State of California • Arnold Schwarzenegger, Governor
State and Consumer Services Agency
DEPARTMENT OF GENERAL SERVICES
Executive Office
707 Third Street • West Sacramento, CA 95605 • (916) 376-5000 • Fax (916) 376-5018 • www.dgs.ca.gov

October 11, 2010

The Honorable Denise Moreno Ducheny, Chair
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814

Attn: Jody Martin, Principal Consultant

Dear Senator Ducheny:

Pursuant to Chapter 20, Statutes of 2009 (AB 22, Fourth Extraordinary Session, Evans), the Legislature authorized the sale and long-term lease of specified State-owned Buildings by adding Section 14670.13 to the Government Code. Governor Arnold Schwarzenegger signed this bill into law on July 28, 2009, recognizing the need to address the State's fiscal emergency he declared by proclamation on July 1, 2009, pursuant to the California Constitution.

Therefore, pursuant to Section 14670.13(e) of the Government Code and by virtue of this letter and all enclosures, I am notifying the chairs of the legislative fiscal committees of the terms and conditions of the transaction, including, but not limited to, the financial terms.

Based upon an extensive evaluation of all proposals and offers, the Department of General Services (DGS) is awarding the sale of all 11 properties to California First, LLC for \$2.330 billion. The purchaser, California First, LLC agrees to the sale and long-term lease terms and conditions as specified in Attachment A.

I am also providing results of our economic analysis comparing the costs of the proposed sale and leaseback transaction to the continued status quo ownership of the buildings. Attachment B summarizes the economic analysis on the sale leaseback proposal. As requested by the Legislature, we have extended our economic analysis beyond the 20-year term of this transaction to a total of 50 years. We strongly caution, however, that economic analysis beyond 10 years in this industry is rare. Forecasting the cost drivers included in this analysis beyond 20 years becomes increasingly speculative and significantly diminishes the confidence of the analysis.

The economic analysis detail can be viewed at:
http://www.documents.dgs.ca.gov/resd/SaleLeasebackEconomicAnalysis.pdf

For clarification, among the properties to be sold is the entire Franchise Tax Board Building Complex located in the City of Sacramento (the "FTB Complex"). The FTB Complex is listed in the State Property Inventory, which is the official register of State-owned properties, as being located at "9645 Butterfield Way" and is therefore listed at that location in Section 14670.13. The FTB Complex includes the entire set of FTB facilities including Phase I, Phase II, Phase III, the Central Plant and Warehouse, and any other structures, grounds or improvements located on the property. The current United States Postal Service addresses for the FTB Complex are "9645 through 9696 Butterfield Way. The wording in Section 14670.13 to the FTB Complex located at 9645 Butterfield Way is based upon the State Property Inventory and not current U.S. Postal Service addresses.

Thank you for your continued interest and support in this important endeavor. Should you have any questions or need additional information, please contact Laura Zuniga, Deputy Secretary, Legislation, State and Consumer Services Agency at (916) 653-3111.

Sincerely,

Ronald L. Diedrich
Acting Director

Attachments: Attachment A – Terms and Conditions
Attachment B – Economic Analysis Summary

cc: See attached distribution list

Attachment A
Terms and Conditions

Specified Properties

(1) The Attorney General Building located at 1300 I Street in the City of Sacramento.

(2) The California Emergency Management Agency Building located at 3650 Schriever Avenue in the City of Rancho Cordova (CDP Mather).

(3) The Capitol Area East End Complex, located in the City of Sacramento, at all of the following locations:

(A) Block 225 located at 1430 N Street in the City of Sacramento.
(B) Block 171 located at 1501 Capitol Avenue in the City of Sacramento.
(C) Block 172 located at 1500 Capitol Avenue in the City of Sacramento.
(D) Block 173 located at 1615 Capitol Avenue in the City of Sacramento.
(E) Block 174 located at 1616 Capitol Avenue in the City of Sacramento.
(F) The parking facility located at 1214 17th Street in the City of Sacramento.

(4) The Elihu M. Harris Building located at 1515 Clay Street in the City of Oakland.

(5) The Franchise Tax Board Complex located at 9645 Butterfield Way in the County of Sacramento.

(6) The San Francisco Civic Center, also known as the Earl Warren / Hiram Johnson Building, at both of the following locations:

(A) 350 McAllister Street in the City and County of San Francisco.
(B) 455 Golden Gate Avenue in the City and County of San Francisco.

(7) The New Junipero Serra State Building located at 320 West 4th Street in the City of Los Angeles.

(8) The Department of Justice Building located at 4949 Broadway in the City of Sacramento.

(9) The Public Utilities Commission Building, also known as the Governor Edmund G. "Pat" Brown Building, located at 505 Van Ness Avenue in the City and County of San Francisco.

(10) The Judge Joseph A. Rattigan Building located at 50 D Street in the City of Santa Rosa.

(11) The Ronald Reagan State Building located at 300 South Spring Street in the City of Los Angeles.

Buyer Profile: California First, LLC

The Manager and General Partner of California First, LLC are Hines and ACRE, LLC. The managing partner will be Hines.

Hines (headquartered in Houston, Texas) is a privately owned, international real estate firm that has provided the highest level of quality, service and value to its clients and investors for more than 50 years. Founded by Gerald D. Hines in 1957 the firm has developed or acquired more than 980 projects with 330 million square feet in 17 countries and 245 cities globally. With a presence in more than 100 cities around the globe and investor relationships with many of the world's largest financial institutions, Hines has the breadth of experience, the network of expertise and the financial strength to assume complex and challenging investment, development and management projects. The company has offices in 17 countries, with regional offices in Atlanta, Chicago, Houston (U.S. headquarters), London (European headquarters), New York and San Francisco, as well as 63 other U.S. cities. The Hines portfolio of projects underway, completed, acquired and managed for third parties consists of more than 1,100 properties including skyscrapers, corporate headquarters, mixed-use centers, industrial parks, medical facilities, and master-planned resort and residential communities. Currently, the firm controls assets valued at approximately $22.9 billion.

ACRE, LLC (headquartered in Irvine, CA and New York, NY) is an international private equity firm with operations in the United States and India. The ACRE team has collectively executed more than $10 billion in transactions and has raised over $3.5 billion in investment funds. ACRE is managed by an experienced team of real estate professionals with significant experience and expertise in acquisitions, dispositions, capital markets and financing, market research, asset management, and investor relations.

Additional equity investors include:

PRP
Belgravia Capital
Woodmont Capital Partners
Steadfast Companies
CityView
AE Capital Advisers
Capital Pacific Holdings, Inc.
The Linc Group
GreenSpace Developments

<u>Terms and Conditions of the Sale</u>

- **Buyer:** California First, LLC.
- **Purchase Price**: $2.330 billion.
- **Financing:** 60% Debt (JP Morgan); 40% Equity (Private).
- **Properties:** Portfolio sale.
- **Earnest Money Deposit:** $55 million.
- **Title, Escrow and Closing Costs:** Paid for by buyer.
- **Conditions:** All cash at close of escrow.
- **Escrow**: Estimated to close on or before December 31, 2010.
- State will redeem and/or defease approximately $1.09 billion in existing lease revenue bonds encumbering the properties which will result in elimination of $118.1 million in 2010-11 annual debt service obligations associated with this secured property debt.
- Sale will generate approximately $1.229 billion in net cash proceeds, after redemption and/or defeasance of the lease-revenue bonds encumbering the properties and subtracting transaction costs.
- Shed responsibility for most currently-accumulated deferred maintenance, future capital replacement obligations and renovations for these same properties.
- Transfer approximately $58 million in 2010-11 annual property operating expenses to the buyer.

Terms and Conditions of the Leases

- Leases will be executed for each of the eleven property locations.

- Each lease has an original term of 20 years.

- Each lease contains six renewal options to extend the lease term for five years each.

- Rental rates reflect current market rents.

- The total initial annual rent is approximately $226[1] million compared to 2010-11 budgeted costs, excluding utilities of $174 million.

- The State continues to be responsible for paying natural gas and electric utility service.

- Lessor is responsible for maintenance and repairs and capital replacements. [2]

- Lessor, with the exception of natural gas and electrical service, will provide the full range of services, utilities and supplies such as sewer, trash disposal, water, elevator service, janitorial services, security services [3] and property management similar to those provided by office buildings of comparable quality in the same market area. [2]

- Annual rent is subject to a 10% fixed increase on the fifth anniversary of the commencement date and on each fifth anniversary thereafter during the initial lease term and any extensions thereof.

- Beginning on the first anniversary of the lease term, and on each anniversary thereafter, the operating expense portion of the rent (excluding real estate taxes, utilities and capital repairs and replacements) will increase or decrease commensurate with the increase or decrease in the Consumer's Price Index, U.S. Bureau of Labor Statistics, U. S. City Average, All Items Series A (1982-1984=100), "Urban Wage Earners and Clerical Workers."

- Beginning on the first anniversary date and on each anniversary thereafter, the real estate taxes and assessments portion of the rent will increase or decrease by the actual increase or decrease in real estate taxes and assessments with an annual cap of 2%.[1]

- Lessor, at Lessor’s expense, shall repaint all interior painted surfaces upon or after the sixtieth (60th) month of the Lease Term and every sixty (60) months thereafter.

- Lessor, at Lessor’s expense, shall replace all carpet and floor covering upon or after the one hundred twentieth (120th) month of the Lease Term and every one hundred twenty (120) months thereafter.

- State may sublease the premises or any part thereof to private tenants.

- State shall have a right of first refusal to purchase Lessor’s interest in the property during the lease term or any extended term.

Footnotes:

1. Assumes the Purchaser will be required to pay real estate taxes. In the event the properties are considered exempt from real estate taxes, the rent will be abated approximately ±$26 million per year.
2. In order to respond to statewide emergencies, CAL-EMA is responsible for maintenance and repair and capital replacements and all services.
3. Security services are to be provided by the Lessor at the Junipero Serra, Elihu Harris and the Capitol Area East End buildings.

Attachment B

Economic Analysis Summary

SALE // LEASEBACK State Office Building Portfolio

SUMMARY OF THE ECONOMIC ANALYSIS

The Department of General Services (DGS) has compared the costs under the California First, LLC sale-leaseback (Sale-Leaseback) proposal versus the continued state ownership of the properties (Status Quo).

To compare the relative costs of the Sale-Leaseback to the Status Quo, the State must first estimate the cash flows under each scenario in nominal dollars and then adjust them to account for differences in timing. Nominal dollars are those that have not been adjusted to remove the effect of changes in the purchasing power of the dollar but rather reflect buying power in the year in which it is expended. This includes developing revenue and expense projections, estimating capital expenditures, quantifying transfers of risk, making assumptions regarding growth rates, estimating terminal capitalization rates and applying a discount rate to convert them into present values (PVs). The present value concept is the idea that a dollar now is worth more today than an identical amount in the future. To calculate present value, the future sum of money is discounted at an appropriate discount (interest) rate to reflect the time value of money and other factors such as investment

Elihu M. Harris Building, Oakland

risk. The net present value (NPV) of a series of cash flows over time, both incoming and outgoing, is defined as the sum of the present values (PVs) of the individual cash flows. NPV is widely used throughout economics, finance, real estate and accounting as a decision making tool that measures cash flows, in present value terms.

It is important to point out that the uncertainty with cash flow projections increases and the accuracy diminishes as you forecast out further in time. In addition, capital expenditure projections in this analysis are based upon an unconstrained budget. In the public and private sector, budgetary constraints and alternatively surpluses can accelerate or decelerate the timing of capital expenditures. Additionally, changes to the discount rate or growth rate assumptions can result in significantly different outcomes.

At the request of the Legislature, the projected costs shown in the following tables assume that the State renews its lease continually through the end of 50 years at the terms set forth in the leases. However, the proposed lease term is 20 years with six five-year non-obligatory options to renew. At the end of the 20-year lease term, the State would have three options that include renewing the lease at the terms set forth in the lease, renegotiating the terms of the lease or not renewing the lease. Therefore, the amounts shown beyond the initial 20-year lease term are not relevant.

The net present value displayed in Table B indicates for Years 1 through 20 a savings of $2 million for the California First, LLC proposal compared with the Status Quo.

A Comparison of Cost in Nominal Dollars *(in millions)*

	Years 1 to 20	Years 1 to 30	Years 1 to 40	Years 1 to 50
Status Quo	$4,385	$7,936	$12,709	$16,285
Sale-Leaseback	6,172	10,750	16,672	24,291
Savings/(Net Costs)	**($1,787)**	**($2,814)**	**($3,963)**	**($8,006)**

B NPV Comparison of Cost* *(in millions)*

	Years 1 to 20	Years 1 to 30**	Years 1 to 40**	Years 1 to 50**
NPV Status Quo	$2,202	$2,817	$ 3,297	$3,480
NPV Sale-Leaseback	2,200	3,070	3,656	4,049
Savings/(Net Costs)	**$2**	**($253)**	**($359)**	**($569)**

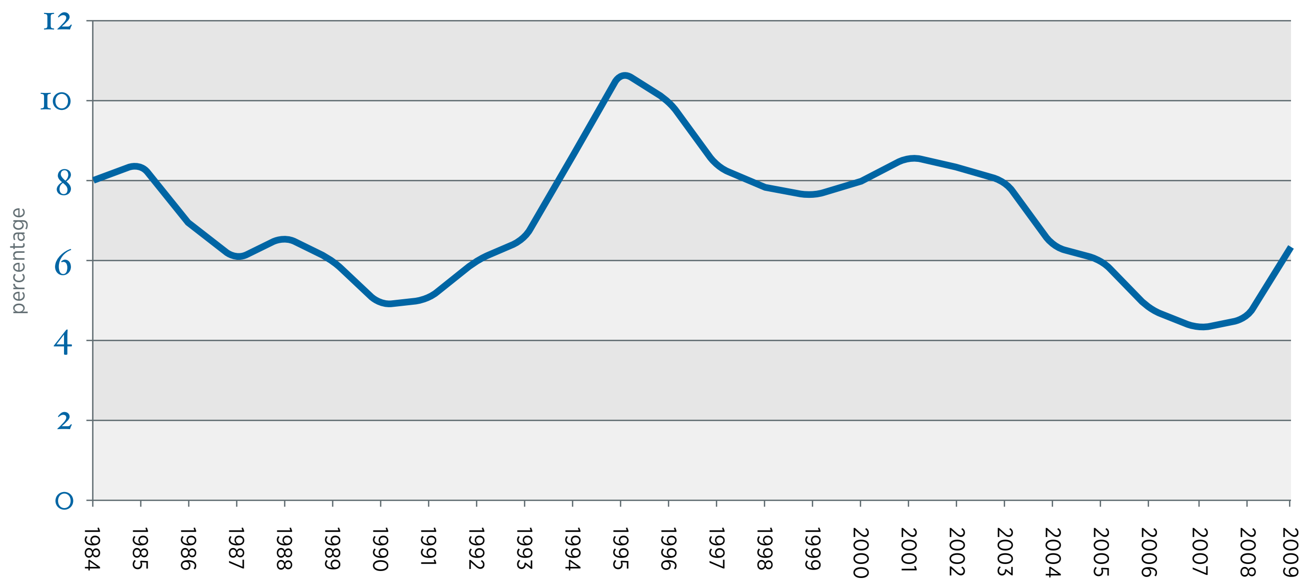
* NPV was calculated using a discount rate of 5.75% for years 1 through 20 and 6.75% for years 21 through 50 reflecting a 1% yield premium to account for normal yield curves on longer term debt.

** The costs outlined beyond 20 years are highly speculative. At the end of the 20-year lease term, the State has the option to vacate buildings, renegotiate leases, or renew leases. Future State office needs will be impacted by economic factors, State policies and initiatives, and emerging technologies.

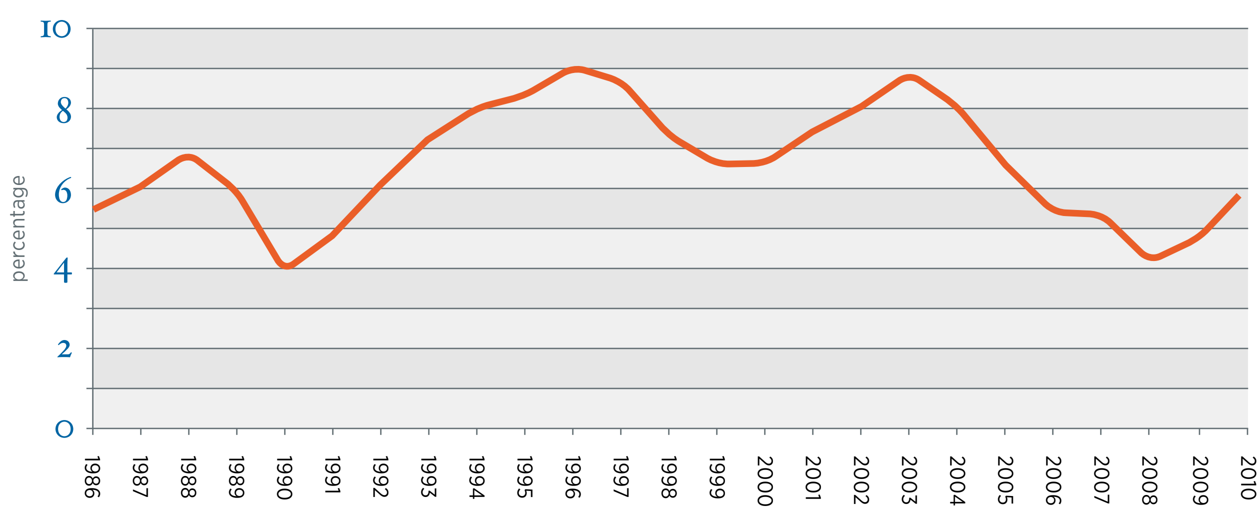
PRICING

The proposed purchase price of Two Billion Three Hundred Thirty Million Dollars ($2,330,000,000) represents an overall ("going-in") capitalization rate of approximately 6.36% based on the estimated net operating income. A lower capitalization rate is indicative of higher pricing given the same income stream. This capitalization rate is below the average transaction capitalization rates for office property sales reported in Los Angeles between 1984 and 2009 and in Sacramento and San Francisco between 1986 and 2009.

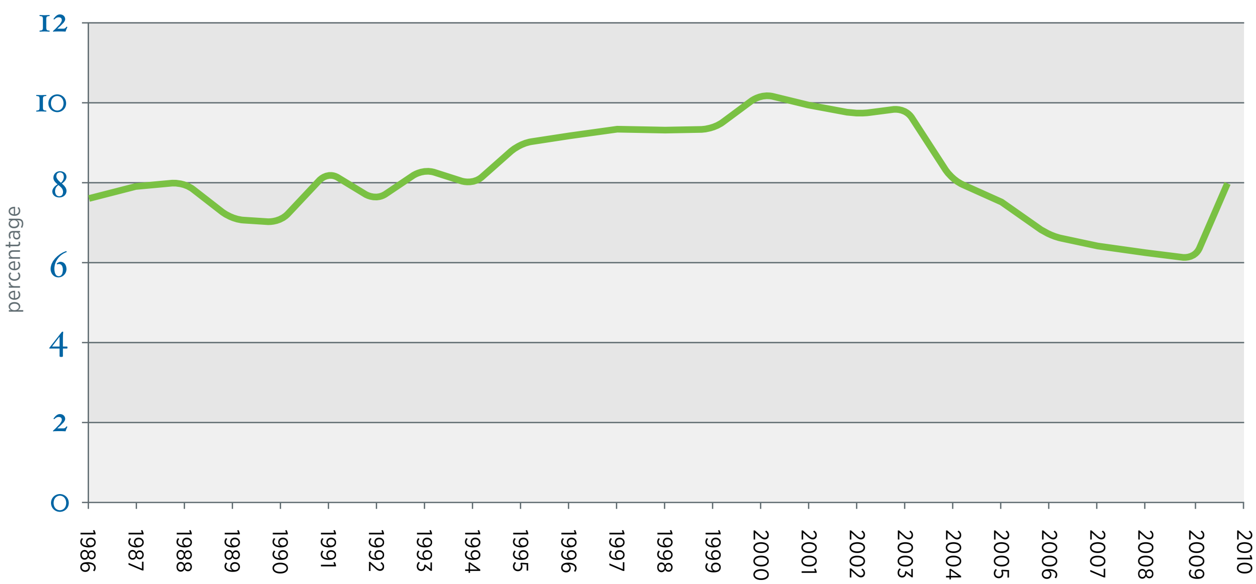
Office Cap Rates, *Los Angeles* 1984–2009



Office Cap Rates, *San Francisco* 1986–2009



Office Cap Rates, *Sacramento* 1986–2009



ASSUMPTIONS

Growth Rates

Growth Rates are annual unless otherwise specified.

Revenue/Expense Item	Growth Rate %	2010 Cost PSF
Sale-Leaseback Rent Increases (5 Years)	10.00%	
Parking Rate Increases (5 Years)	10.00%	
California Construction Cost Index	3.35%	
Business Improvement District	2.00%	
Real Estate Taxes (Prop 13)	2.00%	
Insurance	5.00%	
Operating Expenses	3.00%	
Utilities	3.00%	
Capital Repairs/ Replacement	3.35%	$0.25
Discount Rate Years 1-20	5.75%	
Discount Rate Years 21-50	6.75%	
Renovation		$250.00
Terminal Cap Rate	8.00%	
Earthquake Ins. Risk (per $100)		$0.40

Infrastructure Studies and Renovations

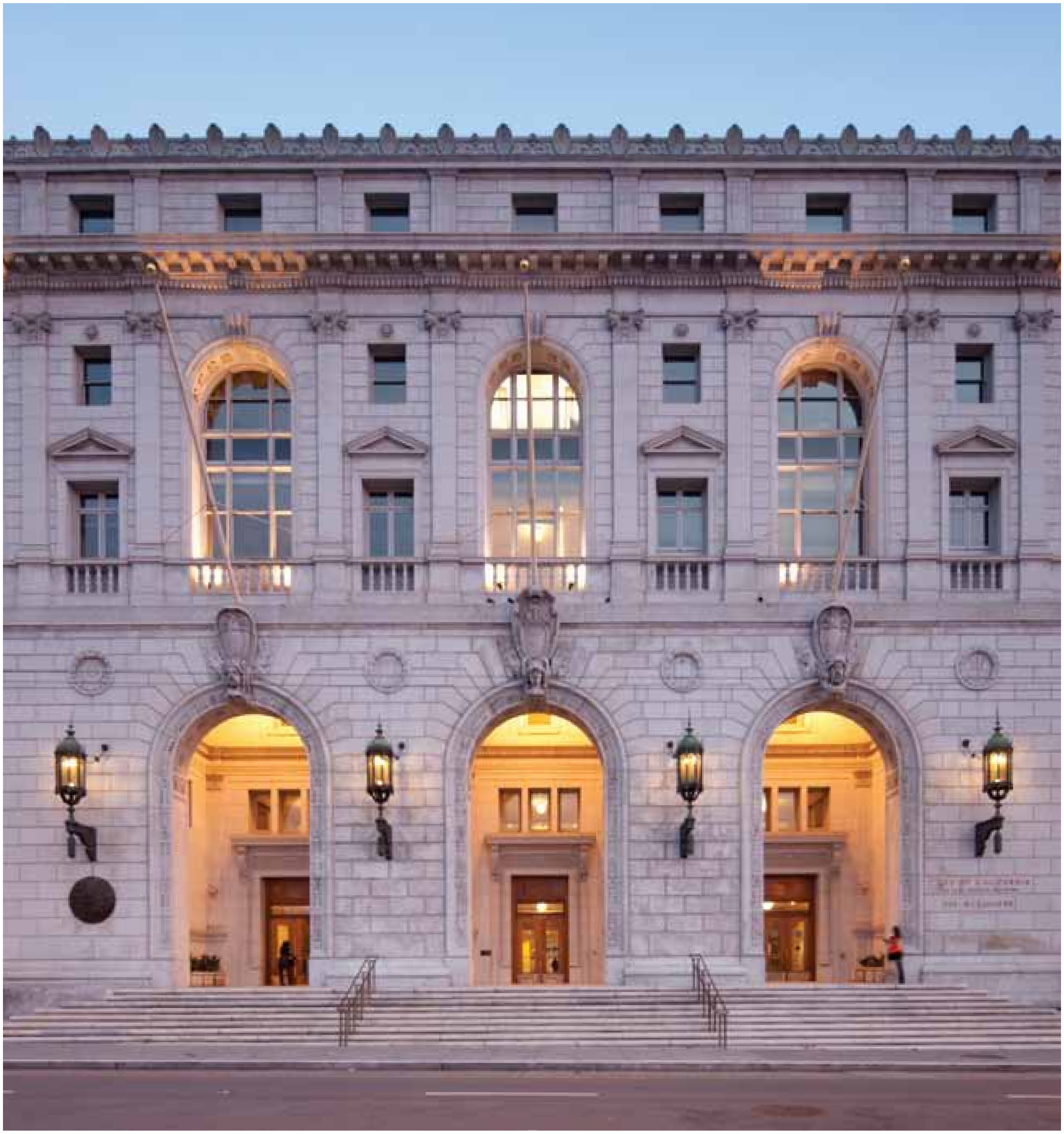
The portfolio buildings have an average age of over 15 years from the date the buildings were constructed or last renovated. As a normal practice, the DGS conducts infrastructure studies every 20 to 25 years. Beginning with the assumption that office building systems have an estimated serviceable life of 20 to 25 years and buildings have an economic useful life of 50 years, it can be assumed that the State would conduct infrastructure studies and do some level of renovations over the next 50 years if it continued to own the properties in order to extend the economic useful life. The most recent costs of renovation were for OB #8 & #9 (41 years old) at $254 per square foot (PSF) and Library and Courts (85 years old) at $352 PSF.

On that basis, the economic analysis assumes that an infrastructure study will be conducted at 20 and at 35 years followed by a renovation at year 40. For the purposes of economic analysis, the DGS has assumed future renovations will cost $250 PSF in current dollars.

Based upon DGS' experience, the costs to complete an infrastructure study are approximately $0.40 PSF plus $40,000 in project management fees in current dollars.

Reserves for Capital Repairs and Replacements

Annual reserves for capital repairs and replacement were modeled at $0.25 PSF.



Earl Warren / Hiram Johnson Building, San Francisco Civic Center

Infrastructure Studies, Renovations and Reserves for Capital Repairs and Replacements Growth Rate

The California Construction Cost Index averaged 3.35% between 2000 and 2009 and therefore the DGS has assumed this as the annual growth rate for future capital improvements, infrastructure studies and renovations.

Year	California Construction Cost Index
2009	-1.10%
2008	6.80%
2007	2.10%
2006	5.40%
2005	6.00%
2004	8.30%
2003	1.00%
2002	2.10%
2001	-0.10%
2000	3.00%
Average	**3.35%**

Real Estate Taxes and Assessments Growth Rate

This analysis assumes that the properties will be subject to real estate taxes. A 2% annual growth rate has been assumed for real estate taxes and assessments.

Insurance Expense/ Risk Growth Rate

Currently the State maintains property and liability insurance on the bond funded buildings. When the bonds are paid off, the State will no longer maintain property insurance and liability claims must be processed through the Victim Compensation and Government Claims Board. Upon the sale of the properties, the risk of insured or uninsured property damage is transferred to the buyer and they are required to maintain insurance. In order to quantify the transfer of this risk, the assumptions include insurance on currently uninsured buildings and continual insurance beyond the date the bonds are paid in full. Additionally, assumptions have been made regarding the currently uninsured risks for earthquake. Insurance expenses have been forecasted to grow at an annual rate of 5% due to two factors:

1. Increased cost of construction to construct and repair buildings due to inflation; and
2. Insurance rate increases.

This economic analysis does not include uninsurable risks such as the recent costs for emergency repairs of the Board of Equalization building located at 450 N Street in Sacramento.

Sale-Leaseback Rent Growth Rate

Assumptions are based on the fixed rental bumps of 10% every five years.

Parking Revenue/Expenses Growth Rate

Parking revenue in the Status quo has been forecasted to grow at a rate of 10% every five years.

Operating Expense Growth Rate

Operating expenses have been forecasted to grow at an annual rate of 3%.

East End Complex, Sacramento

Utilities Expense Growth Rate

Utility Expenses have been forecasted to grow at an annual rate of 3%.

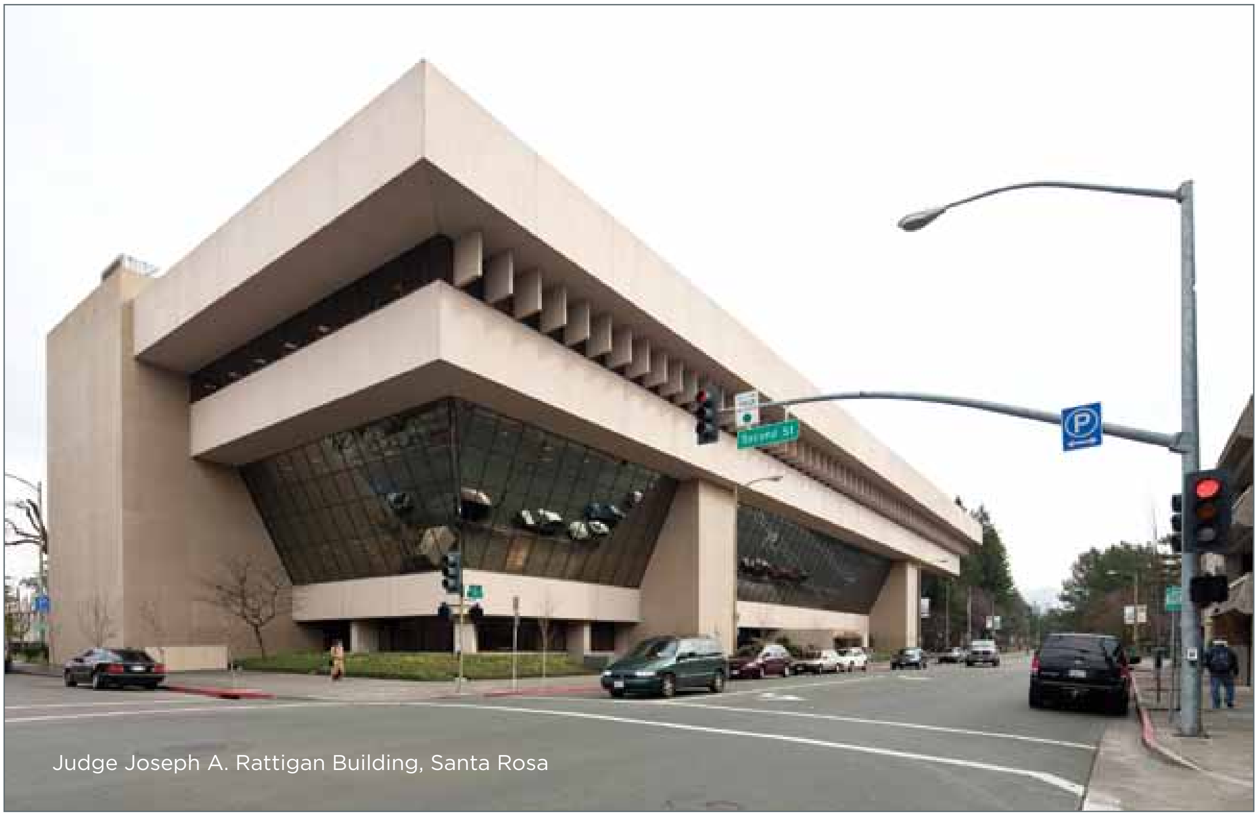
Variable Discount Rate

At the federal level, in calculating a net present value of leases, the Office of Management and Budget (OMB) requires agencies to use the Treasury borrowing rate on marketable securities of comparable maturity to the period of analysis. For asset sales, OMB requires analysts to do sensitivity analysis that discount the returns from such assets with the rate of interest earned by assets of similar riskiness (risk-adjusted discount rate) in the private sector.

A variable discount rate is a discount rate with higher rates applied to cash flows occurring further along the time horizon to reflect the yield premium for longer term debt or equity investment. Generally, because yield curves are upward sloping (longer term debt and equity investment commands a higher yield), cash flows to be received over longer periods of time may require an interest rate premium, or discount rate. The discount rate used for years 1-20 is based upon the last sale for lease revenue bonds that occurred on November 16, 2009. The true interest cost (TIC) for different final maturities based on the last tax-exempt sale were:

- 25 year: 6.04%
- 20 year: 5.75%

Additionally, on December 14, 2009, the State Treasurer reported to the Legislature that tax-exempt GO bonds, based on current secondary market trading interest rates were 5.93%. For purposes of this analysis, a discount rate of 5.75% was selected as the most appropriate rate for years 1 to 20 because the risk profile most closely matches that of the lease-revenue bonds sold in November 2009.



Judge Joseph A. Rattigan Building, Santa Rosa

Financial managers often utilize higher discount rates for investments or decisions that are viewed as risky and lower rates when the expected cash flows from a proposed activity are more certain. The higher rate is viewed as a hedge against risk because it puts more emphasis on near-term returns compared to distant future returns.

A yield premium between of 1% was assumed for years 21-50. Therefore, a discount rate of 6.75% was applied to cash flow projections occurring between years 21-50.

Non-State Tenants

Non-state tenant revenues are not included in the analysis because there would be revenues in both the sale-leaseback and status quo and would be offset equally on a nominal and net present value basis. However, it should be noted that if the state decision is to proceed with the sale-leaseback, the overall costs to the state would be reduced by an amount of approximately $575,000 per year.

Reversionary Valuation

Reversionary Value is the estimated value of a property at the expiration of a certain time period. Under the status quo scenario, there is no reversion per se because there is no leasehold estate, however at the end of the 50 year period of the analysis, the state would still own the property. Therefore, in comparing the status-quo to the sale-leaseback it is necessary to estimate what the value of the properties are at the end of the lease term (reversionary value) and deduct the present value of that reversion from the PV of the Status Quo or add it to the PV of the sale-leaseback. In order to estimate

Reversionary Value Status Quo	*(in millions)*
Property/Building Name	**Year 50 Reversion at 8.00% Cap Rate**
Attorney General Building, Sacramento	$323
Franchise Tax Board, Sacramento	1,309
Capital Area East End Complex, Sacramento	1,312
Elihu M. Harris, Oakland	651
Earl Warren/Hiram Johnson, San Francisco	1,047
Junipero Serra, Los Angeles	346
Ronald Reagan, Los Angeles	576
DOJ, 4949 Broadway, Sacramento	298
J. A. Rattigan, Santa Rosa	69
PUC Bldg, San Francisco	283
CA EMA, Mather	113
Total (Year 50) Reversionary Value	$6,327
Discount Factor (6.75% at 50 yrs.)	26.21
PV Reversion	$241

the reversionary value, it was assumed that Year 50 rents represented the market rental rate and that expenses represented 39% of rent resulting in net operating income (NOI) of 61% of rent. A terminal capitalization rate is a rate used to estimate the resale value of a property at the end of the holding period. The expected net operating income (NOI) per year is divided by the terminal cap rate (expressed as a percentage) to get the terminal value. A terminal capitalization rate of 8.00% was used to estimate the value of the properties at the end of 50 years. This rate was used to reflect the risk associated with estimating the terminal value so far out and potential impacts of economic obsolescence.

An alternative method to value the reversion would be to use annual property value growth rates to project reversionary value but it is not more reliable given the 50 year time horizon. An additional alternative would be to assume no renovations and base the reversion on the value of the land only. To determine the present value of reversion, the discount rate for years 21-50 was utilized. Due to the 50 year leasehold estate created under the proposed sale-leaseback, and the concept that there will be value in the leasehold estate separate from the fee interest during the term of the lease, only the PV of the 50 year reversion was considered. The assumptions below do not include deductions for transaction costs at the time of sale.

ADDITIONAL CONSIDERATIONS

Opportunity Cost/Income

In the California First, LLC proposed sale-leaseback transaction, the net sale proceeds after bond defeasance are estimated at approximately $1.2 billion. It is worth noting that because sale-leasebacks create the ability to extract capital at market value which can be redeployed to more productive uses, some analysts would argue that the analysis should include the net cash inflow of the sales proceeds invested at an assumed interest rate compounded over the term of the analysis. Some analysts would argue that in the State's case, this interest rate would be the average return the state would receive on its pension fund investments. Since public pension funds require an average annual return of approximately 8% to meet obligations to retirees, a reinvestment rate of the same rate could be used.

Due to the time preference for the revenue now, these proceeds will not be reinvested but rather will be used to immediately fund programs and services so reinvestment returns were not included in the economic analysis. Over the term of the analysis, this would reduce the costs under the sale-leaseback scenario significantly from what is indicated in this economic analysis. In this instance, because of the time preference for the money now, a more accurate analysis would measure the social benefits of programs funded or social costs of program cut as a result of the revenue realized or not realized based on the decision to sell or not sell.

DISTRIBUTION #1
LEGISLATIVE REPORT LISTING

ORIGINAL LETTER TO EACH OF THE FOLLOWING:

The Honorable Denise Moreno Ducheny, Chair **(Hand carry 18 copies)**
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814
Attn: Jody Martin, Principal Consultant

The Honorable Denise Moreno Ducheny, Chair
Senate Budget & Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814
Attn: Keely Martin Bosler, Staff Director

The Honorable Christine Kehoe, Chair (Attn: Bob Franzoia, Director)
Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814

The Honorable Bob Blumenfield, Chair
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814
Attn: Christian Griffith, Chief Consultant

The Honorable Felipe Fuentes, Chair
Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814
Attn: Geoff Long, Director

Mr. Mac Taylor **(Hand carry)**
Legislative Analyst
925 L Street, Suite 1000, B-29
Sacramento, CA 95814

COPY OF JLBC NOTIFICATION TO EACH OF THE FOLLOWING:

The Honorable Bob Blumenfield, Vice Chair
Joint Legislative Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Bob Dutton, Vice Chair
Senate Budget & Fiscal Review Committee
State Capitol, Room 5094
Sacramento, CA 95814

The Honorable Jim Nielsen, Vice Chair
Assembly Budget Committee
State Capitol, Room 6031
Sacramento, CA 95814

The Honorable Roy Ashburn, Vice Chair
Senate Appropriations Committee
State Capitol, Room 3060
Sacramento, CA 95814
Attn: Doug Yoakam, Minority Director

The Honorable Connie Conway, Vice Chair
Assembly Appropriations Committee
State Capitol, Room 6027
Sacramento, CA 95814

Michael Prosio, Legislative Affairs Secretary
Office of the Governor
State Capitol, First Floor, E-15
Sacramento, CA 95814

Laura Zuniga, Deputy Secretary, Legislation
State and Consumer Services Agency
915 Capitol Mall, Room 200, C-14
Sacramento, CA 95814

Todd Jerue, Program Budget Manager
Department of Finance
915 L Street, A-15
Sacramento, CA 95814

Karen Finn, Program Budget Manager
Department of Finance
915 L Street, A-15
Sacramento, CA 95814

Chris Woods, Budget Director
Assembly Speaker's Office
State Capitol, Room 219
Sacramento, CA 95814

Seren Taylor, Fiscal Director
Senate Minority Fiscal Office
1020 N Street, Room 234
Sacramento, CA 95814

Pete Schaafsma, Director
Assembly Minority Fiscal Office
State Capitol, Room 6027
Sacramento, CA 95814

Craig Cornett, Fiscal Consultant
Office of the Senate President pro Tem
State Capitol, Room 412
Sacramento, CA 95814

Stephen Amos, Chief Deputy Director (electronic copy only)
Department of General Services
707 Third Street, 8th Floor, Z-1
West Sacramento, CA 95605

Scott Harvey, Chief Deputy Director (electronic copy only)
Department of General Services
707 Third Street, 8th Floor, Z-1
West Sacramento, CA 95605

Gary Link, Deputy Director–Legislative Affairs
Department of General Services
707 Third Street, 8th Floor, Z-1
West Sacramento, CA 95605

Mary Ann DeWitt, Budget and Planning Officer
Office of Fiscal Services
Department of General Services
707 Third Street, 9th Floor, Z-1
West Sacramento, CA 95605

Office of Legislative Counsel **(HARD COPY OF REPORT)**
Attention: Indexing Division
925 L Street, Suite 1150, B-30
Sacramento, CA 95814

California State Library
Information Resources and Government Publications
914 Capitol Mall, E-29
Sacramento, CA 95814

Originating Office

JLBC REVISED 8/11/10