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*NEWS RELEASE*

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*Department of General Services*

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**Department of General Services Cancels Request for Lease Proposal for Resources Agency Consolidation Office Project**

SACRAMENTO – The Department of General Services announced today that it has exercised its option to cancel Request for Lease Proposals (RFLP) for a new office building that would house most of the departments within the state’s Resources Agency.

Doug Button, the Deputy Director of the DGS Real Estate Services Division issued the following statement:

“DGS determined that it is not in the best interests of the state and the parties concerned to continue with a project of this magnitude during this period of financial uncertainty when funds have not yet been allocated. Projected rental rate increases for the Resources Agency, a doubling of construction costs in the last few years, and related problems in the lending market, led DGS to conclude that the project should be suspended.

“We remain committed to securing a new home for the Resources Agency, and we may consider additional financing options and seek specific legislative appropriations to ensure funding and completion of the project.”

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