

Capitol Annex Project: Frequently Asked Questions (Spring 2026)

Project Status & Timeline

What is the status of the Annex construction? As of March 2026, the project had reached several major milestones. The building is enclosed, and about 95% of the exterior is complete with the plaza skylight finished. Interior framing is underway, the electrical vault is done, and the transition from temporary power will begin in July 2026.

When will the Capitol Annex be completed? October 2027 is the expected completion date. While external factors have created pressure on the timeline, our Owner's Representative, Gilbane Building Company, has substantially increased construction productivity by working closely with Annex partners to maintain this completion target.

Budget & Fiscal Responsibility

How is the project being kept on budget despite national inflation? For three years following the pandemic, the cost of construction materials and labor surged by 27%. For a project of this size, those market conditions could have added \$300 million to the total cost. However, the project team cut costs to prevent two-thirds of that increase, limiting the forecasted impact to about \$100 million. The project team has worked hard to contain costs despite the challenges and will continue those efforts to bring the project to completion.

Will you be requesting additional funding from the Legislature? No. We do not intend to request any additional funds from the Legislature.

What factors have contributed to cost pressures? The project has been affected by three primary external factors:

- **Pandemic-Era Inflation:** While historic construction cost increases in California are roughly 3% annually, the industry saw multiple years of more than 10% escalation.
- **Litigation Delays:** Legal challenges caused work stoppages that accrued about \$15 million in direct construction impacts, alongside additional costs in the millions to extend other services such as design and project management.
- **Supply Chain & Buyout Costs:** Finalizing contracts for materials during a period of peak global inflation created costs that exceeded original design allowances.

Management & Oversight

Who is the Owner's Representative for the project? In early 2026, the Joint Rules Committee partnered with Gilbane Building Company to lead the project to completion. Gilbane was selected because of the company's expertise in government construction, including the successful recent completion of the 1021 O Street "Swing Space" and the Resources Building Renovation. Their familiarity with the Legislature's specific needs helps to streamline the final phases of construction.