

NEW CAPITOL ANNEX BUILDING PROJECT

3RD QUARTER BUDGET REPORT
OCTOBER 2026

Submitted to: Joint Rules Committee
1021 O Street
Suite 6250
Sacramento, CA 95814

New Capitol Annex Building

3rd Quarter Budget Report
Presented October 2026

Executive Summary

In the 3rd quarter of this year, the project has now surpassed 1.4 million labor hours on the project. This has also been done safely with a TRIR (Total Recordable Incident Rate) of about 0.86 which is significantly better than the industry average of 2.3. Currently there are over 550 workers on the project each day. Additional finish trades such as painting and low voltage wiring are starting to work on the lower floors while the upper floors are nearing completion of the mechanical and electrical rough in to allow those trades to move up through the building. Building elevators are ready to come online shortly, allowing for the exterior construction hoists to be removed and the building to be fully enclosed in as the winter months approach. Dewatering activities have now been completed as well as the building foundation systems and below-grade parking structure. Exterior stone, concrete structures and grading are fully underway giving a glimpse into the style of the final aesthetic of the building that had only been seen in renderings previously. Low voltage systems such as IT and AV are under contract, and backbone systems are being installed so that millwork and other finishes can continue without delay.

The project budget, as reported in the 2nd quarter, continues to be maintained at the $1.198B amount that was established earlier this year. The current amount that has been spent to date is $746M on the Annex project. The project is trending in a favorable direction to bring final costs under the established budget and there is not a need at this time to request additional funding for the project. As noted in the previous quarterly report, the project team continues to work through the project costs with Turner and continues to find opportunities for cost savings while maintaining the quality and project elements as currently defined.

The project schedule remains with an expected turnover of the building for occupancy on October 27, 2027. Work on audio visual, security, and network systems has begun. Cabling has been installed and programming for the various systems is underway. Furniture contracts are in place, and the installation has been coordinated with Turner to allow for completion of the furniture installation to coincide with the building turnover so that occupant moves can start at the beginning of November 2027.

A good measure of the health of the project occurs in the quarterly partnering meetings. Overall confidence in the schedule continues to improve as all participants are working to find solutions to challenges that arise daily. There is a real sense of pride that continues to grow within the team and trades personnel to leave the State of California with a high-quality landmark that generations will be able to work in, govern the state and provide access to the “people’s house” for visitors over the next 100+ years.