	11	07/01/99	06/30/03	06/30/06
Consolidatable Leased Space					3,675	0	\$16,776	11			
Total Leased Space					3,675	0	\$16,776	11			
MOUNTAIN VIEW (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					3,675	0	\$16,776	11			

PALO ALTO - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
1943001	LAW REVISION COMMISSION	4000 MIDDLEFIELD ROAD	OFFICE (GENERAL)	Y	1,280	0	\$2,433	7	07/01/92	07/01/00	12/31/04
Consolidatable Leased Space					1,280	0	\$2,433	7			
Total Leased Space					1,280	0	\$2,433	7			
PALO ALTO (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					1,280	0	\$2,433	7			

PITTSBURG - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2021001	MOTOR VEHICLES	1399 BUCHANAN ROAD	OFFICE (FIELD)	N	7,075	0	\$10,131	20	04/01/01	03/31/05	03/31/11
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					7,075	0	\$10,131	20			
PITTSBURG (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

Appendix 1 B

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE ALAMEDA, CONTRA COSTA, AND SANTA CLARA COUNTIES

PLEASANT HILL - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2037003	CONSUMER AFFAIRS	3478 BUSKIRK AVENUE	OFFICE (GENERAL)	Y	3,396	0	\$7,912	13	11/01/91	10/31/03	10/31/04
2037002	EMPLOYMENT DEVELOPMENT	3478 BUSKIRK AVENUE	OFFICE (GENERAL)	Y	6,144	0	\$14,657	30	08/01/91	07/31/03	07/31/05
2039001	EMPLOYMENT DEVELOPMENT	363 CIVIC DRIVE	OFFICE (GENERAL)	Y	11,348	0	\$23,396	49	05/01/86	08/31/02	08/31/04
4045001	EMPLOYMENT DEVELOPMENT	367 CIVIC DRIVE	OFFICE (GENERAL)	Y	2,464	0	\$4,752	5	12/01/93	04/30/03	01/31/04
4929001	JUSTICE	395 TAYLOR BLVD	OFFICE (GENERAL)	N	3,587	0	\$9,414	9	12/01/00	11/30/04	11/30/07
Consolidatable Leased Space					23,352	0	\$50,717	97			
Total Leased Space					26,939	0	\$60,131	106			
PLEASANT HILL (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					23,352	0	\$50,717	97			

PLEASANTON - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2025001	YOUTH AUTHORITY	4637 CHABOT DRIVE	OFFICE (GENERAL)	N	4,870	0	\$12,029	22	03/01/93	02/28/02	02/29/04
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					4,870	0	\$12,029	22			
PLEASANTON (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

RICHMOND - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
4906001	CONSUMER AFFAIRS	3260 BLUME DRIVE	OFFICE (GENERAL)	Y	4,795	0	\$9,716	21	08/01/99	01/31/04	07/31/07
5046001	JUSTICE	1001 W CUTTING BLVD	LABORATORY	N	13,503	52,878	\$485,557	99	01/01/02	06/30/06	12/31/11
5106001	REHABILITATION	1003 CUTTING BLVD	OFFICE (GENERAL)	Y	5,201	0	\$19,806	17	06/01/02	05/31/06	05/31/10
Consolidatable Leased Space					9,996	0	\$29,522	38			
Total Leased Space					23,499	52,878	\$515,079	137			
RICHMOND (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					9,996	0	\$29,522	38			

SAN JOSE - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2766001	CONSUMER AFFAIRS	1361 S. WINCHESTER BLVD	OFFICE (GENERAL)	Y	3,962	0	\$8,914	27	12/01/02	12/01/06	11/30/10
2779001	CONSUMER AFFAIRS	1735 TECHNOLOGY DRIVE	OFFICE (GENERAL)	Y	3,671	0	\$8,822	16	06/01/95	05/31/06	05/31/07
2790001	CONSUMER AFFAIRS	6284 SAN IGNACIO AVENUE	STORAGE	N	0	1,776	\$2,042	0	12/01/91	11/30/99	11/30/04
2748001	CORRECTIONS	909 COLEMAN AVENUE	OFFICE (GENERAL)	N	12,664	0	\$24,469	60	01/01/96	01/01/06	12/31/11
2751001	CORRECTIONS	165 LEWIS ROAD	OFFICE (GENERAL)	N	7,609	0	\$14,228	29	08/01/99	07/31/03	07/31/07
4546001	DEVELOPMENTAL SERVICES	2437 ZANKER ROAD	WAREHOUSE	N	0	18,190	\$15,825	10	06/01/97	05/31/01	05/31/01
421001	EMPLOYMENT DEVELOPMENT	160 WEST SANTA CLARA ST	OFFICE (FIELD)	N	23,804	0	\$39,595	116	07/01/94	06/30/01	06/30/06
2762001	EMPLOYMENT DEVELOPMENT	1901 ZANKER & 227 DEVCON	OFFICE (GENERAL)	N	26,300	0	\$41,030	45	12/01/94	11/30/02	11/30/06
2753001	FAIR EMPLOYMENT & HOUSING	111 N. MARKET STREET	OFFICE (GENERAL)	Y	3,285	0	\$12,812	11	07/01/97	06/30/05	06/30/06
2792001	FOOD AND AGRICULTURE	1890 DOBBIN DRIVE	STORAGE	N	3,065	22,861	\$10,877	23	07/01/02	07/01/06	06/30/12
2773001	FRANCHISE TAX BOARD	96 NORTH THIRD STREET	OFFICE (GENERAL)	Y	9,893	0	\$36,702	34	12/01/90	05/31/07	05/31/07
2776001	HEALTH SERVICES	ONE ALMADEN BLVD	OFFICE (GENERAL)	Y	10,895	0	\$23,000	50	02/01/93	01/31/01	01/31/03
2772001	INDUSTRIAL RELATIONS	2010 NORTH FIRST STREET	OFFICE (GENERAL)	Y	5,004	0	\$8,598	20	11/01/90	12/31/98	12/31/02
2746001	JUSTICE	2025 GATEWAY PLACE	OFFICE (GENERAL)	N	10,736	0	\$37,898	36	04/01/99	01/31/04	01/31/04
2755001	JUSTICE	1671 THE ALAMEDA	OFFICE (GENERAL)	N	4,615	0	\$15,449	21	03/01/01	02/28/05	02/28/07
2763001	REHABILITATION	1331 PIEDMONT ROAD	OFFICE (GENERAL)	Y	3,515	0	\$9,450	12	09/01/96	08/31/99	02/28/03
2749002	SIXTH DISTRICT COURT OF APPEAL	333 WEST SANTA CLARA ST	OFFICE (GENERAL)	Y	29,601	0	\$85,690	57	10/01/98	09/30/07	09/30/11
2749003	SIXTH DISTRICT COURT OF APPEAL	333 WEST SANTA CLARA ST	OFFICE (GENERAL)	Y	1,819	0	\$8,819	5	02/01/02	06/30/06	01/31/12
2753003	SOCIAL SERVICES	111 N. MARKET STREET	OFFICE (GENERAL)	Y	13,599	0	\$26,333	68	07/01/97	12/31/01	06/30/05
4583001	SOCIAL SERVICES	359 NORTHLAKE DRIVE	OFFICE (GENERAL)	Y	1,073	0	\$3,050	9	10/15/97	09/30/02	09/30/02
4800001	TRANSPORTATION	475 HOLGER WAY	OFFICE (GENERAL)	Y	19,550	0	\$60,019	71	11/01/99	04/30/04	04/30/06
2774001	YOUTH AUTHORITY	118 WEST TAYLOR STREET	OFFICE (GENERAL)	N	4,133	0	\$6,860	13	03/01/97	02/29/00	02/28/03
Consolidatable Leased Space					105,867	0	\$292,209	380			
Total Leased Space					198,793	42,827	\$500,482	733			

DGS-OWNED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
2760009	ALCOHOLIC BEVERAGE CONTROL	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	3,637	0	\$0	16	05/14/83		
2760017	ASSEMBLY	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	1,715	0	\$0	10	03/28/85		
2760054	ASSEMBLY	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	2,387	0	\$0	10	05/01/01		
2760053	CONSUMER AFFAIRS	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	1,170	0	\$0	1	05/01/01		
2760044	EQUALIZATION	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	20,966	0	\$0	139	07/17/95		
2760026	GENERAL SERVICES	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	188	0	\$0	1	07/01/86		
2760057	GENERAL SERVICES	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	1,760	4,190	\$0	0	01/01/01		
2760058	HEALTH SERVICES	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	13,340	0	\$0	56	07/01/99		
2760049	HIGHWAY PATROL	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	700	0	\$0	0	07/01/95		
2760007	HOUSING AND COMMUNITY DEV	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	1,350	0	\$0	8	05/04/83		
2760050	INDUSTRIAL RELATIONS	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	24,461	0	\$0	150	03/01/98		
2760030	REHABILITATION	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	11,024	0	\$0	49	07/01/88		
2760052	REHABILITATION	100 PASEO DE SAN ANTONIO	CAFETERIA	Y	0	1,255	\$0	0	05/01/01		
2760004	SENATE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	2,200	0	\$0	12	04/15/83		
2760055	SENATE	100 PASEO DE SAN ANTONIO	OFFICE (GENERAL)	Y	1,170	0	\$0	6	01/01/01		
SAN JOSE (DGS-Owned)					86,068	5,445	\$0	458			
Total Consolidatable Space					191,935	5,445	\$292,209	838			

Appendix 1 B

DEPARTMENT OF GENERAL SERVICES OWNED/LEASED SPACE ALAMEDA, CONTRA COSTA, AND SANTA CLARA COUNTIES
--

SAN PABLO - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
4660001	CORRECTIONS	2555 EL PORTAL DRIVE	OFFICE (GENERAL)	N	4,767	0	\$7,627	15	10/01/98	09/30/02	09/30/06
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					4,767	0	\$7,151	15			
SAN PABLO (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

SANTA CLARA - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
4550001	DEVELOPMENTAL SERVICES	700 NUTTMAN STREET	WAREHOUSE	N	0	49,500	\$38,610	10	09/22/97	11/30/02	06/30/03
2995001	GENERAL SERVICES	473 SAPENA COURT	WAREHOUSE	N	242	983	\$1,570	2	03/01/86	07/31/02	07/31/03
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					242	50,483	\$40,180	12			
SANTA CLARA (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

SUNNYVALE - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
3294001	EMPLOYMENT DEVELOPMENT	420 SOUTH PASTORIA AVE	OFFICE (GENERAL)	N	15,718	0	\$25,482	58	08/01/94	07/31/02	07/31/06
4684001	EMPLOYMENT DEVELOPMENT	505 WEST OLIVE AVENUE	OFFICE (GENERAL)	N	2,525	0	\$5,605	11	11/01/99	01/31/00	06/30/03
Consolidatable Leased Space					0	0	\$0	0			
Total Leased Space					18,243	0	\$31,087	69			
SUNNYVALE (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					0	0	\$0	0			

WALNUT CREEK - LEASED											
Lease #	Agency	Address	Type of Space	Consolidatable	NSF Office	NSF Other	Monthly Rent	PYS	Beg Date	Firm Date	End Date
3604001	INDUSTRIAL RELATIONS	175 LENNON LANE	OFFICE (GENERAL)	Y	13,898	0	\$29,926	31	12/01/98	05/31/03	05/31/03
3603001	MOTOR VEHICLES	1910 NORTH BROADWAY	OFFICE (FIELD)	N	6,035	0	\$21,131	38	12/01/98	11/30/03	11/30/08
Consolidatable Leased Space					13,898	0	\$29,926	31			
Total Leased Space					19,933	0	\$51,057	69			
WALNUT CREEK (DGS-Owned) N/A					0	0	\$0	0			
Total Consolidatable Space					13,898	0	\$29,926	31			

TOTAL - ALAMEDA, CONTRA COSTA, AND SANTA CLARA COUNTIES					NSF Office	NSF Other	Monthly Rent	PYS			
All Leased Space					461,565	150,963	\$1,565,999	1,760			
Consolidatable Leased Space					221,910	0	\$572,395	798			
DGS-Owned					86,068	5,445	\$0	458			
Total Consolidatable Space					307,978	5,445	\$572,395	1,256			

Appendix 1 C

**NON DGS-OWNED STATE OFFICE SPACE - ALAMEDA COUNTY
SORTED BY CITY**

AGENCY	ADDRESS	CITY	TYPE OF SPACE	GSF	ACRES
Fish and Game		Alameda	Parks	0	1,212.55
Parks and Recreation	10570 Skyline Blvd.	Alameda	Storage	14,030	132.22
Parks and Recreation	Lake Del Valle SVRA	Alameda	Park	0	3,731.86
Parks and Recreation	Bethany Reservoir SRA	Alameda	Park	41	608.54
Technology, Trade and Commerce		Alameda	Office (General)	0	0.11
Water Resources		Alameda	Aqueduct	0	2,164.72
Rehabilitation	400 Adams Street	Albany	Office (General)	42,278	3.20
UC, Berkeley		Berkeley	Office (General)	0	3,225.22
Forestry and Fire Protection	11345 Pleasanton Sunol Road D	Fremont	Dormitory	3,374	2.60
Motor Vehicles	4287 Central Avenue	Fremont	Office (Field)	8,770	2.04
School for Deaf	500 Walnut Ave. & 39350 Gallaudet Dr.	Fremont	School	535,861	92.46
Transportation	245 Mowry Avenue	Fremont	Storage	2,832	3.10
CSU, Hayward	Carlos Bee Blvd.	Hayward	University	1,410,429	354.68
Highway Patrol	2434 Whipple Road	Hayward	Office (Field)	6,071	2.00
Motor Vehicles	150 Jackson Street	Hayward	Office (Field)	12,509	2.70
Transportation	21195 Center Street	Hayward	Office (General)	8,378	1.70
Parks and Recreation	15751 Tesla Road	Livermore	Office (Field)	33,361	3,745.49
Transportation	6153 South Front Road	Livermore	Storage	3,636	3.05
Motor Vehicles	6300 W. Las Positas Blvd.	Pleasanton	Office (Field)	8,100	2.65
Military	16501 Ashland Avenue	San Lorenzo	Armory	16,295	0.00
TOTAL				2,105,965	15,290.89

**NON DGS-OWNED STATE OFFICE SPACE - CONTRA COSTA COUNTY
SORTED BY CITY**

AGENCY	ADDRESS	CITY	TYPE OF SPACE	GSF	ACRES
District Agricultural Association	1201 West 10th Street	Antioch	Office (General)	163,609	75.01
Fish and Game	P.O. Box 105	Antioch	Office (General)	3,000	353.11
Transportation	2817 Windsor Drive	Antioch	Storage	2,600	2.58
Parks and Recreation	21999 Marsh Creek Road	Brentwood	Historic Building	7,170	12.50
Forestry and Fire Protection	11851 Marsh Creek Road	Clayton	Dormitory	3,700	3.62
Parks and Recreation	96 Mitchell Canyon Road	Clayton	Relocatable Office	33,281	19,584.27
Military	2929 Willow Pass Road	Concord	Armory	17,034	3.04
Motor Vehicles	2075 Meridian Park Blvd.	Concord	Office (Field)	12,000	3.49
California Tahoe Conservancy		Contra Costa	Parcel	0	0.46
CSU, Contra Costa		Contra Costa	University	0	381.74
Parks and Recreation	Franks Tract State Recreation Area	Contra Costa	Park	0	3,541.84
Parks and Recreation	East Bay Shoreline Project	Contra Costa	Park	0	13.90
UC, Berkeley		Contra Costa	University	0	1,698.99
Water Resources		Contra Costa	Aqueduct	0	4,912.46
Motor Vehicles	6400 Manila Avenue	El Cerrito	Office (Field)	12,896	2.11
Transportation	1369 Bayberry Avenue	Hercules	Storage	6,560	6.40
Highway Patrol	5001 Blum Road	Martinez	Office (General)	6,434	1.63
Military	99 Power Avenue	Pittsburg	Armory	20,738	2.00
Employment Development	343 22nd	Richmond	Office (Field)	19,316	1.71
Health Services		Richmond	Laboratory	0	28.96
Military	624 Carlson Blvd.	Richmond	Armory	35,932	2.00
Transportation	21300 San Ramon Valley Blvd.	San Ramon	Office (General)	1,424	0.38
Military	1800 Carmel Drive	Walnut Creek	Armory	13,500	2.11
Transportation	2581 North Main Street	Walnut Creek	Office (General)	5,951	1.42
Transportation	2616 North Main Street	Walnut Creek	Office (General)	10,360	1.42
TOTAL				375,505	30,637.15

Appendix 1 C

**NON DGS-OWNED STATE OFFICE SPACE - SANTA CLARA COUNTY
SORTED BY CITY**

AGENCY	ADDRESS	CITY	TYPE OF SPACE	GSF	ACRES
Forestry and Fire Protection	13326 Stevens Canyon Road	Cupertino	Dormitory	3,707	0.00
Transportation	10130 Bubb Road	Cupertino	Storage	8,862	2.92
Forestry and Fire Protection	Canada and Hot Springs GS Road	Gilroy	Fire Station	76	3.56
Forestry and Fire Protection	12280 Pacheco Pass Highway	Gilroy	Communication	1	1.20
Highway Patrol	740 Renz Lane	Gilroy	Office (Field)	3,058	1.02
Military	8490 Wren Avenue	Gilroy	Armory	11,059	2.00
Parks and Recreation	Manz. Pt. Road	Gilroy	Park	21,791	56,546.60
Transportation	1115 No Name Street	Gilroy	Station	5,076	3.00
Forestry and Fire Protection	12280 Pacheco Pass Highway	Hollister	Dormitory	3,246	0.00
Forestry and Fire Protection	47405 Mines Road	Livermore	Fire Station	2,648	0.00
Forestry and Fire Protection	19650 Santa Cruz Highway	Los Gatos	Office (General)	2,272	0.00
Forestry and Fire Protection	25050 Highland Way	Los Gatos	Dormitory	9,485	0.00
Motor Vehicles	600 North Santa Cruz Avenue	Los Gatos	Office (Field)	9,095	0.99
Transportation	13500 Skyline Blvd.	Los Gatos	Office (Field)	3,786	1.20
Transportation	115 Dempsey Road	Milpitas	Station	1,260	0.00
Forestry and Fire Protection	15670 South Monterey Road	Morgan Hill	Fire Station	1	1.66
Forestry and Fire Protection	15670 South Monterey Road	Morgan Hill	Fire Station	21,185	5.66
Forestry and Fire Protection	15670 South Monterey Road	Morgan Hill	Fire Station	1	0.00
Motor Vehicles	595 Showers Drive	Mountain View	Office (Field)	6,800	1.46
Transportation	1770 Old Middlefield Road	Mountain View	Station	1,200	0.90
CSU, San Jose	One Washington Square	San Jose	University	4,890,089	150.09
Developmental Services	3500 Zanker Road	San Jose	Office (General)	1,254,315	722.01
Employment Development	297 West Hedding	San Jose	Office (Field)	23,387	2.37
Forestry and Fire Protection	20255 McKean Road	San Jose	Dormitory	14,781	4.03
Forestry and Fire Protection	22805 Mt Hamilton Road	San Jose	Helipad	9,544	0.00
Forestry and Fire Protection		San Jose	Dormitory	596	0.00
Highway Patrol	2020 Junction Avenue	San Jose	Office (Field)	6,512	1.76
Military	240 North 2nd Street	San Jose	Armory	21,950	0.25
Military	251 West Hedding Street	San Jose	Armory	43,162	5.55
Military	251 West Hedding Street	San Jose	Shop	0	6.00
Motor Vehicles	111 West Alma Avenue	San Jose	Office (Field)	18,237	2.48
Motor Vehicles	180 Martinvale Lane	San Jose	Office (Field)	8,708	1.86
Transportation	500 Queens Lane	San Jose	Office (General)	25,756	18.60
Fish and Game		Santa Clara	Park	0	4,737.32
Motor Vehicles	3665 Flora Vista Avenue	Santa Clara	Office (Field)	16,000	3.17
Parks and Recreation	Castle Rock State Park	Santa Clara	Park	0	104.03
Parks and Recreation	Pacheco State Park	Santa Clara	Park	14,972	640.35
Veterans Affairs	68 North Winchester Blvd.	Santa Clara	Office (Field)	2,642	0.52
Water Resources		Santa Clara	Aqueduct	0	168.56
UC, Santa Cruz		Santa Cruz	University	0	4,824.33
Military	620 East Maude Avenue	Sunnyvale	Armory	12,475	0.00
TOTAL				6,477,735	67,965.45

Appendix 1 D

**NON DGS-OWNED STATE OFFICE SPACE - ALAMEDA COUNTY
SORTED BY AGENCY**

AGENCY	ADDRESS	CITY	TYPE OF SPACE	GSF	ACRES
CSU, Hayward	Carlos Bee Blvd.	Hayward	University	1,410,429	354.68
Fish and Game		Alameda	Parks	0	1,212.55
Forestry and Fire Protection	11345 Pleasanton Sunol Road D	Fremont	Dormitory	3,374	2.60
Highway Patrol	2434 Whipple Road	Hayward	Office (Field)	6,071	2.00
Military	16501 Ashland Avenue	San Lorenzo	Armory	16,295	0.00
Motor Vehicles	4287 Central Avenue	Fremont	Office (Field)	8,770	2.04
Motor Vehicles	150 Jackson Street	Hayward	Office (Field)	12,509	2.70
Motor Vehicles	6300 W. Las Positas Blvd.	Pleasanton	Office (Field)	8,100	2.65
Parks and Recreation	10570 Skyline Blvd.	Alameda	Storage	14,030	132.22
Parks and Recreation	Lake Del Valle SVRA	Alameda	Park	0	3,731.86
Parks and Recreation	Bethany Reservoir SRA	Alameda	Park	41	608.54
Parks and Recreation	15751 Tesla Road	Livermore	Office (Field)	33,361	3,745.49
Rehabilitation	400 Adams Street	Albany	Office (General)	42,278	3.20
School for Deaf	500 Walnut Ave. & 39350 Gallaudet Dr.	Fremont	School	535,861	92.46
Technology, Trade and Commerce		Alameda	Office (General)	0	0.11
Transportation	245 Mowry Avenue	Fremont	Storage	2,832	3.10
Transportation	21195 Center Street	Hayward	Office (General)	8,378	1.70
Transportation	6153 South Front Road	Livermore	Storage	3,636	3.05
UC, Berkeley		Berkeley	Office (General)	0	3,225.22
Water Resources		Alameda	Aqueduct	0	2,164.72
TOTAL				2,105,965	15,290.89

**NON DGS-OWNED STATE OFFICE SPACE - CONTRA COSTA COUNTY
SORTED BY AGENCY**

AGENCY	ADDRESS	CITY	TYPE OF SPACE	GSF	ACRES
California Tahoe Conservancy		Contra Costa	Parcel	0	0.46
CSU, Contra Costa		Contra Costa	University	0	381.74
District Agricultural Association	1201 West 10th Street	Antioch	Office (General)	163,609	75.01
Employment Development	343 22nd	Richmond	Office (Field)	19,316	1.71
Fish and Game	P.O. Box 105	Antioch	Office (General)	3,000	353.11
Forestry and Fire Protection	11851 Marsh Creek Road	Clayton	Dormitory	3,700	3.62
Health Services		Richmond	Laboratory	0	28.96
Highway Patrol	5001 Blum Road	Martinez	Office (General)	6,434	1.63
Military	2929 Willow Pass Road	Concord	Armory	17,034	3.04
Military	99 Power Avenue	Pittsburg	Armory	20,738	2.00
Military	624 Carlson Blvd.	Richmond	Armory	35,932	2.00
Military	1800 Carmel Drive	Walnut Creek	Armory	13,500	2.11
Motor Vehicles	2075 Meridian Park Blvd.	Concord	Office (Field)	12,000	3.49
Motor Vehicles	6400 Manila Avenue	El Cerrito	Office (Field)	12,896	2.11
Parks and Recreation	21999 Marsh Creek Road	Brentwood	Historic Building	7,170	12.50
Parks and Recreation	96 Mitchell Canyon Road	Clayton	Relocatable Office	33,281	19,584.27
Parks and Recreation	Franks Tract State Recreation Area	Contra Costa	Park	0	3,541.84
Parks and Recreation	East Bay Shoreline Project	Contra Costa	Park	0	13.90
Transportation	2817 Windsor Drive	Antioch	Storage	2,600	2.58
Transportation	1369 Bayberry Avenue	Hercules	Storage	6,560	6.40
Transportation	21300 San Ramon Valley Blvd.	San Ramon	Office (General)	1,424	0.38
Transportation	2581 North Main Street	Walnut Creek	Office (General)	5,951	1.42
Transportation	2616 North Main Street	Walnut Creek	Office (General)	10,360	1.42
UC, Berkeley		Contra Costa	University	0	1,698.99
Water Resources		Contra Costa	Aqueduct	0	4,912.46
TOTAL				375,505	30,637.15

Appendix 1 D

**NON DGS-OWNED STATE OFFICE SPACE - SANTA CLARA COUNTY
SORTED BY AGENCY**

AGENCY	ADDRESS	CITY	TYPE OF SPACE	GSF	ACRES
CSU, San Jose	One Washington Square	San Jose	University	4,890,089	150.09
Developmental Services	3500 Zanker Road	San Jose	Office (General)	1,254,315	722.01
Employment Development	297 West Hedding	San Jose	Office (Field)	23,387	2.37
Fish and Game		Santa Clara	Park	0	4,737.32
Forestry and Fire Protection	13326 Stevens Canyon Road	Cupertino	Dormitory	3,707	0.00
Forestry and Fire Protection	Canada and Hot Springs GS Road	Gilroy	Fire Station	76	3.56
Forestry and Fire Protection	12280 Pacheco Pass Highway	Gilroy	Communication	1	1.20
Forestry and Fire Protection	12280 Pacheco Pass Highway	Hollister	Dormitory	3,246	0.00
Forestry and Fire Protection	47405 Mines Road	Livermore	Fire Station	2,648	0.00
Forestry and Fire Protection	19650 Santa Cruz Highway	Los Gatos	Office (General)	2,272	0.00
Forestry and Fire Protection	25050 Highland Way	Los Gatos	Dormitory	9,485	0.00
Forestry and Fire Protection	15670 South Monterey Road	Morgan Hill	Fire Station	1	1.66
Forestry and Fire Protection	15670 South Monterey Road	Morgan Hill	Fire Station	21,185	5.66
Forestry and Fire Protection	15670 South Monterey Road	Morgan Hill	Fire Station	1	0.00
Forestry and Fire Protection	20255 McKean Road	San Jose	Dormitory	14,781	4.03
Forestry and Fire Protection	22805 Mt Hamilton Road	San Jose	Helipad	9,544	0.00
Forestry and Fire Protection		San Jose	Dormitory	596	0.00
Highway Patrol	740 Renz Lane	Gilroy	Office (Field)	3,058	1.02
Highway Patrol	2020 Junction Avenue	San Jose	Office (Field)	6,512	1.76
Military	8490 Wren Avenue	Gilroy	Armory	11,059	2.00
Military	240 North 2nd Street	San Jose	Armory	21,950	0.25
Military	251 West Hedding Street	San Jose	Armory	43,162	5.55
Military	251 West Hedding Street	San Jose	Shop	0	6.00
Military	620 East Maude Avenue	Sunnyvale	Armory	12,475	0.00
Motor Vehicles	600 North Santa Cruz Avenue	Los Gatos	Office (Field)	9,095	0.99
Motor Vehicles	595 Showers Drive	Mountain View	Office (Field)	6,800	1.46
Motor Vehicles	111 West Alma Avenue	San Jose	Office (Field)	18,237	2.48
Motor Vehicles	180 Martinvale Lane	San Jose	Office (Field)	8,708	1.86
Motor Vehicles	3665 Flora Vista Avenue	Santa Clara	Office (Field)	16,000	3.17
Parks and Recreation	Manz. Pt. Road	Gilroy	Park	21,791	56,546.60
Parks and Recreation	Castle Rock State Park	Santa Clara	Park	0	104.03
Parks and Recreation	Pacheco State Park	Santa Clara	Park	14,972	640.35
Transportation	10130 Bubb Road	Cupertino	Storage	8,862	2.92
Transportation	1115 No Name Street	Gilroy	Station	5,076	3.00
Transportation	13500 Skyline Blvd.	Los Gatos	Office (Field)	3,786	1.20
Transportation	115 Dempsey Road	Milpitas	Station	1,260	0.00
Transportation	1770 Old Middlefield Road	Mountain View	Station	1,200	0.90
Transportation	500 Queens Lane	San Jose	Office (General)	25,756	18.60
UC, Santa Cruz		Santa Cruz	University	0	4,824.33
Veterans Affairs	68 North Winchester Blvd.	Santa Clara	Office (Field)	2,642	0.52
Water Resources		Santa Clara	Aqueduct	0	168.56
TOTAL				6,477,735	67,965.45

**DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION - PROJECT MANAGEMENT BRANCH
PROJECT COST SUMMARY**

PROJECT: Office Building - Alt. 1	CONCEPTUAL EST.: C3DGSSJ01
LOCATION: San Jose (Downtown)	EST. / PROJ. CCCI: 4002 / 4100
CLIENT: Department of General Services	DATE ESTIMATED: 04/28/2003
DESIGN BY: N/A	ABMS NO: 114808
PROJECT MGR: N/A	PREPARED BY: JAH
PLAN DATE: N/A	DOF PROJ. I.D. NO.: N/A

DESCRIPTION

This project will acquire a 1.10 acre site for the construction of a new mid-rise office building and a parking garage in downtown San Jose. The office building will consist of approx. 127,000 gross square feet. Modular systems furniture, vending areas (1,000 sf), and a retail area (2,000 sf) are included. The project includes a new parking garage for 254 parking spaces. (One level of parking will be below grade; one level will be at grade.) Scope includes all appropriate site work, utilities, and landscaping activities. Demolition and any associated haz mat removal is not included in this estimate.

ESTIMATE SUMMARY

Core & Shell (127,000 gsf @ \$122/sf)	\$15,517,000
Office T.I. (95,000 gsf @ \$57/sf)	\$5,383,000
Vending Areas (1,000 gsf @ \$206/sf)	\$206,000
Art Work (Allowance)	\$375,000
Site Work & Utilities	\$2,060,000
Parking (254 spaces @ \$23,700/space)	\$6,018,000
Retail Space (2,000 gsf @ \$200/sf)	\$412,000
	<u>\$412,000</u>

ESTIMATED TOTAL CURRENT COSTS: \$29,971,000

Adjust CCCI From 4002 to 4100 \$734,000

ESTIMATED TOTAL CURRENT COSTS ON JULY 1, 2004: \$30,705,000

Escalation to Start of Construction (47 Months @ .25%/mo.) \$3,608,000

ESTIMATED TOTAL COSTS AT START OF CONSTRUCTION: \$34,313,000

Escalation to Midpoint 9 Months @ .25%/mo. \$772,000

ESTIMATED TOTAL CONTRACTS \$35,085,000

Contingency At: 5% \$1,754,000

ESTIMATED TOTAL CONSTRUCTION COST \$36,839,000

**SUMMARY OF COSTS
BY PHASE**

PROJECT: Office Building - Alt. 1
 LOCATION: San Jose (Downtown)
 CLIENT: Department of General Services

CONCEPTUAL EST.: C3DGSSJ01
 DATE ESTIMATED: 28-Apr-03
 PREPARED BY: JAH

CONSTRUCTION DURATION	18 MONTHS	
ESTIMATED CONTRACT COST	\$35,085,000	\$35,085,000
CONSTRUCTION CONTINGENCY	\$1,754,000	\$1,754,000
TOTAL	\$36,839,000	\$36,839,000

CATEGORY	STUDY 00	PRELIMINARY PLANS 01	WORKING DRAWINGS 02	CONSTRUCTION 03	TOTAL
ARCHITECTURAL AND ENGINEERING SERVICES					
A&E Design	\$200,000	\$1,267,000	\$1,433,300	\$667,280	\$3,567,580
Construction Inspection				\$667,232	\$667,232
Construction Inspection Travel				\$361,920	\$361,920
Coordination & Contract Management					
Advertising, Printing and Mailing			\$35,700		\$35,700
Construction Guarantee Inspection				\$5,568	\$5,568
SUBTOTAL A&E SERVICES	\$200,000	\$1,267,000	\$1,469,000	\$1,702,000	\$4,638,000

OTHER PROJECT COSTS					
Special Consultants (Note 4)	\$25,000	\$211,000	\$70,000	\$70,000	\$376,000
Materials Testing				\$526,000	\$526,000
Project/Construction Management	\$50,000	\$192,700	\$245,900	\$439,200	\$927,800
Contract Construction Management			\$237,000	\$1,342,000	\$1,579,000
Site Acquisition Cost & Fees (Note 3)	\$6,090,000				\$6,090,000
Agency Retained Items					
DVBE - A&E		\$3,300	\$3,300	\$2,800	\$9,400
DVBE - Const.				\$81,000	\$81,000
Modular Furniture (198 units @ \$5.500/ea.)				\$1,089,000	\$1,089,000
Hospital Checking					
Essential Services					
Handicapped Checking			\$5,800		\$5,800
Other Costs - Due Diligence	\$25,000				\$25,000
Environmental Document (Note 6)	\$350,000				\$350,000
SUBTOTAL OTHER PROJECT COSTS	\$6,540,000	\$407,000	\$562,000	\$3,550,000	\$11,059,000

TOTAL ESTIMATED PROJECT COST	\$6,740,000	\$1,674,000	\$2,031,000	\$42,091,000	\$52,536,000
LESS FUNDS TRANSFERRED					
LESS FUNDS AVAILABLE NOT TRANSFERRED					
CARRY OVER		\$6,740,000	\$8,414,000	\$10,445,000	
BALANCE OF FUNDS REQUIRED	\$6,740,000	\$8,414,000	\$10,445,000	\$52,536,000	\$52,536,000

FUNDING DATA & ESTIMATE NOTES

PROJECT:	Office Building - Alt. 1	CONCEPTUAL EST.:	C3DGSSI01
LOCATION:	San Jose (Downtown)	DATE ESTIMATED:	28-Apr-03
CLIENT:	Department of General Services	PREPARED BY:	JAH
TEMPLATE:	2003A (Office - Bond) - Conceptual Estimate		

FUNDING DATA

<u>Chapter / Item</u>	<u>Phase</u>	<u>Amount</u>	<u>Totals</u>
Fund Transfers			
N/A	S	<u>\$0</u>	
Total Funds Transferred			\$0
Funds Available Not Transferred			
N/A	P,W,C	<u>\$0</u>	
Total Funds Available not Transferred			<u>\$0</u>
Total Funds Transferred and Available			<u><u>\$0</u></u>

ESTIMATE NOTES

1. The construction costs in this estimate are indexed from the CCCI Index as of the date of estimate preparation to the CCCI index that is projected as of July 1, 2004. The project estimate is then escalated for a 9.0 month period to an assumed construction midpoint. Assuming bond funding, this project has been escalated to the start of construction.
2. The Agency may have retained items that are not included in this estimate. RESD-PMB has not verified Agency retained pricing.
3. Fees have been added for acquisition (\$5,990,000) and RESS/PSB fees (\$100,000). Acquisition fees are based on a conversation between RESD/APE and a local appraiser. These costs have not been verified by RESS/PSB.
4. Special Consultant costs include Survey w/ Topo Map, Geotechnical, Hazmat Testing and Monitoring, and Utility design fees.
5. Concerning energy and sustainability, the project goal is to obtain LEED Silver certification.
6. Funds have been included for an EIR, including analysis of aesthetics, noise, hazards and hazardous materials, archaeology, phase 1 site assessment, community outreach, and permitting issues. It is assumed that there will be consultation with local government regarding community outreach and permitting issues.

**DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION - PROJECT MANAGEMENT BRANCH
PROJECT COST SUMMARY**

PROJECT:	Office Building - Alt. 2	CONCEPTUAL EST.:	C3DGSSJ02
LOCATION:	San Jose (Downtown)	EST. / PROJ. CCCI:	4002 / 4019
CLIENT:	Department of General Services	DATE ESTIMATED:	04/28/2003
DESIGN BY:	N/A	ABMS NO:	114808
PROJECT MGR:	N/A	PREPARED BY:	JAH
PLAN DATE:	N/A	DOF PROJ. I.D. NO.:	N/A

DESCRIPTION

This project will acquire a 1.10 acre site for the construction of a new mid-rise office building and parking garage in downtown San Jose. The office building will consist of approx. 242,000 gross square feet. including Childcare facilities (4,200 gsf), modular systems furniture, vending areas (2,000 sf), and a retail area (3,500 gsf) are included. The project includes a new parking garage for 484 parking spaces. (Two levels of parking will be below grade; two and one-half levels will be above grade.) Scope includes demolition and hazardous material removal and all appropriate site work, utilities, and landscaping activities. Demolition and any associated haz mat removal is not included in this estimate.

ESTIMATE SUMMARY

Core & Shell (242,000 gsf @ \$118/sf)	\$28,552,000
Office T.I. (181,000 gsf @ \$57/sf)	\$10,258,000
Vending Areas (2,000 gsf @ \$180/sf)	\$515,000
Day Care (4,200 gsf @ \$258/sf)	\$1,082,000
Art Work (Allowance)	\$701,000
Site Work & Utilities	\$2,061,000
Parking (484 spaces @ \$21,600/space)	\$10,473,000
Retail Space (3,500 gsf @ \$206/sf)	\$721,000
	\$721,000

ESTIMATED TOTAL CURRENT COSTS: \$54,363,000

Adjust CCCI From 4002 to 4019 \$231,000

ESTIMATED TOTAL CURRENT COSTS ON JULY 1, 2004: \$54,594,000

Escalation to Start of Construction (45 Months @ .25%/mo.) \$6,142,000

ESTIMATED TOTAL COSTS AT START OF CONSTRUCTION: \$60,736,000

Escalation to Midpoint 12 Months @ .25%/mo. \$1,822,000

ESTIMATED TOTAL CONTRACTS \$62,558,000

Contingency At: 5% \$3,128,000

ESTIMATED TOTAL CONSTRUCTION COST \$65,686,000

**SUMMARY OF COSTS
BY PHASE**

PROJECT: Office Building - Alt. 2
 LOCATION: San Jose (Downtown)
 CLIENT: Department of General Services

CONCEPTUAL EST.: C3DGSSJ02
 DATE ESTIMATED: 28-Apr-03
 PREPARED BY: JAH

CONSTRUCTION DURATION	24 MONTHS	
ESTIMATED CONTRACT COST	\$62,558,000	\$62,558,000
CONSTRUCTION CONTINGENCY	\$3,128,000	\$3,128,000
TOTAL	\$65,686,000	\$65,686,000

CATEGORY	STUDY 00	PRELIMINARY PLANS 01	WORKING DRAWINGS 02	CONSTRUCTION 03	TOTAL
ARCHITECTURAL AND ENGINEERING SERVICES					
A&E Design	\$200,000	\$2,139,000	\$2,421,000	\$1,126,656	\$5,886,656
Construction Inspection				\$1,079,264	\$1,079,264
Construction Inspection Travel				\$96,512	\$96,512
Coordination & Contract Management					
Advertising, Printing and Mailing			\$50,000		\$50,000
Construction Guarantee Inspection				\$5,568	\$5,568
SUBTOTAL A&E SERVICES	\$200,000	\$2,139,000	\$2,471,000	\$2,308,000	\$7,118,000

OTHER PROJECT COSTS					
Special Consultants (Note 5)	\$25,000	\$375,000	\$125,000	\$125,000	\$650,000
Materials Testing				\$938,000	\$938,000
Project/Construction Management	\$50,000	\$303,500	\$385,800	\$688,200	\$1,427,500
Contract Construction Management			\$422,000	\$2,393,000	\$2,815,000
Site Acquisition Cost & Fees	\$6,090,000				\$6,090,000
Agency Retained Items					
DVBE - A&E		\$5,500	\$5,600	\$4,800	\$15,900
DVBE - Const.				\$144,500	\$144,500
Modular Furniture (547 units @ \$5.50/ea.)				\$3,008,500	\$3,008,500
Hospital Checking					
Essential Services					
Handicapped Checking			\$8,600		\$8,600
Other Costs - Due Diligence	\$25,000				\$25,000
Environmental Document (Note 6)	\$350,000				\$350,000
SUBTOTAL OTHER PROJECT COSTS	\$6,540,000	\$684,000	\$947,000	\$7,302,000	\$15,473,000

TOTAL ESTIMATED PROJECT COST	\$6,740,000	\$2,823,000	\$3,418,000	\$75,296,000	\$88,277,000
LESS FUNDS TRANSFERRED					
LESS FUNDS AVAILABLE NOT TRANSFERRED					
CARRY OVER		\$6,740,000	\$9,563,000	\$12,981,000	
BALANCE OF FUNDS REQUIRED	\$6,740,000	\$9,563,000	\$12,981,000	\$88,277,000	\$88,277,000

FUNDING DATA & ESTIMATE NOTES

PROJECT: Office Building - Alt. 2
 LOCATION: San Jose (Downtown)
 CLIENT: Department of General Services
 TEMPLATE: 2003A (Office - Bond) - Conceptual Estimate

CONCEPTUAL EST.: C3DGSSJ02
 DATE ESTIMATED: 28-Apr-03
 PREPARED BY: JAH

FUNDING DATA

<u>Chapter / Item</u>	<u>Phase</u>	<u>Amount</u>	<u>Totals</u>
Fund Transfers			
N/A	S	<u>\$0</u>	
Total Funds Transferred			\$0
Funds Available Not Transferred			
N/A	P,W,C	<u>\$0</u>	
Total Funds Available not Transferred			<u>\$0</u>
Total Funds Transferred and Available			<u><u>\$0</u></u>

ESTIMATE NOTES

1. The construction costs in this estimate are indexed from the CCCI Index as of the date of estimate preparation to the CCCI index that is projected as of July 1, 2004. The project estimate is then escalated for a 12.0 month period to an assumed construction midpoint. Assuming bond funding, this project has been escalated to the start of construction.
2. The Agency may have retained items that are not included in this estimate. RESD-PMB has not verified Agency retained pricing.
3. Fees have been added for acquisition (\$5,990,000) and RESS/PSB fees (\$100,000). Acquisition fees are based on a conversation between RESD/APE and a local appraiser. These costs have not been verified by RESS/PSB.
4. Special Consultant costs include Survey w/ Topo Map, Geotechnical, Hazmat Testing and Monitoring, and Utility design fees.
5. Concerning energy and sustainability, the project goal is to obtain LEED Silver certification.
6. Funds have been included for an EIR, including analysis of aesthetics, noise, hazards and hazardous materials, archaeology, phase 1 site assessment, community outreach, and permitting issues. It is assumed that there will be consultation with local government regarding community outreach and permitting issues.

**DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION - PROJECT MANAGEMENT BRANCH
PROJECT COST SUMMARY**

PROJECT: Office Building - Alt. 3	CONCEPTUAL EST.: C3DGSSJ03
LOCATION: San Jose (Downtown)	EST. / PROJ. CCCI: 4002 / 4019
CLIENT: Department of General Services	DATE ESTIMATED: 04/28/2003
DESIGN BY: N/A	ABMS NO: 114808
PROJECT MGR: N/A	PREPARED BY: JAH
PLAN DATE: N/A	DOF PROJ. I.D. NO.: N/A

DESCRIPTION

This project constructs a new mid-rise office building and parking garage in downtown San Jose. The office building will consist of approx. 242,000 gross square feet, and will be constructed on a 1.63 acre state-owned site. Childcare facilities (4,200 gsf), modular systems furniture, vending areas (2,000 sf), and a retail area (3,500 gsf) are included. The project includes a new parking garage for 484 parking spaces. (Two levels of parking will be below grade; one level will be above grade.) Scope includes demolition and hazardous material removal and all appropriate site work, utilities, and landscaping activities.

ESTIMATE SUMMARY

Core & Shell (242,000 gsf @ \$118/sf)	\$28,544,000
Office T.I. (181,000 gsf @ \$57/sf)	\$10,255,000
Vending Areas (2,000 gsf @ \$180/sf)	\$358,000
Day Care (4,200 gsf @ \$258/sf)	\$1,082,000
Art Work (Allowance)	\$800,000
Site Work & Utilities	\$3,090,000
Parking (484 spaces @ \$21,600/space)	\$10,470,000
Retail Space (3,500 gsf @ \$206/sf)	\$721,000
Demolition & Haz Mat. Removal	<u>\$1,118,000</u>

ESTIMATED TOTAL CURRENT COSTS: \$56,438,000

Adjust CCCI From 4002 to 4019 \$240,000

ESTIMATED TOTAL CURRENT COSTS ON JULY 1, 2004: \$56,678,000

Escalation to Start of Construction (56 Months @ .25%/mo.) \$7,935,000

ESTIMATED TOTAL COSTS AT START OF CONSTRUCTION: \$64,613,000

Escalation to Midpoint 14 Months @ .25%/mo. \$2,261,000

ESTIMATED TOTAL CONTRACTS \$66,874,000

Contingency At: 5% \$3,344,000

ESTIMATED TOTAL CONSTRUCTION COST \$70,218,000

**SUMMARY OF COSTS
BY PHASE**

PROJECT: Office Building - Alt. 3
 LOCATION: San Jose (Downtown)
 CLIENT: Department of General Services

CONCEPTUAL EST.: C3DGSSJ03
 DATE ESTIMATED: 28-Apr-03
 PREPARED BY: JAH

CONSTRUCTION DURATION	28 MONTHS	
ESTIMATED CONTRACT COST	\$66,874,000	\$66,874,000
CONSTRUCTION CONTINGENCY	\$3,344,000	\$3,344,000
TOTAL	<u>\$70,218,000</u>	<u>\$70,218,000</u>

CATEGORY	STUDY 00	PRELIMINARY PLANS 01	WORKING DRAWINGS 02	CONSTRUCTION 03	TOTAL
ARCHITECTURAL AND ENGINEERING SERVICES					
A&E Design		\$2,287,000	\$2,588,000	\$1,204,568	\$6,079,568
Construction Inspection				\$1,269,504	\$1,269,504
Construction Inspection Travel				\$111,360	\$111,360
Coordination & Contract Management					
Advertising, Printing and Mailing			\$50,000		\$50,000
Construction Guarantee Inspection				\$5,568	\$5,568
SUBTOTAL A&E SERVICES		\$2,287,000	\$2,638,000	\$2,591,000	\$7,516,000

OTHER PROJECT COSTS					
Special Consultants (Note 3)		\$401,000	\$134,000	\$134,000	\$669,000
Materials Testing				\$869,000	\$869,000
Project/Construction Management		\$294,100	\$374,000	\$669,100	\$1,337,200
Contract Construction Management			\$451,000	\$2,558,000	\$3,009,000
Site Acquisition Cost & Fees					
Agency Retained Items					
DVBE - A&E		\$5,900	\$6,000	\$4,900	\$16,800
DVBE - Const.				\$154,500	\$154,500
Modular Furniture (547 units @ \$5,500/ea.)				\$3,008,500	\$3,008,500
Hospital Checking					
Essential Services					
Handicapped Checking			\$9,000		\$9,000
Other Costs - Due Diligence		\$25,000			\$25,000
Environmental Document (Note 5)		\$350,000			\$350,000
SUBTOTAL OTHER PROJECT COSTS		\$1,076,000	\$974,000	\$7,398,000	\$9,448,000

TOTAL ESTIMATED PROJECT COST		\$3,363,000	\$3,612,000	\$80,207,000	\$87,182,000
LESS FUNDS TRANSFERRED					
LESS FUNDS AVAILABLE NOT TRANSFERRED					
CARRY OVER			\$3,363,000	\$6,975,000	
BALANCE OF FUNDS REQUIRED		\$3,363,000	\$6,975,000	\$87,182,000	\$87,182,000

FUNDING DATA & ESTIMATE NOTES

PROJECT:	Office Building - Alt. 3	CONCEPTUAL EST.:	C3DGSSJ03
LOCATION:	San Jose (Downtown)	DATE ESTIMATED:	28-Apr-03
CLIENT:	Department of General Services	PREPARED BY:	JAH
TEMPLATE:	2003A (Office - Bond) - Conceptual Estimate		

FUNDING DATA

<u>Chapter / Item</u>	<u>Phase</u>	<u>Amount</u>	<u>Totals</u>
Fund Transfers			
N/A	S	<u>\$0</u>	
Total Funds Transferred			\$0
Funds Available Not Transferred			
N/A	P,W,C	<u>\$0</u>	
Total Funds Available not Transferred			<u>\$0</u>
Total Funds Transferred and Available			<u><u>\$0</u></u>

ESTIMATE NOTES

1. The construction costs in this estimate are indexed from the CCCI Index as of the date of estimate preparation to the CCCI index that is projected as of July 1, 2004. The project estimate is then escalated for a 14.0 month period to an assumed construction midpoint. Assuming bond funding, this project has been escalated to the start of construction.
2. The Agency may have retained items that are not included in this estimate. RESD-PMB has not verified Agency retained pricing.
3. Special Consultant costs include Survey w/ Topo Map, Geotechnical, Hazmat Testing and Monitoring, and Utility design fees.
4. Concerning energy and sustainability, the project goal is to obtain LEED Silver certification.
5. Funds have been included for an EIR, including analysis of aesthetics, noise, hazards and hazardous materials, archaeology, phase 1 site assessment, community outreach, and permitting issues. It is assumed that there will be consultation with local government regarding community outreach and permitting issues.

BOND ESTIMATE - San Jose Alt. 1 - \$52.5mm.xls

BOND ESTIMATING

PROJECT USEABLE SQ. FT.		95,000
PROJECT COST		\$52,536,000
RATE		5.10%
TERM		25
PMIA INTEREST (% of dollars funded x 6%)	90%	\$2,836,944
SUBTOTAL		\$55,372,944
BOND CAPITALIZED INT. RES. PER YR.		\$2,824,020
TOTAL CAPITALIZED INT. RESERVE	2 YR	\$5,936,090.34
SUBTOTAL		\$61,309,034
BOND ORIGATION COST FACTOR	1.015	\$919,636
SUBTOTAL		\$62,228,670
OTHER COSTS		\$0
TOTAL BOND AMOUNT		\$62,228,670
TOTAL PAYMENTS		\$110,225,221
MONTHLY PAYMENT		\$367,417
MONTHLY PMT / SQ. FT.		\$3.87

SAN JOSE OFFICE BUILDING - ALTERNATIVE 1 95K NSF OFF SITE

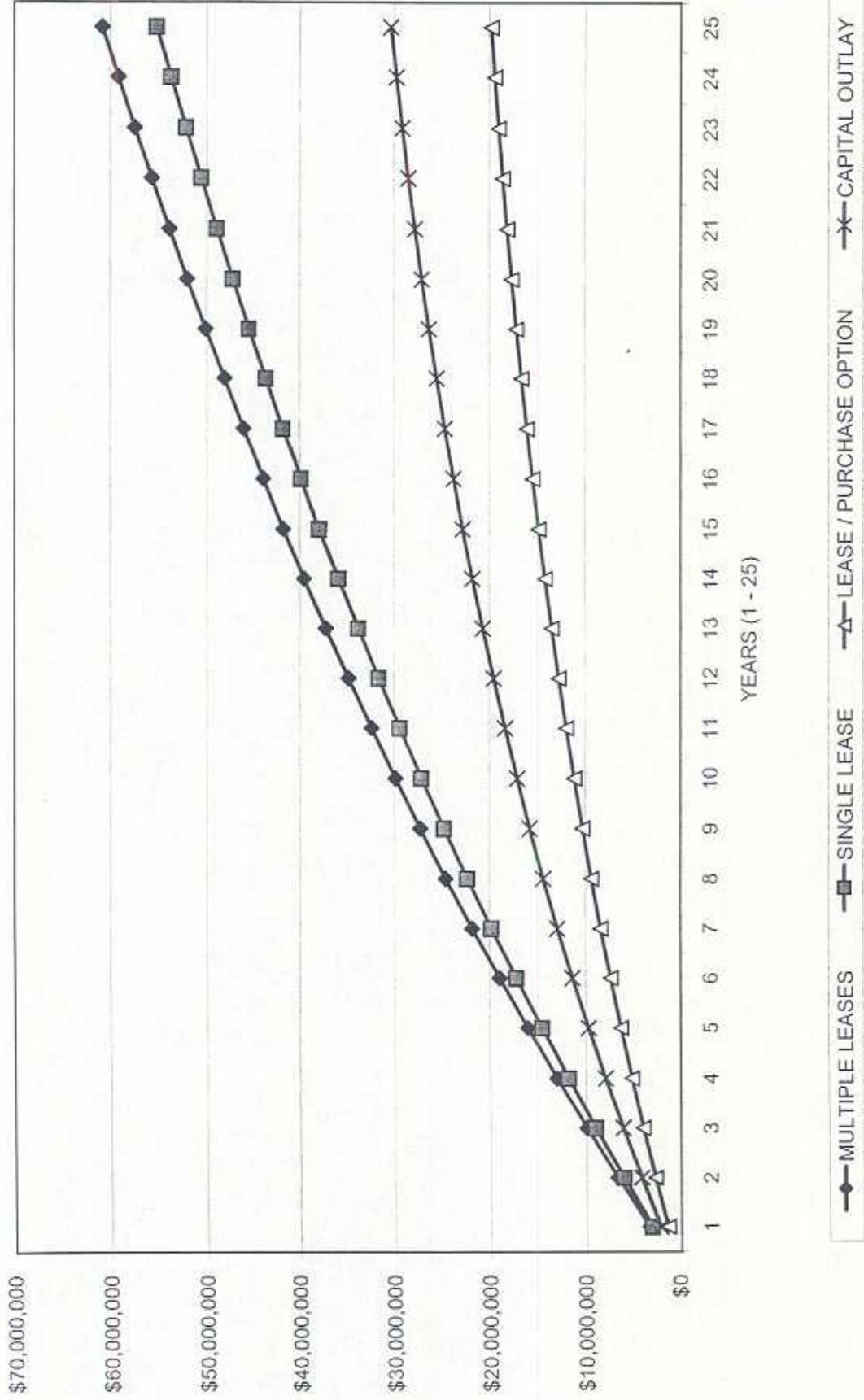
PROJECT NAME

ESCALATION YEAR 2008

ASSUMPTIONS	MULTIPLE LEASES	SINGLE LEASE	LEASE WITH PURCHASE OPTION	CAPITAL OUTLAY
GROSS SQUARE FEET	115,000	115,000	127,000	127,000
USEABLE SQUARE FEET	95,000	95,000	95,000	95,000
GROSS TO NET RATIO	83%	83%	75%	75%
PRESENT VALUE DISCOUNT RATE	5.10%	5.10%	5.10%	5.10%
NET RENT/NUSF/MONTH	\$3.14	\$2.85	\$2.37	\$3.87
LEASE RATE INFLATION FACTOR	2.00%	2.00%		
O&M/NUSF/MONTH	\$0.00	\$0.00	\$0.90	\$0.90
O&M INFLATION FACTOR	0.00%	0.00%	2.00%	2.00%
PWB BOND FINANCE RATE			5.10%	5.10%
PROJECT COST			\$38,100,000	\$62,228,000
MAINTENANCE AND REPAIR/NSF/MONTH			\$0.15	\$0.15

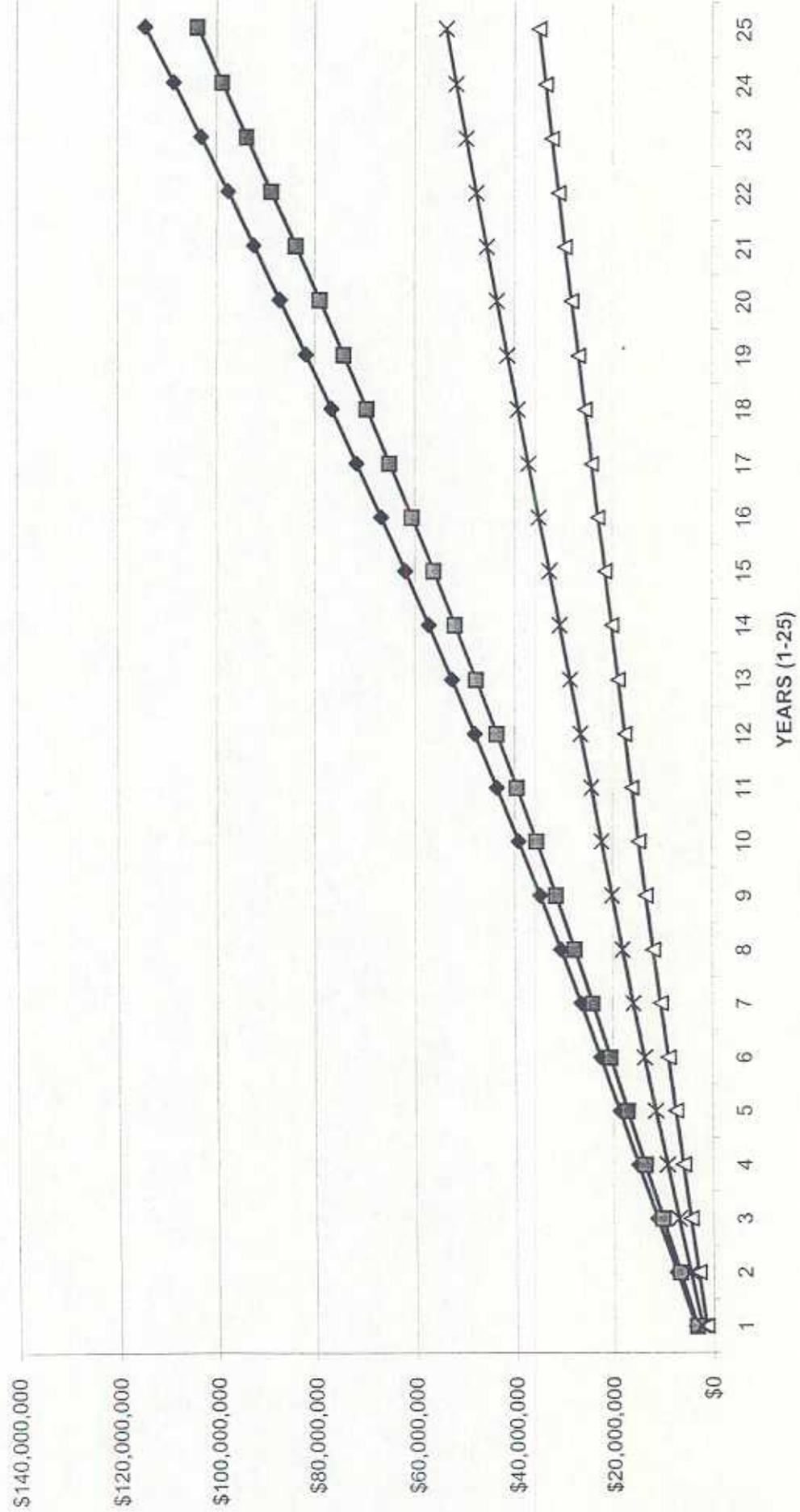
NOTE:

CUMULATIVE PRESENT VALUE



	MULTIPLE LEASES	SINGLE LEASE	LEASE / PURCHASE OPTION	CAPITAL OUTLAY
Year 1	\$3,405,899	\$3,091,342	\$1,408,513	\$2,162,754
Year 2	\$6,711,339	\$6,091,502	\$2,743,107	\$4,211,461
Year 3	\$9,919,282	\$9,003,170	\$4,007,617	\$6,152,063
Year 4	\$13,032,605	\$11,828,957	\$5,205,681	\$7,990,189
Year 5	\$16,054,098	\$14,571,395	\$6,340,750	\$9,731,184
Year 6	\$18,986,470	\$17,232,943	\$7,416,095	\$11,380,113
Year 7	\$21,832,350	\$19,815,986	\$8,434,823	\$12,941,780
Year 8	\$24,594,288	\$22,322,841	\$9,399,877	\$14,420,744
Year 9	\$27,274,761	\$24,755,754	\$10,314,051	\$15,821,324
Year 10	\$29,876,171	\$27,116,907	\$11,179,994	\$17,147,619
Year 11	\$32,400,851	\$29,408,416	\$12,000,219	\$18,403,515
Year 12	\$34,851,064	\$31,632,335	\$12,777,108	\$19,592,697
Year 13	\$37,229,006	\$33,790,658	\$13,512,922	\$20,718,658
Year 14	\$39,536,809	\$35,885,320	\$14,209,803	\$21,784,711
Year 15	\$41,776,542	\$37,918,199	\$14,869,786	\$22,793,999
Year 16	\$43,950,212	\$39,891,116	\$15,494,796	\$23,749,500
Year 17	\$46,059,768	\$41,805,840	\$16,086,663	\$24,654,037
Year 18	\$48,107,101	\$43,664,088	\$16,647,120	\$25,510,289
Year 19	\$50,094,047	\$45,467,526	\$17,177,811	\$26,320,793
Year 20	\$52,022,386	\$47,217,771	\$17,680,294	\$27,087,956
Year 21	\$53,893,847	\$48,916,390	\$18,156,048	\$27,814,061
Year 22	\$55,710,109	\$50,564,908	\$18,606,474	\$28,501,269
Year 23	\$57,472,798	\$52,164,801	\$19,032,900	\$29,151,631
Year 24	\$59,183,496	\$53,717,504	\$19,436,587	\$29,767,091
Year 25	\$60,843,735	\$55,224,409	\$19,818,728	\$30,349,491

CUMULATIVE FUTURE VALUE



San Jose Office Building-ALTERNATIVE 1 95K NSF OFF SITE

08/14/2003

FV SUMMARY CHART

	MULTIPLE LEASES	SINGLE LEASE	LEASE / PURCHASE OPTION	CAPITAL OUTLAY
Year 1	\$3,579,600	\$3,249,000	\$1,480,347	2,273,054
Year 2	\$7,230,792	\$6,562,980	\$2,954,541	4,536,059
Year 3	\$10,955,008	\$9,943,240	\$4,422,556	6,788,972
Year 4	\$14,753,708	\$13,391,104	\$5,884,366	9,031,750
Year 5	\$18,628,382	\$16,907,926	\$7,339,944	11,264,350
Year 6	\$22,580,550	\$20,495,085	\$8,789,265	13,486,730
Year 7	\$26,611,761	\$24,153,987	\$10,232,300	15,698,844
Year 8	\$30,723,596	\$27,886,066	\$11,669,025	17,900,651
Year 9	\$34,917,068	\$31,692,788	\$13,099,411	20,092,106
Year 10	\$39,195,621	\$35,575,644	\$14,523,433	22,273,164
Year 11	\$43,559,134	\$39,536,156	\$15,941,062	24,443,783
Year 12	\$48,009,916	\$43,575,880	\$17,352,272	26,603,917
Year 13	\$52,549,715	\$47,696,397	\$18,757,035	28,753,522
Year 14	\$57,180,309	\$51,899,325	\$20,155,324	30,892,553
Year 15	\$61,903,515	\$56,186,312	\$21,547,112	33,020,966
Year 16	\$66,721,185	\$60,559,038	\$22,932,371	35,138,714
Year 17	\$71,635,209	\$65,019,219	\$24,311,073	37,245,753
Year 18	\$76,647,513	\$69,568,603	\$25,683,190	39,342,038
Year 19	\$81,760,064	\$74,208,975	\$27,048,694	41,427,522
Year 20	\$86,974,865	\$78,942,154	\$28,407,558	43,502,160
Year 21	\$92,293,962	\$83,769,998	\$29,759,752	45,565,906
Year 22	\$97,719,441	\$88,694,398	\$31,105,250	47,618,712
Year 23	\$103,253,430	\$93,717,285	\$32,444,021	49,660,534
Year 24	\$108,898,099	\$98,840,631	\$33,776,038	51,691,323
Year 25	\$114,655,661	\$104,066,444	\$35,101,271	53,711,034

MULTIPLE LEASES

Gross Square Feet 115,000
 Net Usable Square Feet 95,000
 Present Value Discount Rate 5.10%

Project Cost \$3.14

Bond Payment/NUSF/Month \$0.00 Assumes 300 Months of Term

O & M/NUSF/Month \$0.00
 Inflation Rate 0.00%

Period	Lease Payment	O & M with Inflation	Total Future Value	Annual Present Value	Cumulative Future Value	Cumulative Present Value
Year 1	3,579,600	0	3,579,600	3,405,899	3,579,600	3,405,899
Year 2	3,651,192	0	3,651,192	3,305,440	7,230,792	6,711,339
Year 3	3,724,216	0	3,724,216	3,207,943	10,955,008	9,919,282
Year 4	3,798,700	0	3,798,700	3,113,323	14,753,708	13,032,605
Year 5	3,874,674	0	3,874,674	3,021,493	18,628,382	16,054,098
Year 6	3,952,168	0	3,952,168	2,932,372	22,580,550	18,986,470
Year 7	4,031,211	0	4,031,211	2,845,880	26,611,761	21,832,350
Year 8	4,111,835	0	4,111,835	2,761,938	30,723,596	24,594,288
Year 9	4,194,072	0	4,194,072	2,680,473	34,917,668	27,274,761
Year 10	4,277,953	0	4,277,953	2,601,410	39,195,621	29,876,171
Year 11	4,363,512	0	4,363,512	2,524,680	43,559,134	32,400,851
Year 12	4,450,783	0	4,450,783	2,450,213	48,009,916	34,851,064
Year 13	4,539,798	0	4,539,798	2,377,942	52,549,715	37,229,006
Year 14	4,630,594	0	4,630,594	2,307,803	57,180,309	39,536,809
Year 15	4,723,206	0	4,723,206	2,239,733	61,903,515	41,776,542
Year 16	4,817,670	0	4,817,670	2,173,670	66,721,185	43,950,212
Year 17	4,914,024	0	4,914,024	2,109,556	71,635,209	46,059,768
Year 18	5,012,304	0	5,012,304	2,047,333	76,647,513	48,107,101
Year 19	5,112,550	0	5,112,550	1,986,946	81,760,064	50,094,047
Year 20	5,214,801	0	5,214,801	1,928,339	86,974,865	52,022,386
Year 21	5,319,097	0	5,319,097	1,871,462	92,293,962	53,893,847
Year 22	5,425,479	0	5,425,479	1,816,261	97,719,441	55,710,109
Year 23	5,533,989	0	5,533,989	1,762,689	103,253,430	57,472,798
Year 24	5,644,669	0	5,644,669	1,710,698	108,898,099	59,183,496
Year 25	5,757,562	0	5,757,562	1,660,239	114,655,661	60,843,735
TOTAL	\$ 114,655,661	\$ -	\$ 114,655,661	\$60,843,735		

SINGLE LEASE

Net Usable Square Feet
 Net Usable Square Feet
 Present Value Discount Rate

115,000
 95,000
 5.10%

Project Cost

\$2.85

Bond Payment/NUSF/Month

\$0.00 Assumes 300 Months of Term

O & M/NUSF/Month
 Inflation Rate

\$0.00
 0.00%

Period	Lease Payment	O & M with Inflation	Total	Annual Present Value	Cumulative Future Value	Cumulative Present Value
Year 1	3,249,000	0	3,249,000	3,091,342	3,249,000	3,091,342
Year 2	3,313,980	0	3,313,980	3,000,160	6,562,980	6,091,502
Year 3	3,380,260	0	3,380,260	2,911,668	9,943,240	9,003,170
Year 4	3,447,865	0	3,447,865	2,825,787	13,391,104	11,828,957
Year 5	3,516,822	0	3,516,822	2,742,438	16,907,926	14,571,395
Year 6	3,587,159	0	3,587,159	2,661,548	20,495,085	17,232,943
Year 7	3,658,902	0	3,658,902	2,583,044	24,153,987	19,815,986
Year 8	3,732,080	0	3,732,080	2,506,855	27,886,066	22,322,841
Year 9	3,806,721	0	3,806,721	2,432,913	31,692,788	24,755,754
Year 10	3,882,856	0	3,882,856	2,361,153	35,575,644	27,116,907
Year 11	3,960,513	0	3,960,513	2,291,509	39,536,156	29,408,416
Year 12	4,039,723	0	4,039,723	2,223,919	43,575,880	31,632,335
Year 13	4,120,518	0	4,120,518	2,158,323	47,696,397	33,790,658
Year 14	4,202,928	0	4,202,928	2,094,662	51,899,325	35,885,320
Year 15	4,286,987	0	4,286,987	2,032,878	56,186,312	37,918,199
Year 16	4,372,726	0	4,372,726	1,972,917	60,559,038	39,891,116
Year 17	4,460,181	0	4,460,181	1,914,724	65,019,219	41,805,840
Year 18	4,549,384	0	4,549,384	1,858,248	69,568,603	43,664,088
Year 19	4,640,372	0	4,640,372	1,803,438	74,208,975	45,467,526
Year 20	4,733,179	0	4,733,179	1,750,244	78,942,154	47,217,771
Year 21	4,827,843	0	4,827,843	1,698,620	83,769,998	48,916,390
Year 22	4,924,400	0	4,924,400	1,648,518	88,694,398	50,564,908
Year 23	5,022,888	0	5,022,888	1,599,893	93,717,285	52,164,801
Year 24	5,123,346	0	5,123,346	1,552,703	98,840,631	53,717,504
Year 25	5,225,813	0	5,225,813	1,506,905	104,066,444	55,224,409
TOTAL	\$ 104,066,444	\$ -	\$ 104,066,444	\$55,224,409		

LEASE WITH PURCHASE OPTION

Net Usable Square Feet 127,000
 Net Usable Square Feet 95,000
 Present Value Discount Rate 5.10%

Project Cost \$38,100,000
 Bond Rate 5.10%
 Lease Payment/NUSF/Month \$2.37 Assumes 300 Months of Term

MAINTENANCE RESERVE
 O & M/NUSF/Month \$0.15
 Total \$0.15
 Inflation Rate 0.00%

Period	Finance Payment	Principal Reduction	O&M with Inflation	Annual Future Value	Annual Present Value	Cumulative Future Value	Cumulative Present Value
Year 1	2,699,451	(1,447,704)	228,600	1,480,347	1,408,513	1,480,347	1,408,513
Year 2	2,699,451	(1,453,857)	228,600	1,474,194	1,334,594	2,954,541	2,743,107
Year 3	2,699,451	(1,460,036)	228,600	1,468,015	1,264,510	4,422,556	4,007,617
Year 4	2,699,451	(1,466,241)	228,600	1,461,810	1,198,064	5,884,366	5,205,681
Year 5	2,699,451	(1,472,472)	228,600	1,455,578	1,135,068	7,339,944	6,340,750
Year 6	2,699,451	(1,478,730)	228,600	1,449,320	1,075,346	8,789,265	7,416,095
Year 7	2,699,451	(1,485,015)	228,600	1,443,036	1,018,728	10,232,300	8,434,823
Year 8	2,699,451	(1,491,326)	228,600	1,436,725	965,054	11,669,025	9,399,877
Year 9	2,699,451	(1,497,664)	228,600	1,430,386	914,174	13,099,411	10,314,051
Year 10	2,699,451	(1,504,030)	228,600	1,424,021	865,943	14,523,433	11,179,994
Year 11	2,699,451	(1,510,422)	228,600	1,417,629	820,225	15,941,062	12,000,219
Year 12	2,699,451	(1,516,841)	228,600	1,411,210	776,889	17,352,272	12,777,108
Year 13	2,699,451	(1,523,288)	228,600	1,404,763	735,814	18,757,035	13,512,922
Year 14	2,699,451	(1,529,762)	228,600	1,398,289	696,882	20,155,324	14,209,803
Year 15	2,699,451	(1,536,263)	228,600	1,391,788	659,982	21,547,112	14,869,786
Year 16	2,699,451	(1,542,792)	228,600	1,385,259	625,011	22,932,371	15,494,796
Year 17	2,699,451	(1,549,349)	228,600	1,378,702	591,867	24,311,073	16,086,663
Year 18	2,699,451	(1,555,934)	228,600	1,372,117	560,457	25,683,190	16,647,120
Year 19	2,699,451	(1,562,546)	228,600	1,365,504	530,691	27,048,694	17,177,811
Year 20	2,699,451	(1,569,187)	228,600	1,358,864	502,483	28,407,558	17,680,294
Year 21	2,699,451	(1,575,856)	228,600	1,352,195	475,754	29,759,752	18,156,048
Year 22	2,699,451	(1,582,554)	228,600	1,345,497	450,426	31,105,250	18,606,474
Year 23	2,699,451	(1,589,280)	228,600	1,338,771	426,426	32,444,021	19,032,900
Year 24	2,699,451	(1,596,034)	228,600	1,332,017	403,687	33,776,038	19,436,587
Year 25	2,699,451	(1,602,817)	228,600	1,325,234	382,142	35,101,271	19,818,728
TOTAL	\$ 67,486,271	\$ (38,100,000)	\$ 5,715,000	\$ 35,101,271	\$19,818,728		

CAPITAL OUTLAY

Gross Square Feet 127,000
 Net Usable Square Feet 95,000
 Present Value Discount Rate 5.10%
 Parking Income \$0.00
 Parking Spaces 0
 Inflation Rate 0.00%

Project Cost \$62,228,000
 Bond Rate 5.10%

Bond Payment/NUSF/Month \$3.87 Assumes 300 Months of Term

MAINTENANCE RESERVE
 O & M/NUSF/Month \$0.15

Total

Inflation Rate 0.00%

Period	Bond Payment	Principal Reduction	O & M with Inflation	Parking Income with Inflation	Total Future Value	Annual Present Value	Cumulative Future Value	Cumulative Present Value
Year 1	4,408,961	(2,364,507)	228,600	0	2,273,054	2,162,754	2,273,054	2,162,754
Year 2	4,408,961	(2,374,557)	228,600	0	2,263,005	2,048,708	4,536,059	4,211,461
Year 3	4,408,961	(2,384,648)	228,600	0	2,252,913	1,940,601	6,788,972	6,152,063
Year 4	4,408,961	(2,394,783)	228,600	0	2,242,778	1,838,127	9,031,750	7,990,189
Year 5	4,408,961	(2,404,961)	228,600	0	2,232,600	1,740,995	11,264,350	9,731,184
Year 6	4,408,961	(2,415,182)	228,600	0	2,222,379	1,648,929	13,486,730	11,380,113
Year 7	4,408,961	(2,425,447)	228,600	0	2,212,115	1,561,668	15,698,844	12,941,780
Year 8	4,408,961	(2,435,755)	228,600	0	2,201,807	1,478,963	17,900,651	14,420,744
Year 9	4,408,961	(2,446,107)	228,600	0	2,191,455	1,400,580	20,092,106	15,821,324
Year 10	4,408,961	(2,456,503)	228,600	0	2,181,059	1,326,295	22,273,164	17,147,619
Year 11	4,408,961	(2,466,943)	228,600	0	2,170,619	1,255,896	24,443,783	18,403,515
Year 12	4,408,961	(2,477,427)	228,600	0	2,160,134	1,189,181	26,603,917	19,592,697
Year 13	4,408,961	(2,487,956)	228,600	0	2,149,605	1,125,961	28,753,522	20,718,658
Year 14	4,408,961	(2,498,530)	228,600	0	2,139,031	1,066,054	30,892,553	21,784,711
Year 15	4,408,961	(2,509,149)	228,600	0	2,128,412	1,009,288	33,020,966	22,793,999
Year 16	4,408,961	(2,519,813)	228,600	0	2,117,749	955,501	35,138,714	23,749,500
Year 17	4,408,961	(2,530,522)	228,600	0	2,107,039	904,537	37,245,753	24,654,037
Year 18	4,408,961	(2,541,277)	228,600	0	2,096,285	856,252	39,342,038	25,510,289
Year 19	4,408,961	(2,552,077)	228,600	0	2,085,484	810,504	41,427,522	26,320,793
Year 20	4,408,961	(2,562,924)	228,600	0	2,074,638	767,164	43,502,160	27,087,956
Year 21	4,408,961	(2,573,816)	228,600	0	2,063,745	726,104	45,565,906	27,814,061
Year 22	4,408,961	(2,584,755)	228,600	0	2,052,807	687,208	47,618,712	28,501,269
Year 23	4,408,961	(2,595,740)	228,600	0	2,041,822	650,362	49,660,534	29,151,631
Year 24	4,408,961	(2,606,772)	228,600	0	2,030,790	615,460	51,691,323	29,767,091
Year 25	4,408,961	(2,617,851)	228,600	0	2,019,711	582,400	53,711,034	30,349,491
TOTAL	\$ 110,224,034	\$ (62,228,000)	\$ 5,715,000	\$ -	\$ 53,711,034			

BOND ESTIMATE - San Jose Alt. 2 - \$88mm.xls

BOND ESTIMATING

PROJECT USEABLE SQ. FT.		181,000
PROJECT COST		\$88,277,000
RATE		5.10%
TERM		25
PMIA INTEREST (% of dollars funded x 6%)	90%	\$4,766,958
SUBTOTAL		\$93,043,958
BOND CAPITALIZED INT. RES. PER YR.		\$4,745,242
TOTAL CAPITALIZED INT. RESERVE	2 YR	\$9,974,498.39
SUBTOTAL		\$103,018,456
BOND ORIGATION COST FACTOR	1.015	\$1,545,277
SUBTOTAL		\$104,563,733
OTHER COSTS		\$0
TOTAL BOND AMOUNT		\$104,563,733
TOTAL PAYMENTS		\$185,213,031
MONTHLY PAYMENT		\$617,377
MONTHLY PMT / SQ. FT.		\$3.41

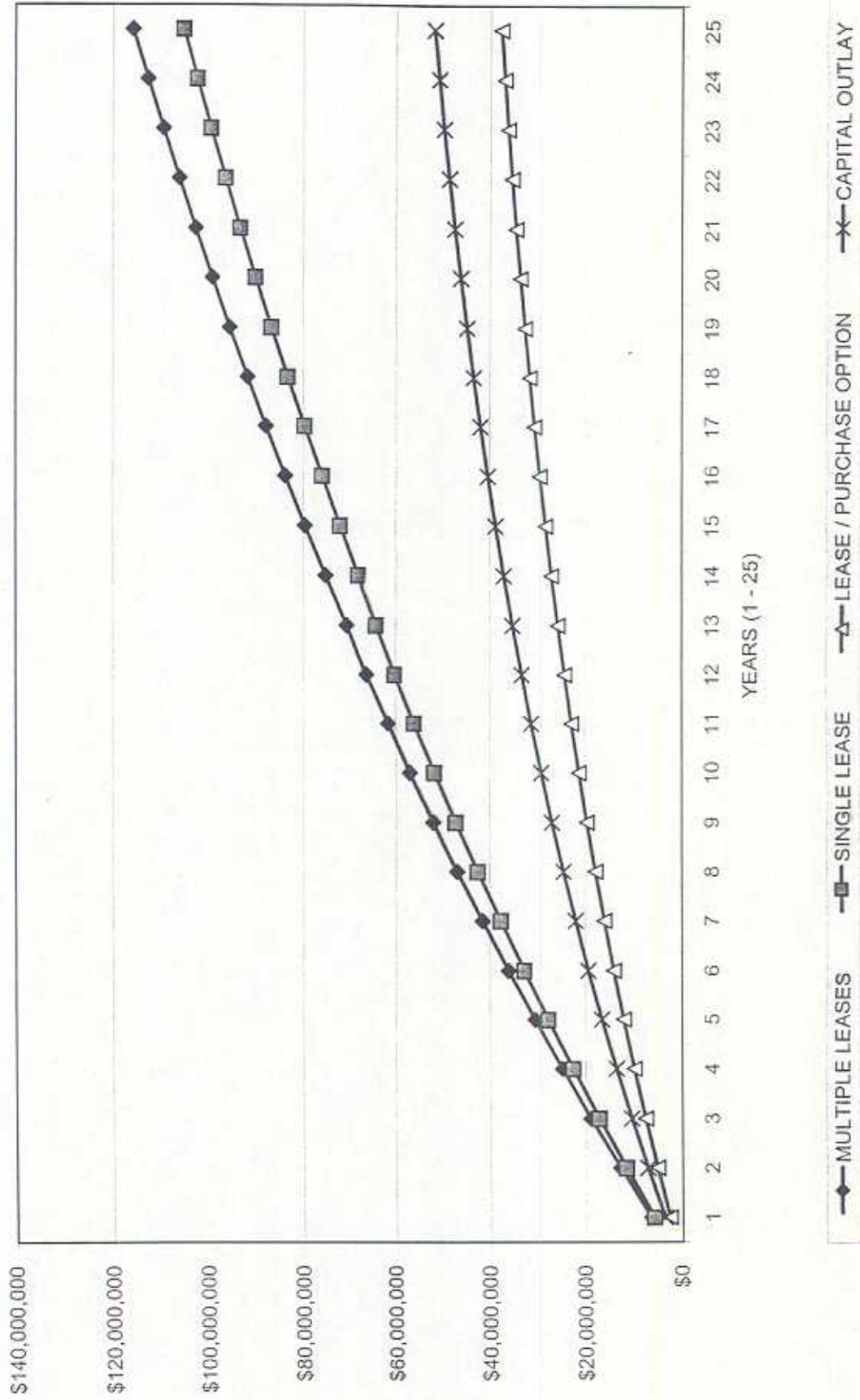
SAN JOSE OFFICE BUILDING - ALTERNATIVE 2 181K NSF

2008

PROJECT NAME	ESCALATION YEAR	MULTIPLE LEASES	SINGLE LEASE	LEASE WITH PURCHASE OPTION	CAPITAL OUTLAY
ASSUMPTIONS					
GROSS SQUARE FEET	215,000	215,000	215,000	242,000	242,000
USEABLE SQUARE FEET	181,000	181,000	181,000	181,000	181,000
GROSS TO NET RATIO	84%	84%	84%	75%	75%
PRESENT VALUE DISCOUNT RATE	5.10%	5.10%	5.10%	5.10%	5.10%
NET RENT/NUSF/MONTH	\$3.14	\$2.85	\$2.85	\$2.37	\$3.41
LEASE RATE INFLATION FACTOR	2.00%	2.00%	2.00%	\$0.90	\$0.90
O&M/NUSF/MONTH	\$0.00	\$0.00	\$0.00	2.00%	2.00%
O&M INFLATION FACTOR	0.00%	0.00%	0.00%	5.10%	5.10%
PWB BOND FINANCE RATE				\$72,600,000	\$104,563,000
PROJECT COST				\$0.15	\$0.15
MAINTENANCE AND REPAIR/NSF/MONTH					

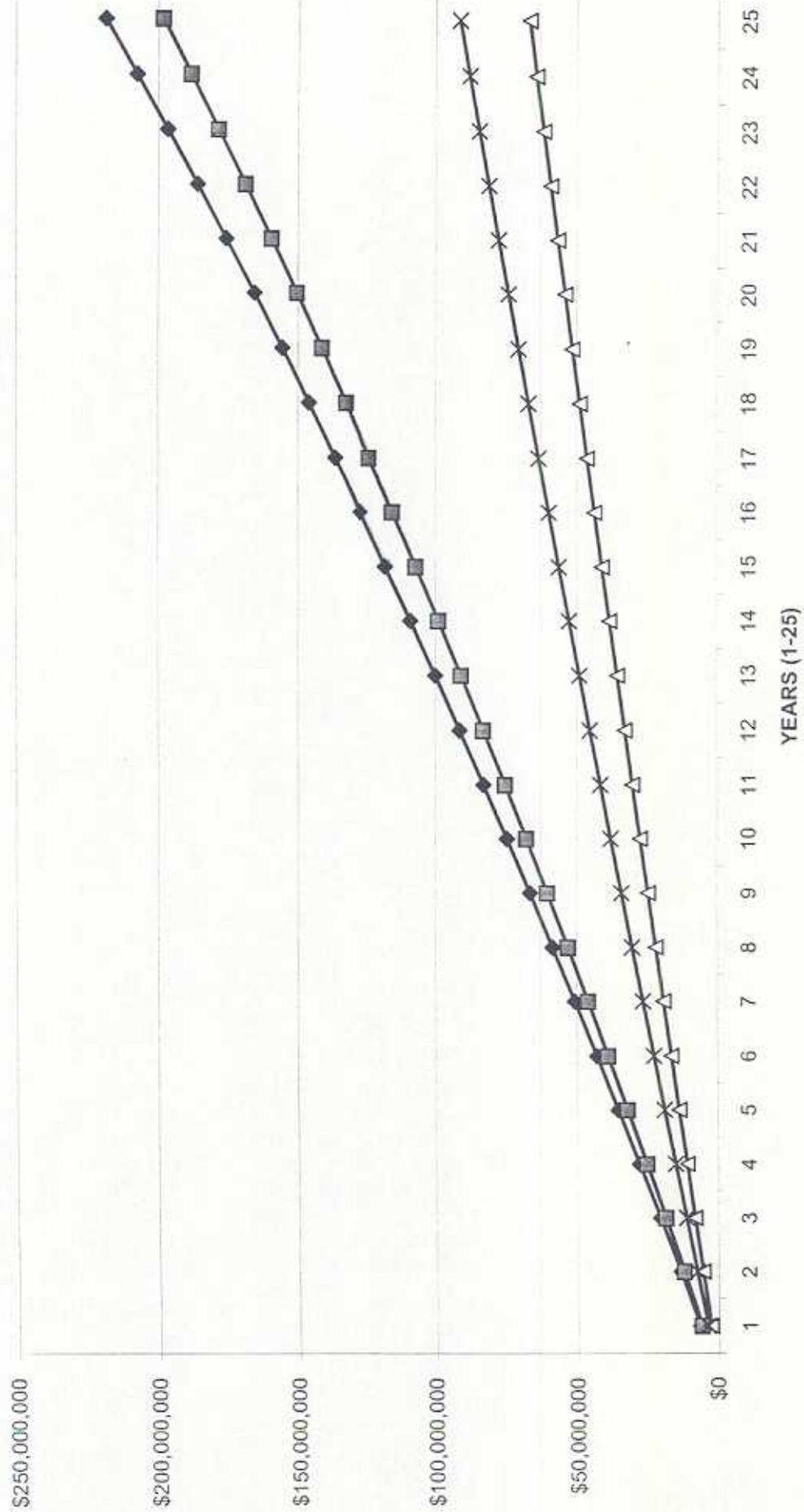
NOTE:

CUMULATIVE PRESENT VALUE



	MULTIPLE LEASES	SINGLE LEASE	LEASE / PURCHASE OPTION	CAPITAL OUTLAY
Year 1	\$6,489,134	\$5,889,819	\$2,683,937	\$3,683,100
Year 2	\$12,786,867	\$11,605,914	\$5,227,022	\$7,172,191
Year 3	\$18,898,843	\$17,153,408	\$7,636,562	\$10,477,365
Year 4	\$24,830,542	\$22,537,276	\$9,919,487	\$13,608,199
Year 5	\$30,587,282	\$27,762,342	\$12,082,373	\$16,573,771
Year 6	\$36,174,222	\$32,833,291	\$14,131,457	\$19,382,696
Year 7	\$41,596,371	\$37,754,668	\$16,072,655	\$22,043,140
Year 8	\$46,858,591	\$42,530,887	\$17,911,577	\$24,562,852
Year 9	\$51,965,597	\$47,166,227	\$19,653,547	\$26,949,177
Year 10	\$56,921,969	\$51,664,844	\$21,303,611	\$29,209,082
Year 11	\$61,732,148	\$56,030,772	\$22,866,559	\$31,349,175
Year 12	\$66,400,449	\$60,267,923	\$24,346,930	\$33,375,721
Year 13	\$70,931,054	\$64,380,097	\$25,749,032	\$35,294,661
Year 14	\$75,328,026	\$68,370,979	\$27,076,948	\$37,111,629
Year 15	\$79,595,306	\$72,244,147	\$28,334,552	\$38,831,968
Year 16	\$83,736,719	\$76,003,073	\$29,525,517	\$40,460,741
Year 17	\$87,755,978	\$79,651,127	\$30,653,327	\$42,002,754
Year 18	\$91,656,687	\$83,191,579	\$31,721,285	\$43,462,558
Year 19	\$95,442,341	\$86,627,603	\$32,732,522	\$44,844,472
Year 20	\$99,116,335	\$89,962,279	\$33,690,010	\$46,152,589
Year 21	\$102,681,962	\$93,198,596	\$34,596,564	\$47,390,789
Year 22	\$106,142,418	\$96,339,455	\$35,454,855	\$48,562,752
Year 23	\$109,500,805	\$99,387,673	\$36,267,415	\$49,671,967
Year 24	\$112,760,134	\$102,345,982	\$37,036,645	\$50,721,738
Year 25	\$115,923,327	\$105,217,033	\$37,764,821	\$51,715,201

CUMULATIVE FUTURE VALUE



MULTIPLE LEASES

 SINGLE LEASE

 LEASE / PURCHASE OPTION

 CAPITAL OUTLAY

	MULTIPLE LEASES	SINGLE LEASE	LEASE / PURCHASE OPTION	CAPITAL OUTLAY
Year 1	\$6,820,080	\$6,190,200	\$2,820,818	3,870,938
Year 2	\$13,776,562	\$12,504,204	\$5,629,912	7,724,991
Year 3	\$20,872,173	\$18,944,488	\$8,427,232	11,562,086
Year 4	\$28,109,696	\$25,513,578	\$11,212,729	15,382,152
Year 5	\$35,491,970	\$32,214,049	\$13,986,350	19,185,115
Year 6	\$43,021,890	\$39,048,530	\$16,748,048	22,970,904
Year 7	\$50,702,407	\$46,019,701	\$19,497,769	26,739,445
Year 8	\$58,536,536	\$53,130,295	\$22,235,465	30,490,665
Year 9	\$66,527,346	\$60,383,101	\$24,961,083	34,224,490
Year 10	\$74,677,973	\$67,780,963	\$27,674,572	37,940,847
Year 11	\$82,991,613	\$75,326,782	\$30,375,882	41,639,661
Year 12	\$91,471,525	\$83,023,518	\$33,064,959	45,320,858
Year 13	\$100,121,035	\$90,874,188	\$35,741,752	48,984,362
Year 14	\$108,943,536	\$98,881,872	\$38,406,209	52,630,100
Year 15	\$117,942,487	\$107,049,709	\$41,058,277	56,257,994
Year 16	\$127,121,417	\$115,380,904	\$43,697,904	59,867,969
Year 17	\$136,483,925	\$123,878,722	\$46,325,036	63,459,950
Year 18	\$146,033,683	\$132,546,496	\$48,939,622	67,033,859
Year 19	\$155,774,437	\$141,387,626	\$51,541,607	70,589,620
Year 20	\$165,710,006	\$150,405,579	\$54,130,937	74,127,156
Year 21	\$175,844,286	\$159,603,890	\$56,707,560	77,646,389
Year 22	\$186,181,252	\$168,986,168	\$59,271,421	81,147,241
Year 23	\$196,724,957	\$178,556,091	\$61,822,465	84,629,635
Year 24	\$207,479,536	\$188,317,413	\$64,360,639	88,093,492
Year 25	\$218,449,207	\$198,273,961	\$66,885,887	91,538,732

MULTIPLE LEASES

Gross Square Feet 215,000
 Net Usable Square Feet 181,000
 Present Value Discount Rate 5.10%

Project Cost \$3.14

Bond Payment/NUSF/Month

\$0.00 Assumes 300 Months of Term

O & M/NUSF/Month

\$0.00

Inflation Rate

0.400%

Period	Lease Payment	O & M with Inflation	Total Future Value	Annual Present Value	Cumulative Future Value	Cumulative Present Value
Year 1	6,820,080	0	6,820,080	6,489,134	6,820,080	6,489,134
Year 2	6,956,482	0	6,956,482	6,297,732	13,776,562	12,786,867
Year 3	7,095,611	0	7,095,611	6,111,976	20,872,173	18,898,843
Year 4	7,237,523	0	7,237,523	5,931,699	28,109,696	24,830,542
Year 5	7,382,274	0	7,382,274	5,756,739	35,491,970	30,587,282
Year 6	7,529,919	0	7,529,919	5,586,940	43,021,890	36,174,222
Year 7	7,680,518	0	7,680,518	5,422,149	50,702,407	41,396,371
Year 8	7,834,128	0	7,834,128	5,262,219	58,536,536	46,858,591
Year 9	7,990,811	0	7,990,811	5,107,006	66,527,346	51,965,597
Year 10	8,150,627	0	8,150,627	4,956,372	74,677,973	56,921,969
Year 11	8,313,639	0	8,313,639	4,810,180	82,991,613	61,732,148
Year 12	8,479,912	0	8,479,912	4,668,300	91,471,525	66,400,449
Year 13	8,649,510	0	8,649,510	4,530,605	100,121,035	70,931,054
Year 14	8,822,501	0	8,822,501	4,396,972	108,943,536	75,328,026
Year 15	8,998,951	0	8,998,951	4,267,280	117,942,487	79,595,306
Year 16	9,178,930	0	9,178,930	4,141,413	127,121,417	83,736,719
Year 17	9,362,508	0	9,362,508	4,019,259	136,483,925	87,755,978
Year 18	9,549,758	0	9,549,758	3,900,709	146,033,683	91,656,687
Year 19	9,740,754	0	9,740,754	3,785,654	155,774,437	95,442,341
Year 20	9,935,569	0	9,935,569	3,673,994	165,710,006	99,116,335
Year 21	10,134,280	0	10,134,280	3,565,627	175,844,286	102,681,962
Year 22	10,336,966	0	10,336,966	3,460,456	186,181,252	106,142,418
Year 23	10,543,705	0	10,543,705	3,358,387	196,724,957	109,500,805
Year 24	10,754,579	0	10,754,579	3,259,329	207,479,536	112,760,134
Year 25	10,969,671	0	10,969,671	3,163,193	218,449,207	115,923,327
TOTAL	\$ 218,449,207	\$ -	\$ 218,449,207	\$115,923,327		

SINGLE LEASE

Net Usable Square Feet

Net Usable Square Feet

Present Value Discount Rate

215,000

181,000

5.10%

Project Cost

\$2.85

Bond Payment/NUSF/Month

\$0.00 Assumes 300 Months of Term

O & M/NUSF/Month

\$0.00

Inflation Rate

0.00%

Period	Lease Payment	O & M with Inflation	Total	Annual Present Value	Cumulative Future Value	Cumulative Present Value
Year 1	6,190,200	0	6,190,200	5,889,819	6,190,200	5,889,819
Year 2	6,314,004	0	6,314,004	5,716,095	12,504,204	11,605,914
Year 3	6,440,284	0	6,440,284	5,547,494	18,944,488	17,153,408
Year 4	6,569,090	0	6,569,090	5,383,867	25,513,578	22,537,276
Year 5	6,700,472	0	6,700,472	5,225,066	32,214,049	27,762,342
Year 6	6,834,481	0	6,834,481	5,070,949	39,048,530	32,833,291
Year 7	6,971,171	0	6,971,171	4,921,378	46,019,701	37,754,668
Year 8	7,110,594	0	7,110,594	4,776,218	53,130,295	42,530,887
Year 9	7,252,806	0	7,252,806	4,635,340	60,383,101	47,166,227
Year 10	7,397,862	0	7,397,862	4,498,617	67,780,963	51,664,844
Year 11	7,545,819	0	7,545,819	4,365,928	75,326,782	56,030,772
Year 12	7,696,736	0	7,696,736	4,237,151	83,023,518	60,267,923
Year 13	7,850,670	0	7,850,670	4,112,174	90,874,188	64,380,097
Year 14	8,007,684	0	8,007,684	3,990,882	98,881,872	68,370,979
Year 15	8,167,837	0	8,167,837	3,873,168	107,049,709	72,244,147
Year 16	8,331,194	0	8,331,194	3,758,926	115,380,904	76,003,073
Year 17	8,497,818	0	8,497,818	3,648,054	123,878,722	79,651,127
Year 18	8,667,774	0	8,667,774	3,540,452	132,546,496	83,191,579
Year 19	8,841,130	0	8,841,130	3,436,024	141,387,626	86,627,603
Year 20	9,017,953	0	9,017,953	3,334,676	150,405,579	89,962,279
Year 21	9,198,312	0	9,198,312	3,236,317	159,603,890	93,198,596
Year 22	9,382,278	0	9,382,278	3,140,860	168,986,168	96,339,455
Year 23	9,569,923	0	9,569,923	3,048,218	178,556,091	99,387,673
Year 24	9,761,322	0	9,761,322	2,958,308	188,317,413	102,345,982
Year 25	9,956,548	0	9,956,548	2,871,051	198,273,961	105,217,033
TOTAL	\$ 198,273,961	\$ -	\$ 198,273,961	\$105,217,033		

LEASE WITH PURCHASE OPTION

Net Usable Square Feet 242,000
 Net Usable Square Feet 181,000
 Present Value Discount Rate 5.10%

Project Cost \$72,600,000
 Bond Rate 5.10%
 Lease Payment/NUSF/Month \$2.37 Assumes 300 Months of Term

MAINTENANCE RESERVE
 O & M/NUSF/Month \$0.15
 Total \$0.15
 Inflation Rate 0.00%

Period	Finance Payment	Principal Reduction	O&M with Inflation	Annual Future Value	Annual Present Value	Cumulative Future Value	Cumulative Present Value
Year 1	5,143,835	(2,758,617)	435,600	2,820,818	2,683,937	2,820,818	2,683,937
Year 2	5,143,835	(2,770,341)	435,600	2,809,094	2,543,085	5,629,912	5,227,022
Year 3	5,143,835	(2,782,115)	435,600	2,797,320	2,409,539	8,427,232	7,636,562
Year 4	5,143,835	(2,793,939)	435,600	2,785,496	2,282,925	11,212,729	9,919,487
Year 5	5,143,835	(2,805,814)	435,600	2,773,622	2,162,886	13,986,350	12,082,373
Year 6	5,143,835	(2,817,738)	435,600	2,761,697	2,049,084	16,748,048	14,131,457
Year 7	5,143,835	(2,829,714)	435,600	2,749,722	1,941,198	19,497,769	16,072,655
Year 8	5,143,835	(2,841,740)	435,600	2,737,696	1,838,922	22,235,465	17,911,577
Year 9	5,143,835	(2,853,817)	435,600	2,725,618	1,741,970	24,961,083	19,653,547
Year 10	5,143,835	(2,865,946)	435,600	2,713,489	1,650,005	27,674,572	21,303,611
Year 11	5,143,835	(2,878,126)	435,600	2,701,309	1,562,948	30,375,882	22,866,559
Year 12	5,143,835	(2,890,358)	435,600	2,689,077	1,480,371	33,064,959	24,346,930
Year 13	5,143,835	(2,902,642)	435,600	2,676,793	1,402,102	35,741,752	25,749,032
Year 14	5,143,835	(2,914,979)	435,600	2,664,457	1,327,916	38,406,209	27,076,948
Year 15	5,143,835	(2,927,367)	435,600	2,652,068	1,257,604	41,058,277	28,334,552
Year 16	5,143,835	(2,939,809)	435,600	2,639,627	1,190,965	43,697,904	29,525,517
Year 17	5,143,835	(2,952,303)	435,600	2,627,133	1,127,810	46,325,036	30,653,327
Year 18	5,143,835	(2,964,850)	435,600	2,614,585	1,067,957	48,939,622	31,721,285
Year 19	5,143,835	(2,977,451)	435,600	2,601,985	1,011,237	51,541,607	32,732,522
Year 20	5,143,835	(2,990,105)	435,600	2,589,331	957,488	54,130,937	33,690,010
Year 21	5,143,835	(3,002,813)	435,600	2,576,623	906,554	56,707,560	34,596,564
Year 22	5,143,835	(3,015,575)	435,600	2,563,861	858,291	59,271,421	35,454,855
Year 23	5,143,835	(3,028,391)	435,600	2,551,045	812,560	61,822,465	36,267,415
Year 24	5,143,835	(3,041,262)	435,600	2,538,174	769,230	64,360,639	37,036,645
Year 25	5,143,835	(3,054,187)	435,600	2,525,248	728,176	66,885,887	37,764,821
TOTAL	\$ 128,595,887	\$ (72,600,000)	\$ 10,890,000	\$ 66,885,887	\$ 37,764,821		

CAPITAL OUTLAY

Gross Square Feet 242,000 Parking Income \$0.00
 Net Usable Square Feet 181,000 Parking Spaces 0
 Present Value Discount Rate 5.10% Inflation Rate 0.00%

Project Cost \$104,563,000
 Bond Rate 5.10%
 Bond Payment/NUSP/Month \$3.41 Assumes 300 Months of Term

MAINTENANCE RESERVE \$0.15
 O & M/NUSP/Month \$0.00
 Total \$0.15
 Inflation Rate 0.00%

Period	Bond Payment	Principal Reduction	O & M		Parking Income with Inflation	Total Future Value	Annual Present Value	Cumulative Future Value	Cumulative Present Value
			with Inflation	with Inflation					
Year 1	7,408,469	(3,973,131)	435,600	435,600	0	3,870,938	3,683,100	3,870,938	3,683,100
Year 2	7,408,469	(3,990,017)	435,600	435,600	0	3,854,053	3,489,090	7,724,991	7,172,191
Year 3	7,408,469	(4,006,974)	435,600	435,600	0	3,837,095	3,305,175	11,562,086	10,477,365
Year 4	7,408,469	(4,024,004)	435,600	435,600	0	3,820,065	3,130,833	15,382,152	13,608,199
Year 5	7,408,469	(4,041,106)	435,600	435,600	0	3,802,963	2,965,573	19,185,115	16,573,771
Year 6	7,408,469	(4,058,281)	435,600	435,600	0	3,785,789	2,808,925	22,970,904	19,382,696
Year 7	7,408,469	(4,075,528)	435,600	435,600	0	3,768,541	2,660,445	26,739,445	22,043,140
Year 8	7,408,469	(4,092,849)	435,600	435,600	0	3,751,220	2,519,711	30,490,665	24,562,852
Year 9	7,408,469	(4,110,244)	435,600	435,600	0	3,733,825	2,386,325	34,224,490	26,949,177
Year 10	7,408,469	(4,127,712)	435,600	435,600	0	3,716,357	2,259,905	37,940,847	29,209,082
Year 11	7,408,469	(4,145,255)	435,600	435,600	0	3,698,814	2,140,093	41,639,661	31,349,175
Year 12	7,408,469	(4,162,873)	435,600	435,600	0	3,681,197	2,026,546	45,320,858	33,375,721
Year 13	7,408,469	(4,180,565)	435,600	435,600	0	3,663,505	1,918,940	48,984,362	35,294,661
Year 14	7,408,469	(4,198,332)	435,600	435,600	0	3,645,737	1,816,968	52,630,100	37,111,629
Year 15	7,408,469	(4,216,175)	435,600	435,600	0	3,627,894	1,720,338	56,257,994	38,831,968
Year 16	7,408,469	(4,234,094)	435,600	435,600	0	3,609,976	1,628,774	59,867,969	40,460,741
Year 17	7,408,469	(4,252,089)	435,600	435,600	0	3,591,981	1,542,012	63,459,950	42,002,754
Year 18	7,408,469	(4,270,160)	435,600	435,600	0	3,573,909	1,459,804	67,033,859	43,462,558
Year 19	7,408,469	(4,288,308)	435,600	435,600	0	3,555,761	1,381,914	70,589,620	44,844,472
Year 20	7,408,469	(4,306,534)	435,600	435,600	0	3,537,536	1,308,117	74,127,156	46,152,589
Year 21	7,408,469	(4,324,836)	435,600	435,600	0	3,519,233	1,238,201	77,646,389	47,390,789
Year 22	7,408,469	(4,343,217)	435,600	435,600	0	3,500,852	1,171,963	81,147,241	48,562,752
Year 23	7,408,469	(4,361,676)	435,600	435,600	0	3,482,394	1,109,214	84,629,635	49,671,967
Year 24	7,408,469	(4,380,213)	435,600	435,600	0	3,463,857	1,049,771	88,093,492	50,721,738
Year 25	7,408,469	(4,398,829)	435,600	435,600	0	3,445,241	993,463	91,538,732	51,715,201
TOTAL	\$ 185,211,732	\$ (104,563,000)	\$ 10,890,000	\$ 10,890,000	\$ -	\$ 91,538,732	\$51,715,201		

BOND ESTIMATE - San Jose Alt. 3 - \$87mm.xls

BOND ESTIMATING

PROJECT USEABLE SQ. FT.		181,000
PROJECT COST		\$87,182,000
RATE		5.10%
TERM		25
PMIA INTEREST (% of dollars funded x 6%)	90%	\$4,707,828
SUBTOTAL		\$91,889,828
BOND CAPITALIZED INT. RES. PER YR.		\$4,686,381
TOTAL CAPITALIZED INT. RESERVE	2 YR	\$9,850,773.34
SUBTOTAL		\$101,740,601
BOND ORIGATION COST FACTOR	1.015	\$1,526,109
SUBTOTAL		\$103,266,710
OTHER COSTS		\$0
TOTAL BOND AMOUNT		\$103,266,710
TOTAL PAYMENTS		\$182,915,623
MONTHLY PAYMENT		\$609,719
MONTHLY PMT / SQ. FT.		\$3.37

SAN JOSE OFFICE BUILDING - ALTERNATIVE 3 181K NSF ON SITE

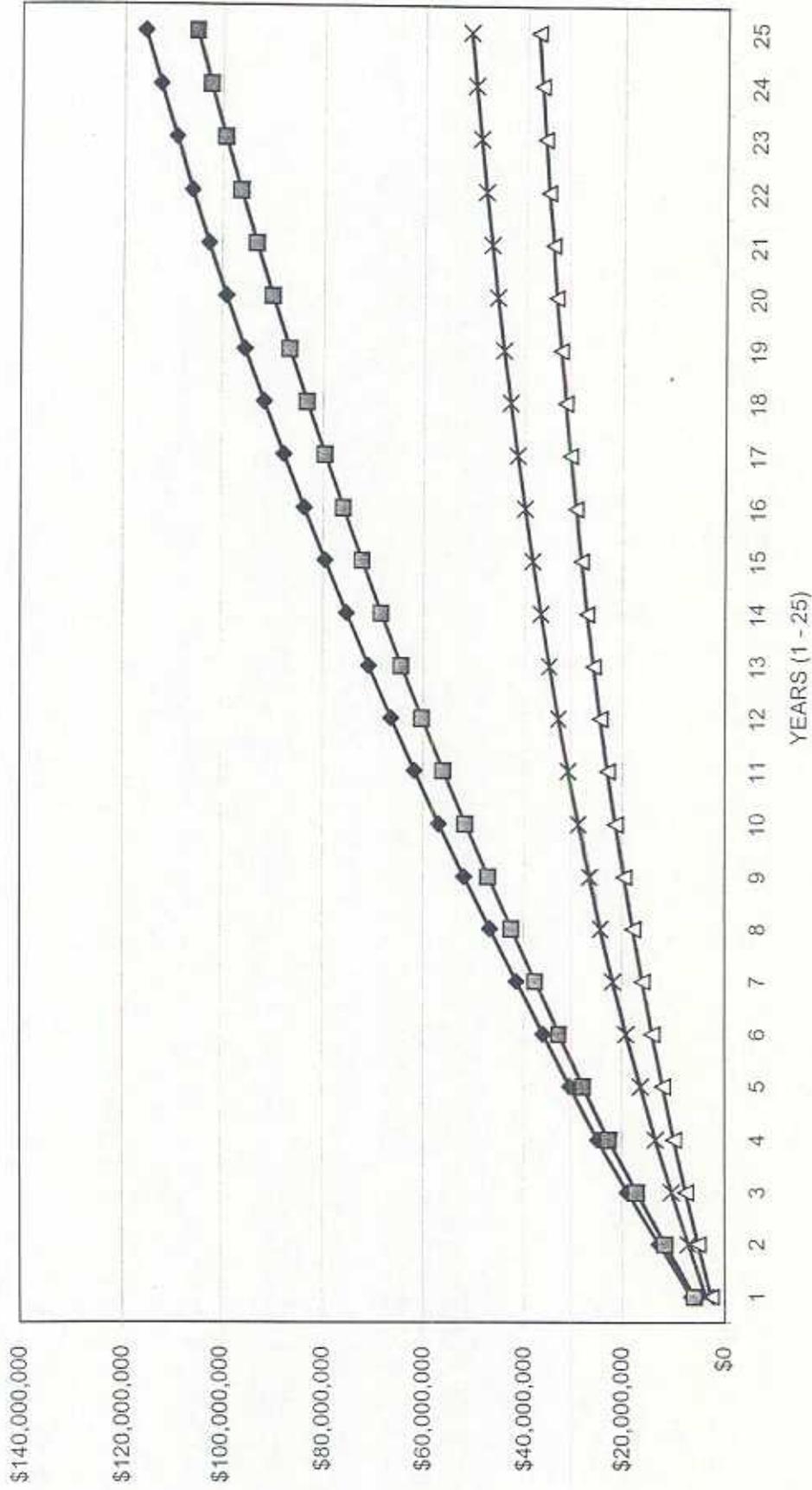
PROJECT NAME

ESCALATION YEAR 2008

ASSUMPTIONS	MULTIPLE LEASES	SINGLE LEASE	LEASE WITH PURCHASE OPTION	CAPITAL OUTLAY
GROSS SQUARE FEET	215,000	215,000	242,000	242,000
USEABLE SQUARE FEET	181,000	181,000	181,000	181,000
GROSS TO NET RATIO	84%	84%	75%	75%
PRESENT VALUE DISCOUNT RATE	5.10%	5.10%	5.10%	5.10%
NET RENT/NUSF/MONTH	\$3.14	\$2.85	\$2.37	\$3.37
LEASE RATE INFLATION FACTOR	2.00%	2.00%		
O&M/NUSF/MONTH	\$0.00	\$0.00	\$0.90	\$0.90
O&M INFLATION FACTOR	0.00%	0.00%	2.00%	2.00%
PWB BOND FINANCE RATE			5.10%	5.10%
PROJECT COST			\$72,600,000	\$103,266,000
MAINTENANCE AND REPAIR/NSF/MONTH			\$0.15	\$0.15

NOTE:

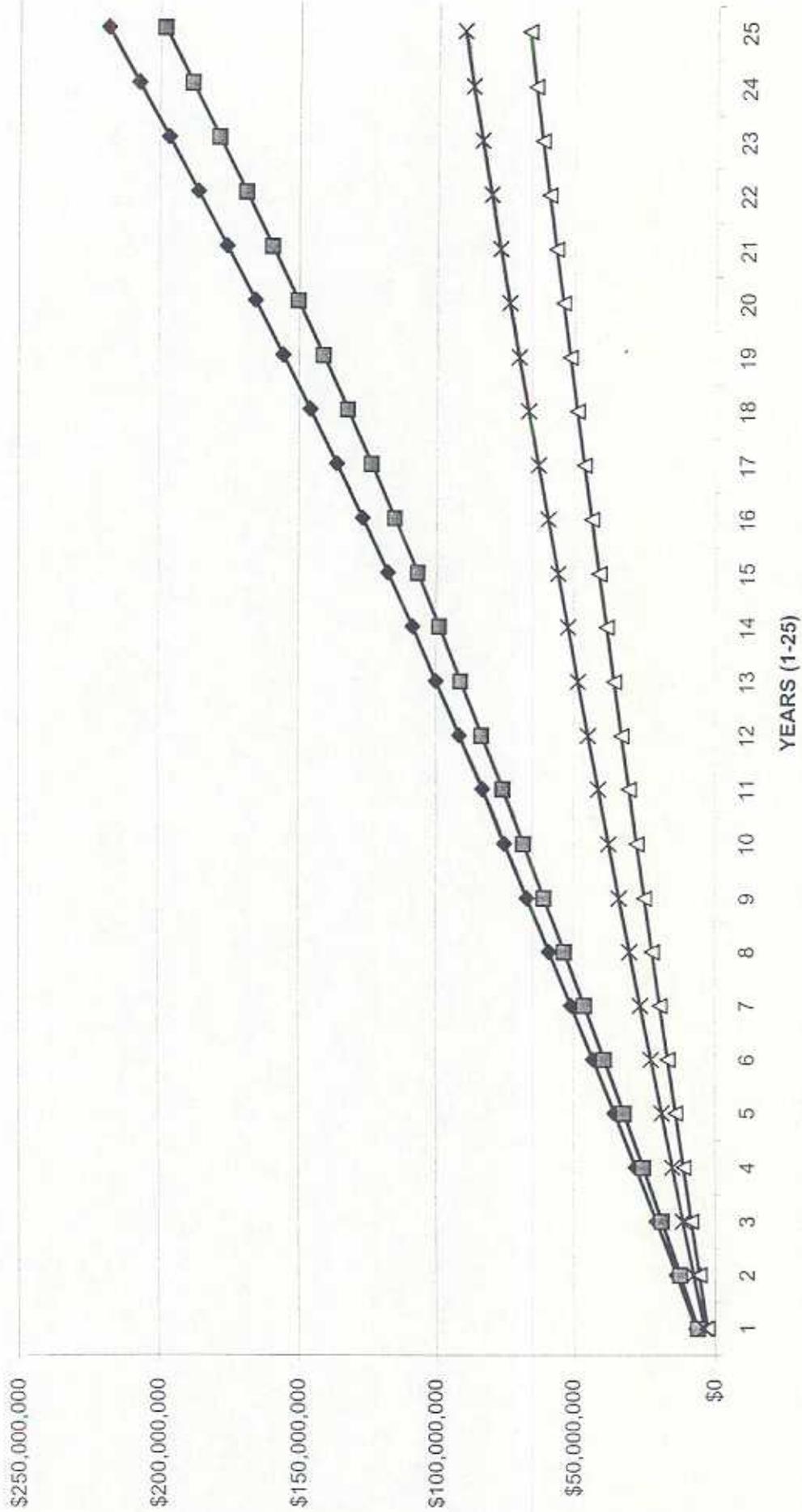
CUMULATIVE PRESENT VALUE



◆ MULTIPLE LEASES ■ SINGLE LEASE ▲ LEASE / PURCHASE OPTION × CAPITAL OUTLAY
 ▼ LEASE / PURCHASE OPTION

	MULTIPLE LEASES	SINGLE LEASE	LEASE / PURCHASE OPTION	CAPITAL OUTLAY
Year 1	\$6,489,134	\$5,889,819	\$2,683,937	\$3,642,556
Year 2	\$12,786,867	\$11,605,914	\$5,227,022	\$7,093,259
Year 3	\$18,898,843	\$17,153,408	\$7,636,562	\$10,362,091
Year 4	\$24,830,542	\$22,537,276	\$9,919,487	\$13,458,517
Year 5	\$30,587,282	\$27,762,342	\$12,082,373	\$16,391,518
Year 6	\$36,174,222	\$32,833,291	\$14,131,457	\$19,169,610
Year 7	\$41,596,371	\$37,754,668	\$16,072,655	\$21,800,869
Year 8	\$46,858,591	\$42,530,887	\$17,911,577	\$24,292,955
Year 9	\$51,965,597	\$47,166,227	\$19,653,547	\$26,653,133
Year 10	\$56,921,969	\$51,664,844	\$21,303,611	\$28,888,293
Year 11	\$61,732,148	\$56,030,772	\$22,866,559	\$31,004,966
Year 12	\$66,400,449	\$60,267,923	\$24,346,930	\$33,009,349
Year 13	\$70,931,054	\$64,380,097	\$25,749,032	\$34,907,317
Year 14	\$75,328,026	\$68,370,979	\$27,076,948	\$36,704,440
Year 15	\$79,595,306	\$72,244,147	\$28,334,552	\$38,406,002
Year 16	\$83,736,719	\$76,003,073	\$29,525,517	\$40,017,010
Year 17	\$87,755,978	\$79,651,127	\$30,653,327	\$41,542,215
Year 18	\$91,656,687	\$83,191,579	\$31,721,285	\$42,986,119
Year 19	\$95,442,341	\$86,627,603	\$32,732,522	\$44,352,991
Year 20	\$99,116,335	\$89,962,279	\$33,690,010	\$45,646,880
Year 21	\$102,681,962	\$93,198,596	\$34,596,564	\$46,871,623
Year 22	\$106,142,418	\$96,339,455	\$35,454,855	\$48,030,858
Year 23	\$109,500,805	\$99,387,673	\$36,267,415	\$49,128,035
Year 24	\$112,760,134	\$102,345,982	\$37,036,645	\$50,166,422
Year 25	\$115,923,327	\$105,217,033	\$37,764,821	\$51,149,120

CUMULATIVE FUTURE VALUE



◆ MULTIPLE LEASES
 ■ SINGLE LEASE
 △ LEASE / PURCHASE OPTION
 × CAPITAL OUTLAY

San Jose Office Building-ALTERNATIVE 3 181K NSF ON SITE

08/14/2003

FV SUMMARY CHART

	MULTIPLE LEASES	SINGLE LEASE	LEASE / PURCHASE OPTION	CAPITAL OUTLAY
Year 1	\$6,820,080	\$6,190,200	\$2,820,818	3,828,326
Year 2	\$13,776,562	\$12,504,204	\$5,629,912	7,639,977
Year 3	\$20,872,173	\$18,944,488	\$8,427,232	11,434,880
Year 4	\$28,109,696	\$25,513,578	\$11,212,729	15,212,964
Year 5	\$35,491,970	\$32,214,049	\$13,986,350	18,974,159
Year 6	\$43,021,890	\$39,048,530	\$16,748,048	22,718,392
Year 7	\$50,702,407	\$46,019,701	\$19,497,769	26,445,591
Year 8	\$58,536,536	\$53,130,295	\$22,235,465	30,155,684
Year 9	\$66,527,346	\$60,383,101	\$24,961,083	33,848,598
Year 10	\$74,677,973	\$67,780,963	\$27,674,572	37,524,260
Year 11	\$82,991,613	\$75,326,782	\$30,375,882	41,182,598
Year 12	\$91,471,525	\$83,023,518	\$33,064,959	44,823,536
Year 13	\$100,121,035	\$90,874,188	\$35,741,752	48,447,002
Year 14	\$108,943,536	\$98,881,872	\$38,406,209	52,052,920
Year 15	\$117,942,487	\$107,049,709	\$41,058,277	55,641,217
Year 16	\$127,121,417	\$115,380,904	\$43,697,904	59,211,818
Year 17	\$136,483,925	\$123,878,722	\$46,325,036	62,764,647
Year 18	\$146,033,683	\$132,546,496	\$48,939,622	66,299,628
Year 19	\$155,774,437	\$141,387,626	\$51,541,607	69,816,687
Year 20	\$165,710,006	\$150,405,579	\$54,130,937	73,315,746
Year 21	\$175,844,286	\$159,603,890	\$56,707,560	76,796,730
Year 22	\$186,181,252	\$168,986,168	\$59,271,421	80,259,561
Year 23	\$196,724,957	\$178,556,091	\$61,822,465	83,704,162
Year 24	\$207,479,536	\$188,317,413	\$64,360,639	87,130,456
Year 25	\$218,449,207	\$198,273,961	\$66,885,887	90,538,365

MULTIPLE LEASES

Gross Square Feet 215,000
 Net Usable Square Feet 181,000
 Present Value Discount Rate 5.10%

Project Cost \$3.14

Bond Payment/NUSF/Month \$0.00 Assumes 300 Months of Term

O & M/NUSF/Month \$0.00
 Inflation Rate 0.00%

Period	Lease Payment	O & M with Inflation	Total Future Value	Annual Present Value	Cumulative Future Value	Cumulative Present Value
Year 1	6,820,080	0	6,820,080	6,489,134	6,820,080	6,489,134
Year 2	6,956,482	0	6,956,482	6,297,732	13,776,862	12,786,867
Year 3	7,095,611	0	7,095,611	6,111,976	20,872,173	18,898,843
Year 4	7,237,523	0	7,237,523	5,931,699	28,109,696	24,830,542
Year 5	7,382,274	0	7,382,274	5,756,739	35,491,970	30,587,282
Year 6	7,529,919	0	7,529,919	5,586,940	43,021,890	36,174,222
Year 7	7,680,518	0	7,680,518	5,422,149	50,702,407	41,596,371
Year 8	7,834,128	0	7,834,128	5,262,219	58,536,536	46,858,591
Year 9	7,990,811	0	7,990,811	5,107,006	66,527,346	51,965,597
Year 10	8,150,627	0	8,150,627	4,956,372	74,677,973	56,921,969
Year 11	8,313,639	0	8,313,639	4,810,180	82,991,613	61,732,148
Year 12	8,479,912	0	8,479,912	4,668,300	91,471,525	66,400,449
Year 13	8,649,510	0	8,649,510	4,530,005	100,121,035	70,931,054
Year 14	8,822,501	0	8,822,501	4,396,972	108,943,536	75,328,026
Year 15	8,998,951	0	8,998,951	4,267,280	117,942,487	79,595,306
Year 16	9,178,930	0	9,178,930	4,141,413	127,121,417	83,736,719
Year 17	9,362,508	0	9,362,508	4,019,259	136,483,925	87,755,978
Year 18	9,549,758	0	9,549,758	3,900,709	146,033,683	91,656,687
Year 19	9,740,754	0	9,740,754	3,785,654	155,774,437	95,442,341
Year 20	9,935,569	0	9,935,569	3,673,994	165,710,006	99,116,335
Year 21	10,134,280	0	10,134,280	3,565,627	175,844,286	102,681,962
Year 22	10,336,966	0	10,336,966	3,460,456	186,181,252	106,142,418
Year 23	10,543,705	0	10,543,705	3,358,387	196,724,957	109,500,805
Year 24	10,754,579	0	10,754,579	3,259,329	207,479,536	112,760,134
Year 25	10,969,671	0	10,969,671	3,163,193	218,449,207	115,923,327
TOTAL	\$ 218,449,207	\$ -	\$ 218,449,207	\$115,923,327		

SINGLE LEASE

Net Usable Square Feet

Net Usable Square Feet

Present Value Discount Rate

215,000

181,000

5.10%

Project Cost

\$2.85

Bond Payment/NUSF/Month

\$0.00 Assumes 300 Months of Term

O & M/NUSF/Month

\$0.00

Inflation Rate

0.00%

Period	Lease Payment	O & M with Inflation	Total	Annual Present Value	Cumulative Future Value	Cumulative Present Value
Year 1	6,190,200	0	6,190,200	5,889,819	6,190,200	5,889,819
Year 2	6,314,004	0	6,314,004	5,716,095	12,504,204	11,605,914
Year 3	6,440,284	0	6,440,284	5,547,494	18,944,488	17,153,408
Year 4	6,569,090	0	6,569,090	5,383,867	25,513,578	22,537,276
Year 5	6,700,472	0	6,700,472	5,225,066	32,214,049	27,762,342
Year 6	6,834,481	0	6,834,481	5,070,949	39,048,530	32,833,291
Year 7	6,971,171	0	6,971,171	4,921,378	46,019,701	37,754,668
Year 8	7,110,594	0	7,110,594	4,776,218	53,130,295	42,530,887
Year 9	7,252,806	0	7,252,806	4,635,340	60,383,101	47,166,227
Year 10	7,397,862	0	7,397,862	4,498,617	67,780,963	51,664,844
Year 11	7,545,819	0	7,545,819	4,365,928	75,326,782	56,030,772
Year 12	7,696,736	0	7,696,736	4,237,151	83,023,518	60,267,923
Year 13	7,850,670	0	7,850,670	4,112,174	90,874,188	64,380,097
Year 14	8,007,684	0	8,007,684	3,990,882	98,881,872	68,370,979
Year 15	8,167,837	0	8,167,837	3,873,168	107,049,709	72,244,147
Year 16	8,331,194	0	8,331,194	3,758,926	115,380,904	76,003,073
Year 17	8,497,818	0	8,497,818	3,648,054	123,878,722	79,651,127
Year 18	8,667,774	0	8,667,774	3,540,452	132,546,496	83,191,579
Year 19	8,841,130	0	8,841,130	3,436,024	141,387,626	86,627,603
Year 20	9,017,953	0	9,017,953	3,334,676	150,405,579	89,962,279
Year 21	9,198,312	0	9,198,312	3,236,317	159,603,890	93,198,596
Year 22	9,382,278	0	9,382,278	3,140,860	168,986,168	96,339,455
Year 23	9,569,923	0	9,569,923	3,048,218	178,556,091	99,387,673
Year 24	9,761,322	0	9,761,322	2,958,308	188,317,413	102,345,982
Year 25	9,956,548	0	9,956,548	2,871,051	198,273,961	105,217,033
TOTAL	\$ 198,273,961	\$ -	\$ 198,273,961	\$105,217,033		

LEASE WITH PURCHASE OPTION

Net Usable Square Feet 242,000
 Net Usable Square Feet 181,000
 Present Value Discount Rate 5.10%

Project Cost \$72,600,000
 Bond Rate 5.10%
 Lease Payment/NUSF/Month \$2.37 Assumes 300 Months of Term

MAINTENANCE RESERVE
 O & M/NUSF/Month \$0.15

Total

Inflation Rate 0.00%

Period	Finance Payment	Principal Reduction	O&M with Inflation	Annual Future Value	Annual Present Value	Cumulative Future Value	Cumulative Present Value
Year 1	5,143,835	(2,758,617)	435,600	2,820,818	2,683,937	2,820,818	2,683,937
Year 2	5,143,835	(2,770,341)	435,600	2,809,094	2,543,085	5,629,912	5,227,022
Year 3	5,143,835	(2,782,115)	435,600	2,797,320	2,409,539	8,427,232	7,636,562
Year 4	5,143,835	(2,793,939)	435,600	2,785,496	2,282,925	11,212,729	9,919,487
Year 5	5,143,835	(2,805,814)	435,600	2,773,622	2,162,886	13,986,350	12,082,373
Year 6	5,143,835	(2,817,738)	435,600	2,761,697	2,049,084	16,748,048	14,131,457
Year 7	5,143,835	(2,829,714)	435,600	2,749,722	1,941,198	19,497,769	16,072,655
Year 8	5,143,835	(2,841,740)	435,600	2,737,696	1,838,922	22,235,465	17,911,577
Year 9	5,143,835	(2,853,817)	435,600	2,725,618	1,741,970	24,961,083	19,653,547
Year 10	5,143,835	(2,865,946)	435,600	2,713,489	1,650,065	27,674,572	21,303,611
Year 11	5,143,835	(2,878,126)	435,600	2,701,309	1,562,948	30,375,882	22,866,559
Year 12	5,143,835	(2,890,358)	435,600	2,689,077	1,480,371	33,064,959	24,346,930
Year 13	5,143,835	(2,902,642)	435,600	2,676,793	1,402,102	35,741,752	25,749,032
Year 14	5,143,835	(2,914,979)	435,600	2,664,457	1,327,916	38,406,209	27,076,948
Year 15	5,143,835	(2,927,367)	435,600	2,652,068	1,257,604	41,058,277	28,334,552
Year 16	5,143,835	(2,939,809)	435,600	2,639,627	1,190,965	43,697,904	29,525,517
Year 17	5,143,835	(2,952,303)	435,600	2,627,133	1,127,810	46,325,036	30,653,327
Year 18	5,143,835	(2,964,850)	435,600	2,614,585	1,067,957	48,939,622	31,721,285
Year 19	5,143,835	(2,977,451)	435,600	2,601,985	1,011,237	51,541,607	32,732,522
Year 20	5,143,835	(2,990,105)	435,600	2,589,331	957,488	54,130,937	33,690,010
Year 21	5,143,835	(3,002,813)	435,600	2,576,623	906,554	56,707,560	34,596,564
Year 22	5,143,835	(3,015,575)	435,600	2,563,861	858,291	59,271,421	35,454,855
Year 23	5,143,835	(3,028,391)	435,600	2,551,045	812,560	61,822,465	36,267,415
Year 24	5,143,835	(3,041,262)	435,600	2,538,174	769,230	64,360,639	37,036,645
Year 25	5,143,835	(3,054,187)	435,600	2,525,248	728,176	66,885,887	37,764,821
TOTAL	\$ 128,595,887	\$ (72,600,000)	\$ 10,890,000	\$ 66,885,887	\$ 337,764,821		

CAPITAL OUTLAY

Gross Square Feet 242,000
 Net Usable Square Feet 181,000
 Present Value Discount Rate 5.10%
 Parking Income \$0.00
 Parking Spaces 0
 Inflation Rate 0.00%

Project Cost \$103,266,000
 Bond Rate 5.10%
 Bond Payment/NUSF/Month \$3.37 Assumes 300 Months of Term

MAINTENANCE RESERVE \$0.15
 O & M/NUSF/Month \$0.00
 Total \$0.15
 Inflation Rate 0.00%

Period	Bond Payment	Principal Reduction	O & M with Inflation	Parking Income with Inflation	Total Future Value	Annual Present Value	Cumulative Future Value	Cumulative Present Value
Year 1	7,316,575	(3,923,848)	435,600	0	3,828,326	3,642,556	3,828,326	3,642,556
Year 2	7,316,575	(3,940,524)	435,600	0	3,811,650	3,450,703	7,639,977	7,093,259
Year 3	7,316,575	(3,957,272)	435,600	0	3,794,903	3,268,831	11,434,880	10,362,091
Year 4	7,316,575	(3,974,090)	435,600	0	3,778,085	3,096,427	15,212,964	13,458,517
Year 5	7,316,575	(3,990,980)	435,600	0	3,761,195	2,933,001	18,974,159	16,391,518
Year 6	7,316,575	(4,007,942)	435,600	0	3,744,233	2,778,092	22,718,392	19,169,610
Year 7	7,316,575	(4,024,975)	435,600	0	3,727,199	2,631,259	26,445,591	21,800,869
Year 8	7,316,575	(4,042,082)	435,600	0	3,710,093	2,492,086	30,155,684	24,292,955
Year 9	7,316,575	(4,059,260)	435,600	0	3,692,914	2,360,178	33,848,598	26,653,133
Year 10	7,316,575	(4,076,512)	435,600	0	3,675,662	2,235,159	37,524,260	28,888,293
Year 11	7,316,575	(4,093,837)	435,600	0	3,658,337	2,116,673	41,182,598	31,004,966
Year 12	7,316,575	(4,111,236)	435,600	0	3,640,938	2,004,383	44,823,536	33,009,349
Year 13	7,316,575	(4,128,709)	435,600	0	3,623,466	1,897,968	48,447,002	34,907,317
Year 14	7,316,575	(4,146,256)	435,600	0	3,605,919	1,797,123	52,052,920	36,704,440
Year 15	7,316,575	(4,163,878)	435,600	0	3,588,297	1,701,561	55,641,217	38,406,002
Year 16	7,316,575	(4,181,574)	435,600	0	3,570,601	1,611,008	59,211,818	40,017,010
Year 17	7,316,575	(4,199,346)	435,600	0	3,552,829	1,525,205	62,764,647	41,542,215
Year 18	7,316,575	(4,217,193)	435,600	0	3,534,982	1,443,904	66,299,628	42,986,119
Year 19	7,316,575	(4,235,116)	435,600	0	3,517,059	1,366,872	69,816,687	44,352,991
Year 20	7,316,575	(4,253,115)	435,600	0	3,499,059	1,293,889	73,315,746	45,646,880
Year 21	7,316,575	(4,271,191)	435,600	0	3,480,984	1,224,743	76,796,730	46,871,623
Year 22	7,316,575	(4,289,344)	435,600	0	3,462,831	1,159,235	80,259,561	48,030,858
Year 23	7,316,575	(4,307,573)	435,600	0	3,444,601	1,097,176	83,704,162	49,128,035
Year 24	7,316,575	(4,325,880)	435,600	0	3,426,294	1,038,388	87,130,456	50,166,422
Year 25	7,316,575	(4,344,265)	435,600	0	3,407,909	982,698	90,538,365	51,149,120
TOTAL	\$ 182,914,365	\$ (103,266,000)	\$ 10,890,000	\$ -	\$ 90,538,365	\$51,149,120		

Santa Clara/Contra Costa/East Alameda Regional Facilities Plan 2002 Questionnaire

Return by Wednesday, November 21, 2001

Your cooperation in completing this questionnaire for the Santa Clara/Contra Costa/East Alameda Region is appreciated. This information will enable the Department of General Services to assist with your office space needs.

Agency/Department:

Agency Designated Representative: _____ **Title:** _____

Address: _____

Telephone: _____

E-mail address: _____

Occupancy Summary - Part 1

Existing Space Information

1. Review and update, if necessary, the following Occupancy Summary data for your agency location at the address indicated below (employee count should reflect the number of employees accommodated, not the number of PY's).

Current Data as of September 20, 2001:

<u>Lease/Assignable Number</u>	<u>Address & City</u>	<u>Office Sq. Ft.</u>	<u>Other Space</u>	<u>Consolidatable Space</u>	<u>Monthly Rent</u>	<u>Begin Date</u>	<u>Firm Date</u>	<u>End Date</u>	<u>Full Time Employees</u>	<u>Part Time Employees</u>
------------------------------------	---------------------------	---------------------------	------------------------	---------------------------------	-------------------------	-----------------------	----------------------	---------------------	--------------------------------	--------------------------------

Update above data, if necessary, in the space provided below:

<u>Lease/Assignable Number</u>	<u>Address & City</u>	<u>Office Sq. Ft.</u>	<u>Other Space</u>	<u>Consolidatable Space</u>	<u>Monthly Rent</u>	<u>Begin Date</u>	<u>Firm Date</u>	<u>End Date</u>	<u>Full Time Employees</u>	<u>Part Time Employees</u>
------------------------------------	---------------------------	---------------------------	------------------------	---------------------------------	-------------------------	-----------------------	----------------------	---------------------	--------------------------------	--------------------------------

2. Briefly describe the function of this office:

Please complete the following survey questions for this location.

Survey Questions - Part 1

Respond to the following questions by checking either *yes* or *no* in the boxes provided. Each *yes* answer generally leads to a request for additional information. Please respond to these questions on a separate sheet. Number each response to correspond to the question number.

2002 Santa Clara/Contra Costa/East Alameda Regional Facilities Plan Questionnaire

I. Program and Staff

1. Has this office experienced any recent growth or decline in staffing? Yes () No ()
If yes, please explain.
2. Are program changes planned or anticipated by your agency that Yes () No ()
could affect staffing levels of this office? If yes, please explain and provide dates.

II. Facility Requirements

3. Does this office have any other extraordinary space or facility needs? If yes, **Yes () No ()**
Please explain.
4. Does this office have space or facility needs that are unmet at the existing **Yes () No ()**
facilities? If yes, please explain.
5. Does this office have vacant or subleased space? If so, please explain. **Yes () No ()**

III. Location

6. Would the ideal facility type and location for this office be: (Explain reason for selection.)
 - a. A multi-tenant state office building in the central business district? **Yes () No ()**
 - b. A service center housed with other agencies having high contact, located in
a suburban area? **Yes () No ()**
 - c. An independent field office, near a highway access ramp? **Yes () No ()**
 - d. Leased space, unspecified location? **Yes () No ()**
 - e. Other? **Yes () No ()**
7. Is there any reason this office would not be an appropriate tenant **Yes () No ()**
for a multi-tenant state office building? If yes, please explain.
8. Does this office need to be located in a specific city or area of the county? **Yes () No ()**
If yes, please identify the city or area and explain why.
9. Does this office have a programmatic need to be located near freeways, mass
transit, or airports? If yes, what are those needs? **Yes () No ()**
10. Does this office have restrictions on the types of government agencies, **Yes () No ()**
businesses, etc. to which it can be in close proximity? If yes, please explain.
11. Would being housed in the same building or a building in close proximity **Yes () No ()**
with any other state agency have a positive or negative effect on this office's
program delivery? If yes, please identify the agencies in each category and explain.
12. Does this office have any other special location requirements? If yes, **Yes () No ()**
Please identify.

IV. Public Transit and Parking Needs

13. Is this office located within ¼ mile of public transit? **Yes () No ()**
14. Does this office have parking needs other than employee private vehicle **Yes () No ()**
parking (ex., state vehicles, clients, public)? If yes, please explain.

V. Department of General Services Follow-up

15. Would you like a contact from our Customer Account Management Branch **Yes () No ()**
to discuss any office space issues regarding this facility?

**If you have any questions or would like to meet to discuss this questionnaire,
please call Department of General Services planning staff:**

Anne Garbeff, Senior Planner	(916) 324-8432
Doug McCarley, Associate Planner	(916) 323-5874

This questionnaire should be completed by November 21, 2001, and submitted to:

**Department of General Services
Real Estate Services Division
Asset Planning and Enhancement Branch
Attn: Beth Buskirk, Associate Real Estate Officer
1102 Q Street, Suite 6000
Sacramento, CA 95814
R-1**

Fax: (916) 322-7238

We appreciate you taking the time to review and respond to this questionnaire. Any additional comments are welcome. If you need more time to complete this questionnaire, please contact our staff as soon as possible. Thank you.

Santa Clara/Contra Costa/East Alameda Regional Facilities Plan 2002 Questionnaire

Agency-Owned Facilities Return by Wednesday, November 21, 2001

Your cooperation in completing this questionnaire for the Santa Clara/Contra Costa/East Alameda Region is appreciated. This information will enable the Department of General Services to assist with your office space needs.

Agency/Department: _____

Designated Representative: _____ **Title:** _____

Address: _____

Telephone: _____

E-mail address: _____

Occupancy Summary

Existing Space Information

- Review and update, if necessary, the following Occupancy Summary data for your agency location at the address indicated below (employee count should reflect the number of employees accommodated, not the number of PY's). Current Data as of September 20, 2001:

Assignable Number	Address & City	Office Sq. Ft.	Other Space	Consolidatable Space	Monthly Rent	Begin Date	Firm Date	End Date	Full Time Employees	Part Time Employees

Update above data, if necessary, in the space provided below:

Assignable Number	Address & City	Office Sq. Ft.	Other Space	Consolidatable Space	Monthly Rent	Begin Date	Firm Date	End Date	Full Time Employees	Part Time Employees

- Briefly describe the function of this office:

Are there other tenant agencies occupying your building? If yes, please provide a list that includes the total amount of space assigned to each agency. **Yes () No ()**

- Is there currently or will there be vacant space available for lease in the future? **Yes () No ()**
- Would you like a contact from our Customer Account Management Branch to discuss any office space issues regarding this facility? **Yes () No ()**

If you have any questions or would like to meet to discuss this questionnaire, please call Department of General Services planning staff:

Anne Garbeff, Senior Planner
Doug McCarley, Associate Planner

(916) 324-8432
(916) 323-5874

**This questionnaire should be completed by
Wednesday, November 21, 2001 and submitted to:**

**Department of General Services
Real Estate Services Division
Asset Planning and Enhancement Branch
Attn: Doug McCarley, Associate Planner
1102 Q Street, Suite 6000
Sacramento, CA 95814**

IMS Code: R-1

Fax: (916) 322-7238

We appreciate you taking the time to review and respond to this questionnaire. Any additional comments are welcome. If you need more time to complete this questionnaire, please contact our staff as soon as possible. Thank you.

Santa Clara/Contra Costa/East Alameda Regional Facilities Plan 2002 Questionnaire

Agencies Located in the DGS-Owned Facilities

Return by Wednesday, November 21, 2001

Your cooperation in completing this questionnaire for the Santa Clara/Contra Costa/East Alameda Region is appreciated. This information will enable the Department of General Services to assist with your office space needs.

Agency/Department: _____

Designated Representative: _____ **Title:** _____

Address: _____

Telephone: _____

E-mail Address: _____

Occupancy Summary – Part 1

Existing Space Information

- Review and update, if necessary, the following Occupancy Summary data for your agency location in the DGS-owned facilities at the address indicated below (employee count should reflect the number of employees accommodated, not the number of PY's).

Current Data as of September 20, 2001:

Lease/Assignable Number	Address & City	Office Sq. Ft.	Other Space	Consolidatable Space	Monthly Rent	Begin Date	Firm Date	End Date	Full Time Employees	Part Time Employees
----------------------------	----------------	-------------------	----------------	-------------------------	-----------------	---------------	--------------	-------------	------------------------	------------------------

Update above data, if necessary, in the space provided below:

Lease/Assignable Number	Address & City	Office Sq. Ft.	Other Space	Consolidatable Space	Monthly Rent	Begin Date	Firm Date	End Date	Full Time Employees	Part Time Employees
----------------------------	----------------	-------------------	----------------	-------------------------	-----------------	---------------	--------------	-------------	------------------------	------------------------

- Briefly describe the function of this office:

Please complete the following survey questions for this location.

Survey Questions – Part 2

Respond to the following questions by checking either *yes* or *no* in the boxes provided. Each *yes* answer generally leads to a request for additional information. Please respond to these questions on a separate sheet of paper. Number each response to correspond to the question number.

2002 Santa Clara/Contra Costa/East Alameda Regional Facilities Plan Questionnaire

Program and Staffing Level Information

1. Has this office experienced any recent growth or decline in staffing? **Yes () No ()**
If yes, please explain.
2. Are program changes planned or anticipated by your agency that **Yes () No ()**
could affect staffing levels of this office? If yes, please explain and provide dates.

Facility Requirements

3. Does this office have any other extraordinary space needs or **Yes () No ()**
unmet facility needs? If yes, please explain.

Vacant Space

4. Does this office have any vacant space? If yes, please explain. **Yes () No ()**

Department of General Services Follow-up

5. Would you like a contact from our Customer Account Management **Yes () No ()**
Branch to discuss any office space issues regarding this facility?

If you have any questions or would like to meet to discuss this questionnaire, please call Department of General Services planning staff:

Anne Garbeff, Senior Planner (916) 324-8432
Beth Buskirk, Associate Planner (916) 322-6944

**This questionnaire should be completed by
Wednesday November 21, 2001 and submitted to:**

**Department of General Services
Real Estate Services Division
Asset Planning and Enhancement Branch
Attn: Doug McCarley, Associate Planner
1102 Q Street, Suite 6000
Sacramento, CA 95814**

**IMS Code: R-1
Fax: (916) 322-7238**

We appreciate you taking the time to review and respond to this questionnaire. Any additional comments are welcome. If you need more time to complete this questionnaire, please contact our staff as soon as possible. Thank you.