

**CALIFORNIA TO SELL 11 STATE BUILDINGS FOR \$2.3 BILLION
PLAN INCLUDES S.F. CIVIC CENTER and P.U.C. BUILDING ON VAN NESS
OFFICIAL STATEMENT**

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California owns 22,272 buildings, facilities and structures; they serve 37 million residents. The business of the state is to provide services, not maintain buildings. California faces a \$25 billion budget deficit that will affect public safety, education, health and human services. The state has a critical need for funds; it cannot continue to tax and borrow, it has the lowest credit rating and some highest taxes in America. It also is rated the worst state to do business; its taxes and regulations have caused thousands of businesses and risk takers to leave taking jobs and revenues with them- including productive young workers- the future of the state.

Governor Schwarzenegger and the Legislature know that California- like other states and the federal government must start getting out of maintaining buildings. They have approved the sale and leaseback of 11 state buildings for \$2.3 billion. This sale to California LLC of Los Angeles will net \$1.3 billion after payment of bonds, services will not be interrupted; the state will lease back the buildings over 20 years at market rates. Three buildings in San Francisco sold for \$483 million and will net \$269 million: The Edmund G. Building on Van Ness, and the Civic Center complex that houses the state offices and the Supreme Court. The San Francisco State Building Authority oversees these facilities. The eight other buildings are located in Oakland, Santa Rosa, Sacramento and Los Angeles; they are under the jurisdiction of those authorities.

It does not require much expertise to oppose a sale-leaseback. Most stem from a need for immediate funds and the lease usually exceeds the sale price. California definitely needs courageous opponents to speak out against fiscal mismanagement; its elected officials have sold out the state with irresponsible spending that has exceeded inflation and population and also gave unsustainable benefits for state employees that have caused this budget crisis. Their conduct equates to virtual bribery and white collar crime -as seen in Bell California.

The opponents of the sale-leaseback have ignored the glaring costs and consequences of the 1978 Dills Act signed by then Governor Jerry Brown. Their years of silence is their assent and it discredits their supposed concern for fiscal responsibility. The Dills Act gave public employees who were protected by civil service collective bargaining rights that have plundered the general fund for 32 years. They will burden unborn generations of taxpayers with an unfunded liability that is now \$500 billion- and growing.

Surely In their righteous quest for better fiscal management the bold opponents of the terrible sale-leaseback plan also will sue the state to cut excessive salaries and benefits of 247,000 public employees. They also can sue the state to cut supportive services for the aged and disabled and demand the terminally ill hurry up and die- their lives are too damn costly. The state needs the money for the employee unions.

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