



# THE STATE BAR OF CALIFORNIA

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**Title of Report:** Report of the State Bar of California on Preliminary Plans for Southern California Facilities  
**Statutory Citation:** Business and Professions Code section 6140.3  
**Date of Report:** April 1, 2012

**INTRODUCTION:** Assembly Bill No. 3049 (July 21, 2008) (Bus. & Prof. Code §6140.3) authorized a \$10 increase in the State Bar's membership fee beginning in 2009, to be used for the construction, purchase or lease of a facility in southern California, upon the expiration in January 2014 of the State Bar's existing lease of its facility in Los Angeles. This is the required annual report to the legislature on the State Bar's preliminary plans for this project.

**BACKGROUND: THE STATE BAR'S FACILITIES:** To effectively serve the public and its members throughout California, the State Bar maintains operations in San Francisco, where it owns its own building, and in Los Angeles, where it leases space in a downtown office complex known as the AT&T Center. The Bar's lease in the AT&T Center expires in January 2014, and it is now faced with the decision of extending its lease there, leasing space elsewhere, or acquiring space of its own.

**PROJECT PARAMETERS & STATUS:** The State Bar identified a number of strategic issues which have served as a framework for analysis and decision-making.

**Occupancy Alternatives:** There are several occupancy structures being evaluated, including: Ownership Options (various options for total or partial ownership in existing buildings); Leasing Options (re-lease current space; lease new space in an existing building, etc); and Construction Options (as sole owner or partner in joint venture). For organizations like the State Bar, whose size and function remain relatively stable for the long-term, ownership often yields lower long-term costs and provides greater operational stability. Purchase of a building is therefore the Bar's preferred option. Leasing options will also be explored. New construction is unlikely.

**Location Alternatives:** Based on the current location of the Bar's members and employees, Los Angeles County remains the most appropriate general area for its southern California operations. Among L.A. County's many submarkets, the State Bar is focusing its search on the West Los Angeles/LAX area; the area including Burbank/Glendale and the eastern part of the San Fernando Valley; and on the downtown area where it is currently located. This focus is based on factors including the prevailing age and type of office buildings available, access and transportation issues, and other current market conditions.

**Cost:** The cost of purchasing a building and readying it for occupancy can only be estimated based on market conditions that currently exist. Based on those market conditions, \$25 million for the purchase and renovation of a hypothetical 100,000 square foot facility has been selected as a starting point. Funding sources include the \$10 member fee that sunsets in 2013, possible long-term debt, and possible proceeds from the sale of the State Bar's Los Angeles parking lot.

**Space Requirements:** A space planning evaluation, conducted with an eye towards applying best practices for space utilization, workflow and collaboration, has determined that the Bar's southern California operations, as currently configured, could be housed in 100,000 to 105,000 usable square feet, down from its current 121,000 square feet. In addition, as part of its strategic planning effort, the State Bar has begun evaluating the division of its functions and personnel between its northern and southern California locations. To the extent feasible, the State Bar will seek to consolidate its operations in its San Francisco headquarters, where vacant space is currently available. This effort will further reduce the amount of space required in southern California, while simultaneously maximizing the use of the State Bar's existing real property assets.

**TIMELINE:** With a two-year window in which to implement a new occupancy plan, the State Bar is now in the process of securing a real estate brokerage firm to undertake the practical search for suitable, available buildings for purchase in the identified submarkets. Leasing options will also be explored. The State Bar plans to have its new location identified and a proposal ready for legislative approval by the end of calendar year 2012. During 2013, the Bar will then proceed with transactional implementation and a physical build-out/renovation.

The full report is available for download on the State Bar's web site at  
<http://www.calbar.ca.gov/AboutUS/Publications/Reports.aspx>.  
A hard copy of the report can be ordered by calling 916-442-8018.