



2010 SURPLUS REAL PROPERTY ANNUAL REPORT TO THE STATE LEGISLATURE



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Real Estate Services Division
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Overview

The Department of General Services (DGS) prepares an annual surplus State real property report for the Legislature that describes the status of the State's real estate that has been declared surplus to the State's needs and authorized for disposition by sale or otherwise. The DGS also reports on State real estate that has been identified as excess by State agencies, departments, boards, or commissions, that would be included in its annual surplus State real property legislation that authorizes disposition. The report is prepared by the DGS pursuant to Government Code Section 11011, et seq.

The 2010 Surplus Property Report contains a summary of the status of the following categories of properties:

- properties that have been sold or otherwise removed from the State's property rolls during calendar year 2009;
- properties that are authorized and/or are pending disposition;
- properties that have been identified as excess for which the DGS will request authorization for disposition in its annual surplus State real property bill;
- properties which had surplus authorization rescinded or for which a rescission of the authorization has been requested.

Change in Identification of Excess State Lands

Pursuant to **AB 4X 22 (Evans, Chapter 20, Statutes of 2009, Fourth Extraordinary Session)**, each State agency secretary or director must certify, on or before July 1 annually, that the agency has accurately and completely identified and reported any excess property. Additional reporting requirements also have been added to get a more detailed description of each property that the agency owns. The DGS will maintain the certification notices on its web site. Please refer to **Appendix B** for the new reporting requirements.

Section 1: Properties Sold or Removed from State Rolls in 2009

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Tehama	CDF	Manton Forest Fire Station	2	\$40,000	Chapter 761, Statutes of 2008

Comments:

This property is a former forest fire station that was replaced by newer facilities. A public auction was held in April 2009 and the property was sold to the high bidder.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Santa Clara	DDS	Santa Clara Substation	2.33	\$4,000,000	Chapter 1500, Statutes of 1995

Comments:

In 1999, the State deeded this property to the City of Santa Clara for an electrical substation during the initial sale of the Agnews Developmental Center West Campus. The City did not construct the substation and per the terms of the deed the ownership reverted to the State. The property was placed on the market in July, and in October the property was sold to the high bidder.

TOTAL **\$ 4,040,000**

Section 2: Properties Pending Disposition

County	Agency	Property	Acres	Estimated Value	Authority
Butte	CDF	Harts Mill Forest Fire Station (Old), Berry Creek	2.76	\$135,000	Chapter 166, Statutes of 2009

Comments:

The property was declared surplus on January 1, 2010. The Feather River Parks and Recreation District has expressed an interest in acquiring the property. The DGS is in negotiations with the District to determine an acceptable purchase price.

County	Agency	Property	Acres	Estimated Value	Authority
El Dorado	CHP	Tahoe-Meyers CHP Facility, South Lake Tahoe	0.73	N/A	Chapter 625, Statutes of 1991

Comments:

A transfer of jurisdiction to the California Conservation Corps has been proposed. The transfer is subject to the approval of the California Tahoe Conservancy. The Conservancy is interested in acquiring the property and has suggested an alternative site for the California Conservation Corps.

County	Agency	Property	Acres	Estimated Value	Authority
Los Angeles	CDCR	Nelles Youth Correctional Center (former California Youth Authority), Whittier	75	\$42,000,000	Chapter 925, Statutes of 2004

Comments:

The State has selected a buyer for the property. The sale is contingent upon the buyer securing development entitlements from the City of Whittier, including a certified Environmental Impact Report. The entitlement process is estimated to take between 12-18 months. Escrow is scheduled to close by December 2011.

County	Agency	Property	Acres	Estimated Value	Authority
Los Angeles	CON	Beaudry Street Residential Lot, Los Angeles	0.09	\$200,000	Chapter 761, Statutes of 2008

Comments:

The property is a small in-fill lot zoned for residential development. Attempts to sell this property by complete bid have been unsuccessful due to concerns by multiple buyers regarding possible soil contamination from the former presence and operation of oil wells on the property. The CON is conducting an environmental evaluation of the property to address soil contamination concerns. Evaluation of this report is scheduled to be completed in summer 2010, at which time a decision will be made regarding the disposition of this parcel.

County	Agency	Property	Acres	Estimated Value	Authority
Los Angeles	DDS	Lanternman Developmental Center (LDC), Pomona	300	TBD	Chapter 417, Statutes of 1996

Comments:

Per legislative authorization, the DGS and the DDS are to determine excess acreage at the campus. In 2009, the DGS completed the first phase of the study which included an infrastructure assessment, traffic impact study, historic structures inventory, and a preliminary environmental assessment. In February 2010, DDS announced the planned closure of the facility. A closure plan was presented to the Legislature in April 2010. The DGS will work with DDS on the disposition process for the property.

County	Agency	Property	Acres	Estimated Value	Authority
Los Angeles	DGS	Civic Center, Los Angeles	2.00	\$2,000,000	Chapter 1265, Statutes of 1982

Comments:

This is the site of the original State office building in downtown Los Angeles, consisting of a half city block (1.97+/- acres). In 1986, the State entered into a "tri-party agreement" with the City and County of Los Angeles for development of an office project. In 2007, the tri-party agreement was terminated at the request of the County of Los Angeles and all parties returned to their original ownership positions. The DGS has completed the initial phase of a reuse assessment of the site. In conjunction with the Los Angeles Regional Plan, assessment of State, City and County office space requirements will determine the scope of the next phase of the reuse study. Due to

deflated real estate values in the downtown LA market for office properties, it is recommended that the site not be offered for sale at this time.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Los Angeles	DPR	Pan Pacific Park, Los Angeles	27	\$5,600,000	Chapter 976, Statutes of 1993

Comments:

The authorization provides for the sale of the State's 29 percent interest in the property to the City of Los Angeles. A previous tri-party agreement with the City and County of Los Angeles is being terminated. The DPR provided \$3,000,000 of the original purchase price in 1978 (29 percent). As a condition of sale, the DPR is demanding reimbursement of the original acquisition cost. The City is disputing whether the DPR is entitled to reimbursement. Disposition of this property will be delayed pending resolution of the dispute between the DPR and the City of Los Angeles. The estimated value is based upon a DGS appraisal dated May 2, 2007.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Mendocino	DGS	Mendocino Ranger Station Excess Land, Willits	53	\$350,000	Chapter 166, Statutes of 2009

Comments:

In September 2006, the DGS obtained 97 acres of property located in Mendocino County as a result of a land exchange with the Regents of the University of California (UC). 44 acres of the property had been leased to CALFIRE by UC and in December of 2007 control of the 44 acres was transferred to the control of CALFIRE for the continuing operations of the Mendocino regional headquarters. The balance of the property was declared surplus on January 1, 2010. The City of Willits has notified the DGS of its interest in acquiring the property for watershed conservation. Concurrently, CALFIRE has requested that the surplus designation be rescinded due to the importance of the property for operational readiness, training, and staging requirements. In addition, CALFIRE retains a flight easement in the airspace over the surplus property to support the 24/7 operations of a helicopter base. The DGS is working with the City of Willits and CALFIRE to reach an accommodation that will satisfy both parties.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Monterey	CDCR	Salinas Valley Prison, Soledad	33.50	\$400,000	Chapter 761, Statutes of 2008

Comments:

The Director of DGS is authorized to sell, lease, convey, or exchange this acreage to the City of Soledad as a component of the upgrading and expansion of the Soledad Water Reclamation Facility. The facility serves the City of Soledad and the Salinas Valley Prison. The City has indicated it cannot proceed with the acquisition pending final cost estimates of the expanded facility. The State will continue discussions with the City regarding the timing for the potential acquisition of the property.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Sacramento	DPR	The Docks and Rail Road Museum Parcels, Sacramento	6.00	\$2,400,000	Chapter 761, Statutes of 2008

Comments:

The Director of DPR, with the approval of the Director of DGS, is authorized to exchange or sell this property to the City of Sacramento. The date for the disposition of this property is being negotiated between the City and DPR. The transfer is contingent upon resolution of issues regarding the development of the downtown railyard property. The DPR estimates that the exchange will occur by June of 2012.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Sacramento	MIL	58 th Street Armory, Sacramento	6.00	TBD	Chapter 761, Statutes of 2008

Comments:

The Director of DGS, with the approval of the MIL and the Public Works Board, is authorized to grant an option to purchase, lease with purchase option, or exchange this property with the Catholic Diocese of Sacramento. The disposition of this property is on hold while the MIL evaluates suitable replacement sites for the units which operate out of this armory location.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
San Bernardino	CDF	Old Hesperia Forest Fire Station	0.92	\$225,000	Chapter 761, Statutes of 2008

Comments:

The Hesperia Parks and Recreation District is leasing the property through May 31, 2011. The District has the option to purchase the property at the end of the lease term.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
San Bernardino	EDD	Indio EDD Building	1.74	\$2,000,000	Chapter 761, Statutes of 2008

Comments:

This property was sold to the Riverside County Office of Education on April 21, 2010 for \$2 million.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
San Diego	CDF	Forest Fire Station (New San Marcos), Escondido	3.00	\$850,000	Chapter 761, Statutes of 2008

Comments:

Following the acquisition of the new San Marcos Forest Fire Station in Escondido, CalFire determined that there were approximately three acres of excess land at the rear of the property. The property is well located for residential or assisted living development. However, attempts to market the property have resulted in offers well below fair market value. The property will be held off the market until local real estate values improved.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
San Diego	CDF	Old San Marcos Forest Fire Station	0.33	\$295,000	Chapter 761, Statutes of 2008

Comments:

Attempts to sell the property by competitive bid have been unsuccessful due to concerns by potential buyers regarding ground water contamination. The County of San Diego has requested a re-evaluation of the current mitigation process. CALFIRE is continuing to monitor groundwater at the site. Since CALFIRE's cleanup plan is attrition over time, the State should continue to own and lease the site until groundwater testing achieves acceptable levels--possibly three or more years. In the interim, the State is

entering into a lease with a private lessee for the operation of a firefighter training facility.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
San Francisco	DGS	Parking Lot, San Francisco	0.39	\$5,000,000	Chapter 761, Statutes of 2008

Comments:

This property was acquired through an exchange by DGS with the City and County of San Francisco for former State right-of-way remnant parcels. The property is being used as a public surface parking lot under lease to a private operator. The EDD controls an adjacent 0.29-acre parcel that is used for surface parking by EDD employees. It is recommended that the State evaluate assembling the surplus parcel with the adjacent EDD parking lot in order to achieve the highest value for the properties.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Santa Clara	DDS	Agnews Developmental Center, San Jose	86	\$60,000,000	Chapter 166, Statutes of 2009

Comments:

The remaining portion of the Agnews Developmental Center East Campus in San Jose was declared surplus effective January 1, 2010. The Santa Clara Unified School District has provided notice of their interest in acquiring 55 acres of the property for a K-8 school campus and for a high school campus. The District is conducting due diligence and environmental review which will be completed in the fall of 2010. Cisco Systems has the right of first refusal for the balance of the property and has indicated its initial interest in exercising their option. Prior to disposition of the property, the State must resolve a contractual obligation with the operator of a cogeneration plant that provided steam and electricity to the Agnews campus. The contract runs through 2020. The State and Cisco Systems are exploring options to resolve the issue.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Santa Clara	DGS	Bay Area Research Extension Center (BAREC), Santa Clara	17.60	\$44,000,000	Chapter 631, Statutes of 2008

Comments:

BAREC is the site of a former UC Agricultural Extension Center. The City of Santa Clara fully entitled the property for residential development. Six acres are in escrow with the

City of Santa Clara Redevelopment Agency for the development of a 165-unit affordable senior housing project; ten acres are in escrow with a private residential developer for development of 110 single family units; one acre will be dedicated to a community park. Remediation of contaminated soil will be completed in July of 2010. Escrow is scheduled to close by June 2011.

Section 3: Properties Identified as Excess

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Fresno	DFA	Animal Laboratory, Fresno	2.59	TBD	Included in pending annual surplus omnibus bill, SB 1167 (Cogdill).

Comments:

The DFA has closed the Fresno lab. Improvements are of minimal value and have exhausted their useful life. The DGS will determine if there is need for the property by other State programs. Upon authorization, the DGS will proceed with the disposition of this property.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Placer	DMV	Roseville Field Office	1.10	\$1,000,000	Included in pending annual surplus omnibus bill, SB 1167 (Cogdill).

Comments:

The Roseville DMV field office and site is undersized, functionally deficient, and presents health/safety issues due to its location. The facility was built in 1973 and provides full Registration and Driver License services to the community of Roseville. The 36-year old facility has a 275 percent space deficiency and has become a liability to the State. The existing building is 4,766 gross sq. ft., on 1.1 acres and the five-year plan requirement is for 17-18,000 square feet on approximately 3.46 acres. The site is presently a health and safety issue due to a high volume exchange of customers on an hourly basis, on an insufficiently sized site, located on a busy four lane thoroughfare. Therefore, the DMV is proposing to relocate this office into new space and surplus the building.

Section 4: Properties Identified for Rescission of Surplus Authorization

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Amador	CDF	Sutter Hill Forest Fire Station (FFS), Sutter Creek	0.54	TBD	Chapter 731, Statutes of 1998

Comments:

The surplus parcel is located at the Sutter Hill Forest Fire Station. The CALFIRE had previously granted an easement on the parcel to Amador County for use as a parking lot for the County Food Bank operation which is located on an adjacent County-owned parcel. The County expressed an interest in purchasing the parcel and in 1998 the parcel was declared surplus. Subsequent negotiations with the County have been unsuccessful and the County is no longer interested in acquiring the site. The CALFIRE has requested that the surplus designation be rescinded.

Appendix A: State Agency Abbreviations

CDCR	California Department of Corrections and Rehabilitation
CDF	California Department of Forestry and Fire Protection (aka CALFIRE)
CHP	California Highway Patrol
CON	Department of Conservation
DDS	Department of Developmental Services
DFA	Department of Food and Agriculture
DGS	Department of General Services
DMV	Department of Motor Vehicles
DPR	Department of Parks and Recreation
DYA	Department of Youth Authority (now a part of CDCR)
EDD	Employment Development Department
MIL	Military Department

Appendix B: New Excess Property Reporting Requirements

11011.15.

- (a) The Department of General Services shall maintain a complete and accurate statewide inventory of all real property held by the state and categorize that inventory by agency and geographical location. The inventory shall include all information furnished by agencies pursuant to subdivision (b) and the University of California pursuant to Section 11011.17. The inventory shall be updated annually.
- (b) Each agency shall furnish the department, in the format specified by the department, a record of each parcel of real property that it possesses. Each agency shall update its real property holdings through December 31 of the previous year, reflecting any changes, by July 1 of each year. This record shall include, but is not limited to, all of the following information:
 - (1) The location of the property within the state and the county, the size of the property, including its acreage, and any other relevant property data which the department deems necessary. This latter requirement shall be uniformly applied to all agencies.
 - (2) The date of the acquisition of the real property, if available.
 - (3) The manner in which the property was acquired and the purchase price, if available.
 - (4) A detailed description of the current uses of the property, including specific programmatic uses, and whether the property is fully utilized, partially utilized, or excess, with regard to either an existing or ongoing program of the agency. The agency shall also provide a detailed description of every lease, license, or other agreement relating to the use of the property.
 - (5) Any projected future uses of the property during the next five years, as identified pursuant to the five-year infrastructure plan or the agency's master plan. If the property is not included in the five-year infrastructure plan or the agency's master plan, or is identified as partially utilized or excess pursuant to paragraph (4), the agency shall provide detailed information regarding the need to continue ownership or management of the property. In the case of land held for state park use, for which the projected use would exceed a five-year period, the projected use and estimated date of construction or use shall be furnished.
 - (6) A concise description of each major structure located on the property.
 - (7) The estimated value of real property declared surplus by the agency and real property where the agency has not identified a current or potential use.
- (c) The department shall prepare a separate report and shall update the report annually of all properties declared surplus or properties with no identified current or projected use. The report shall be made available upon request.
- (d) The head of each agency shall also certify, on or before July 1 annually, that the agency has accurately and completely reported all property information required by this section and that it has identified any excess property pursuant to Section 11011. The Department of General Services shall maintain the certification notices in a conspicuous place on its Internet Web site.