



DEPARTMENT OF
PLANNING AND DEVELOPMENT

CITY OF SACRAMENTO
CALIFORNIA

1231 I STREET
SACRAMENTO, CA

October 1, 1991

ADMINISTRATION
ROOM 300
95814-2987
916-449-5571

Transportation and
Community Development Committee
Sacramento, California

ECONOMIC DEVELOPMENT
ROOM 300
95814-2987
916-449-1223

Honorable Members:

NUISANCE ABATEMENT
ROOM 301
95814-5982
916-449-5948

**SUBJECT: OVERVIEW OF ISSUE: DATA ON ECONOMIC IMPACTS OF STATE
WORKERS ON DOWNTOWN MERCHANTS AND RETAILERS**

SUMMARY

The State of California is the largest end user of office space downtown and its employees have a significant positive impact on the merchants and retailers in the area.

State officials have forecasted that they will need to lease 800,000 square feet of office space during the next five years to meet the increasing numbers of employees. From 1984 to 1988, 30% of the State's leasing activity occurred in the Downtown Core Area and 76.8% occurred within the Central City Community Plan Area. Currently, however, State officials are examining the option of relocating offices to outlying suburbs. If this occurs, it could erode the retail sales base of the downtown and impact actions to attract other retail outlets and even retention of existing retail operations by City agencies.

LOCATION

Council District 1, Central Business District.

RECOMMENDATION

This report is for information only.

BACKGROUND

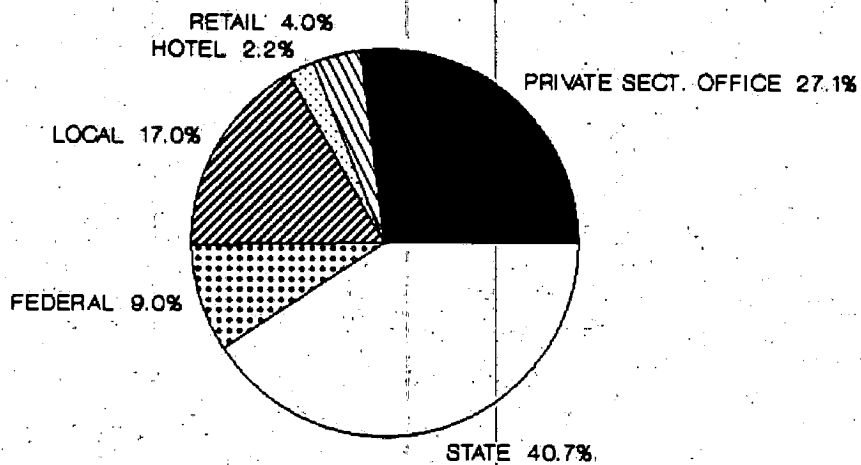
The location of the State of California's offices in the downtown have a significant positive economic impact on the area.

1988 base year employment figures used in this review estimated 66,000 employees work in the downtown (core area) as defined by the map (enclosed) which includes the Central Business District, the Capitol Plan Area and Old Sacramento. Sixty-six percent of these workers are employed in the public sector; 40.6% or 26,793 state employees, work in this area.

Composition of Downtown (Core Area) Employee Base

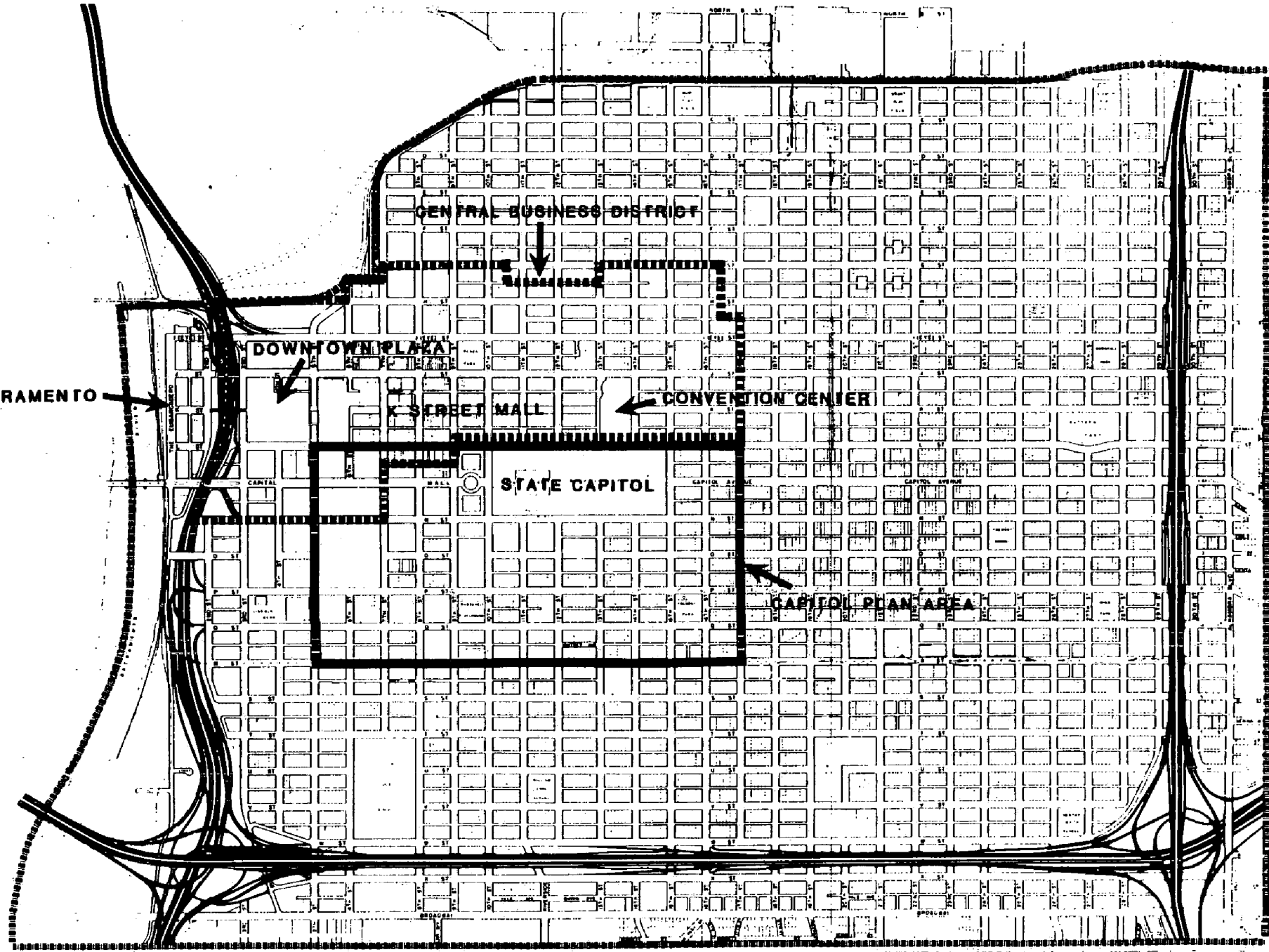
<u>Category</u>	<u>Number</u>
State	26,793
Private Sector Office	17,886
Local Government	11,220
Federal Government	5,940
Retail	2,640
Hotel	1,452

COMPOSITION OF DOWNTOWN (CORE AREA) EMPLOYEE BASE 1988



TOTAL 66,000.

OLD SACRAMENTO



CENTRAL BUSINESS DISTRICT

DOWN TOWN PLAZA

STREET MALL

CONVENTION CENTER

STATE CAPITOL

CAPITOL PLAN AREA

central
Sacramento city California
study

LEGEND

CENTRAL BUSINESS DISTRICT
CAPITOL PLAN AREA
OLD SACRAMENTO

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Scale in Feet

0 300 600 900 1200

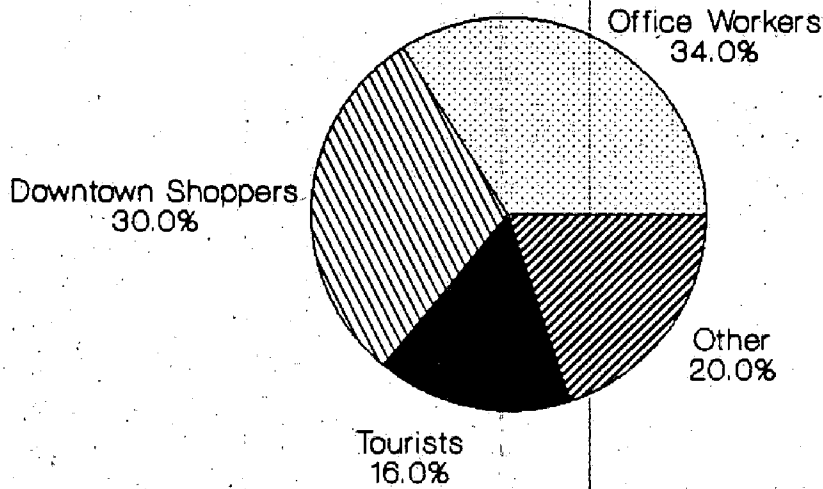


North

The State office worker makes for one of the largest consumers' groups in downtown. A downtown worker on average spends an estimated \$1,200 in the downtown annually for food and retail items. Thus, State employees spend an average of \$32 million a year in the downtown area.

Average Annual Expenditure
of a Worker Downtown is \$1200

SOURCE OF DOWNTOWN RETAIL SALES 1988



Total: \$230 Million

Office Workers	34%	\$79,000,000
Downtown Shoppers	30%	70,000,000
Tourists	16%	36,000,000
Other	20%	<u>45,000,000</u>
	100%	\$230,000,000

**State Employees in Sacramento, By Planning Area
1977 - 2000**

<u>Year</u>	<u>Core Area</u>	<u>Central City</u>	<u>Metropolitan</u>	<u>Total</u>
1977	20,100	8,200	5,800	34,100
1978	21,200	7,600	8,800	37,600
1979	22,275	2,850	14,200	39,325
1980	22,625	3,400	15,625	41,650
1981	23,440	4,025	16,635	44,100
1982	24,330	3,560	15,700	43,590
1983	Data not available			
1984	25,300	4,300	15,100	44,700
1985	26,000	4,300	15,700	46,000
1986	Data not available			
1987	Data not available			
1988	26,793	6,917	14,205	47,915
1989	Data not available			
*1990	22,936	12,366	14,565	49,867
**1995	26,580	16,833	18,299	61,642
**2000	28,919	18,478	20,197	67,594

Note: The figures presented in this table were gathered from previous Sacramento Facilities Plan supplements. The computerized facilities database provides a more precise accounting of State employees and square feet of office space as reflected in the 1988 data.

This number includes an estimate of 2,000 legislative office employees. This estimate was calculated based on data collected for the 1984 Supplement to the Sacramento Facilities Plan with a 2 percent increase per year

Source: Department of General Services, Office of Project Development and Management, Survey of State Agency Managers, January 1988

* Adjusted Survey Results, Department of General Services Office of Project Development and Management, 1990

** Forecasted Survey Results, Department of General Services, Office of Project Development and Management

POLICY CONSIDERATIONS

This report is for information only. No Council action is required at this time.


FINANCIAL DATA

This report is for information only.

MBE/WBE

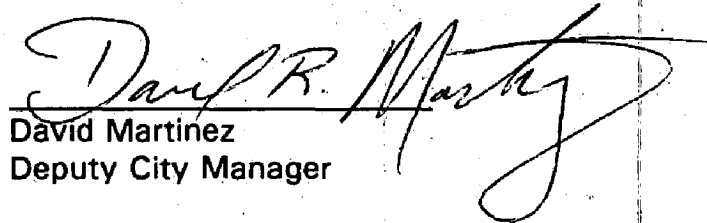
None.

Respectfully Submitted,



Tim Johnson
Economic Development Coordinator

Approved for Committee Information:



David Martinez
Deputy City Manager

For Committee Meeting of:
October 10, 1991

Contact Person:
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449-1223