



State of California
Franchise Tax Board

11.05.12

To: Selvi Stanislaus

From: Jeanne Harriman

Subject: Board Approval for Facility Action Items – West Covina and Sacramento Field
Offices Lease Renewals

Memorandum

This memorandum provides information for your notification to the Board pursuant to the Board's resolution requiring approval for Facility Action Items. FTB is requesting approval to proceed with four DGS Customer Requests Upgraded Information Sharing Environment (CRUISE) requests to renew four separate leases.

West Covina Field Office Lease Action (Suites 350, 500 & 550)

Three CRUISE requests are required to renew the following West Covina Field Office leases:

- Suite 550 (lease #3626-005) – expires 10/31/14
- Suite 350 (lease #3626-009) – expires 6/30/16
- Suite 500 (lease #3626-004) – expires 8/31/17

The lease expiration date for suite 550 is approaching and DGS recommends that FTB begin the lease renewal process. Although suites 350 and 500 do not need to be renewed now, FTB would like to renew all three at one time to consolidate all three leases into one. A lease consolidation with a new eight-year lease term will help in negotiations with the building owner and may help FTB achieve long-term rent savings.

The three suites currently house over 30 Criminal Investigations employees that have program responsibility for all criminal enforcement activities related to income tax evasion and fraud.

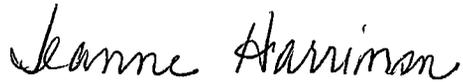
Sacramento Field Office Lease Action (2nd Floor)

A CRUISE request is required to renew lease #4644-001 at the Sacramento Field Office which is set to expire on 6/30/18. Although a lease renewal is not required immediately, FTB would like to renew the lease now to pursue a rent reduction with long-term cost savings. If cost savings cannot be achieved, FTB will not renew the lease.

This is a joint lease shared by FTB, EDD and BOE. Therefore, all negotiations between the building owner and the State must be agreed upon by all three departments. FTB will work with EDD and BOE throughout the process to achieve consensus.

The FTB space currently houses over 15 Criminal Investigations employees and over 20 public counter and field collection employees in the Accounts Receivable Management Division. The public counter staff are responsible for assisting taxpayers and practitioners who visit the office. The field collection unit pursues the collection of delinquent tax liabilities from office and field settings. The FTB Facilities Management Section will work with the local programs to determine if alterations are required due to program changes, growth or consolidation.

If you have any questions regarding any of the above items, please contact me at 845-6431.



Director
Financial Management Bureau