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An act to add Section 14678.7 to the Government Code, relating to state property, and making an appropriation therefor.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 14678.7 is added to the Government Code, to read:

14678.7. (a) For purposes of this section:

(1) "8th and 9th Street property" means property that the department is authorized to acquire, in partnership with CADA, pursuant to Item 7760-301-0666 of Section 2.0 of the Budget Act of 2017.

(2) "CADA" means the Capitol Area Development Authority.

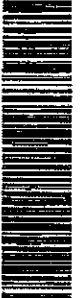
(3) "IBank" means the California Infrastructure and Economic Development Bank.

(4) "R Street property" means state owned property located at 805 R Street (APN 006-0266-014) in the City of Sacramento.

(5) "R Street parking structure project" means the project authorized by this section for the design and construction of a parking structure and retail space for the purpose of allowing the development of a parking structure for state employees and the general public as well as to compliment local efforts to increase evening and weekend visitation in downtown Sacramento.

(b) Notwithstanding Section 14670, the department may enter into one or more leases, as lessor or lessee, and other related agreements with CADA under which CADA will be responsible for developing a parking structure with approximately 800 parking spaces and retail space that is located on the R Street property and the 8th and 9th Street property, subject to the following requirements:

(1) CADA shall demolish any improvements currently located on the R Street property.



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(2) The total State costs for the R street parking structure project, excluding any financing costs, shall not exceed thirty million dollars (\$30,000,000).

(3) The Department of Finance shall approve the terms of any lease and related agreements entered into pursuant to this section related to the R Street parking structure project.

(4) The amount of any lease payments that the department makes to CADA pursuant to this section shall be commensurate with CADA's costs of development and financing of the R Street parking structure project.

(5) The director shall notify the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or his or her designee, in writing of the director's intention to enter into the leases or agreements authorized by this section no later than 30 days before entering into the leases or agreements, or not sooner than any lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine.

(c) After having secured the necessary leasing and contractual arrangements with the department for development, financing, and operations, CADA may enter into a financing arrangement for the development, design, and construction of the R Street parking structure project through the IBank utilizing the IBank's Infrastructure State Revolving Fund Program, subject to the following requirements:

(1) The project shall be subject to all requirements of the Bergeson-Peace Infrastructure and Economic Development Bank Act (Division 1 (commencing with Section 63000) of Title 6.7) and the Criteria, Priorities and Guidelines established by IBank.



(2) The repayment terms of the financing arrangement shall not exceed 30 years. Upon full repayment of any financial arrangement entered into pursuant to this subdivision, any lease entered into between the department and CADA shall cease and title to the R Street parking structure shall vest in the state.

(d) Upon completion of the R Street parking structure, the department may charge state employees and the general public for use of the parking structure. The department shall deposit all revenues generated from the R Street parking structure into the Motor Vehicle Parking Facilities Money Account. Notwithstanding Section 14678, all funds deposited into the Motor Vehicle Parking Facilities Money Account are available, upon appropriation by the Legislature, to the department to be used, until any financing arrangement entered into pursuant to subdivision (c) is repaid in full, to make lease payments to CADA, and, after that event, to the department to be used consistent with the Motor Vehicle Parking Facilities Money Account and Section 14678.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: State property: acquisition and development: R Street parking structure project.

Existing law generally authorizes the Director of General Services, with the consent of the agency concerned, to let any real property owned by the state for a period not to exceed 5 years. Existing law authorizes the Department of General Services to acquire real property to operate and maintain motor vehicle parking facilities, as specified. Existing law authorizes the department to enter into arrangements with other public and state agencies for joint use of these parking facilities, as specified. Existing law requires the department to deposit revenues received from parking fees at motor vehicle parking facilities owned by the department or other state agencies in the General Fund for expenditure by the department for the construction, operation, and maintenance of motor vehicle parking facilities under the jurisdiction of the department or any other state agency, and thereby creates a continuously appropriated fund.



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This bill would authorize the department to enter into one or more leases, as lessor or lessee, and other related agreements with the Capitol Area Development Authority (CADA) under which CADA will be responsible for developing a parking structure and retail space that is located on specified property located in the City of Sacramento. The bill would require the R Street parking structure project to comply with specified requirements. The bill would authorize CADA to enter into a financing arrangement for the development, design, and construction of the R Street parking structure project through the California Infrastructure and Economic Development Bank, subject to specified requirements. The bill would authorize the department to charge state employees and the general public for use of the structure. The bill would require the department to deposit parking revenues into the Motor Vehicle Parking Facilities Money Account. By depositing additional revenue into a continuously appropriated fund, this bill would make an appropriation. The bill would provide that funds deposited into the Motor Vehicle Parking Facilities Money Account are available, upon appropriation by the Legislature, to the department to make specified lease payments, and then to be used consistent with the purposes of the Motor Vehicle Parking Facilities Money Account.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

