



2011 SURPLUS REAL PROPERTY ANNUAL REPORT TO THE STATE LEGISLATURE

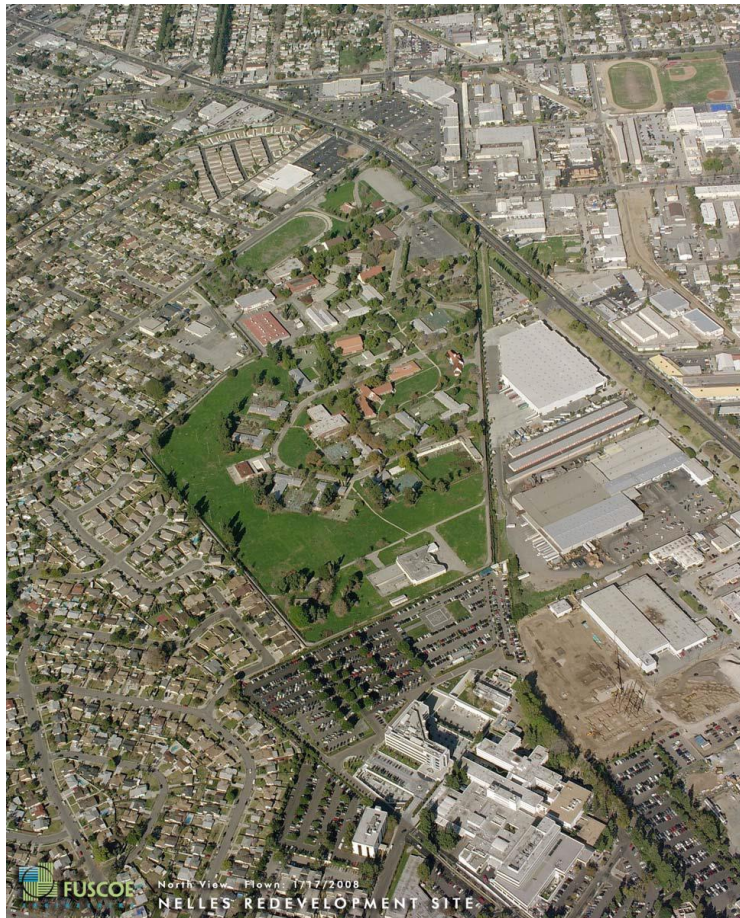


Image: Nelles Youth Correctional Facility, Whittier

Compiled by:
Asset Management Branch
Real Estate Services Division
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Overview

The Department of General Services (DGS) prepares the Surplus Real Property Annual Report to the State Legislature pursuant to Government Code Section 11011.

The 2011 Surplus Property Report contains a summary of the status of the following categories of surplus real properties:

- Properties that have been sold or otherwise removed from the state's property rolls during calendar year 2010.
- Properties that have been authorized as surplus and are pending disposition.
- Properties that have been identified as excess for which DGS will request authorization for disposition in the next omnibus surplus property bill. Pursuant to GC Section 11011.15 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 provide a more detailed description of the utilization of each property.
- Properties which had the surplus authorization rescinded or for which a rescission of the surplus authorization has been requested in response to a state need for the property.

Summary of the Asset Enhancement and Surplus Sales Program

The Asset Enhancement and Surplus Sales Unit of the Asset Management Branch (AMB) of DGS, operating in a manner consistent with Executive Order S-10-04, is responsible for the disposition of state-owned real property that has been declared surplus to future state needs. The Legislature must declare the real property to be surplus and must authorize the Director of DGS to sell, exchange, lease, or transfer the surplus real property pursuant to Government Code Section 11011 et seq. The objective of the program is to sell or otherwise dispose of surplus property in the best interest of the state by achieving maximum value, maximizing job creation, creating affordable housing, facilitating historic preservation and reuse, and returning property to local tax rolls. The state receives the highest sales price for high-value urban properties by utilizing a value enhancement process to secure development entitlements prior to offering the property for sale. Smaller, lower-value properties that have limited value enhancement potential are typically sold on an "as-is" basis through a public bid or auction process.

Questions or comments regarding the 2011 Surplus Property Report can be directed to Robert W. McKinnon, Assistant Branch Chief, AMB at (916) 376-1814 or by email to Robert.McKinnon@dgs.ca.gov.

Section 1: Properties Sold or Removed from State Rolls in 2010—Sales

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Riverside	EDD	Office Building, Indio	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. Federal equity in the property required that the sale proceeds be deposited in the California account in the Unemployment Trust Fund.

TOTAL

\$ 2,000,000

Section 2: Properties Pending Disposition

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

Comments:

A public bid opening held on August 3, 2011, resulted in no bids being received. Due to the remote location of this parcel DGS is in the process of hiring a licensed real estate broker to list the property pursuant to the authority in GC Section 11011.5. It is anticipated that the contract for brokerage services will be executed in November of 2011 and that the broker will immediately commence their marketing efforts.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Butte	EDD	Office Building, Oroville	1.17	TBD	Chapter 178, Statutes of 2011

Comments:

Property is under review for State reuse. The DGS posted the property to its website for review by State agencies. The DGS will post the property to the website for 90-day local agency and affordable housing sponsor review on January 1, 2012.

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

Comments:

Jurisdiction of property transferred to the California Conservation Corps by the California Highway Patrol for a \$209,500 negotiated price, which DGS determined was in the best interest of the State. The Department of Finance concurred with the transfer. The DGS will finalize the transfer of jurisdiction by December of 2011.

<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	Chapter 324, Statutes of 2010

Comments:

The Department of Food and Agriculture (DFA) has closed the Fresno laboratory. No State or local agency had an interest in acquiring the property. The DGS is scheduled to conduct a public bid opening in November of 2011.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Humboldt	CDF	Fernwood Seed Orchard, Korbelt	5.52	TBD	Chapter 761, Statutes of 2008

Comments:

CAL FIRE asked DGS to hold off selling the property because they want to negotiate a land exchange with Green Diamond Resource Company, a family owned business specializing in forest products. Green Diamond owns property suitable for CAL FIRE's program. If CAL FIRE is successful in negotiating an exchange of land, it will pursue special legislation to accomplish the transaction.

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

Comments:

The DGS attempted to sell the property by competitive bid, but were unsuccessful due to soil contamination from the former operation of oil wells on the property. The Department of Conservation (CON) conducted environmental studies in 2010. The Department of Toxic Substances Control (DTSC) reviewed the study results in September 2011 and determined levels of Total Petroleum Hydrocarbons and methane at the site are above levels of concern and Volatile Organic Compounds may have affected the groundwater. The DTSC recommends additional studies and mitigation measures to address the contamination levels at the site. The DGS asked CON to confer with DTSC and develop a remediation plan that will enable DGS to proceed with disposition of the property.

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

Comments:

The Los Angeles Civic Center property is a vacant parcel with the exception of a building pad and an abandoned subterranean parking garage. The property is approximately 1.97 acres and is located to the west of Los Angeles City Hall. A reuse assessment study of the site was completed in 2010. Intrinsic value to the State is high as it is the only remaining State-owned building site in the Los Angeles government core. The site would likely accommodate 513,000 sq. ft. of new office construction. Given current market conditions, a sale of the property at this time will likely result in a significant loss of value. The DGS is evaluating interim uses for the site, for example, surface parking.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Los Angeles	EDD	Hollywood Office Building, Los Angeles	1.62	TBD	Chapter 178, Statutes of 2011

Comments:

Under review for state reuse, property will be posted on the DGS website on January 1, 2012 for local governmental agencies.

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

Comments:

Per legislative authorization, DGS and the Department of Developmental Services (DDS) are to determine excess acreage at the campus. In 2009, 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, but the plan does not stipulate a date the facility will be physically closed. The DGS will work with DDS on the disposition process for the property.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
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 signed a purchase agreement with Brookfield Homes for the sale of approximately 74 acres of this 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 was anticipated to close by May of 2013 but may have to be extended due to the uncertainty of the buyer receiving infrastructure funds from the local redevelopment agency.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Los Angeles	EDD	Office Building, Los Angeles	1.68	TBD	Chapter 178, Statutes of 2011

Comments:

Under review for State reuse, property will be posted on the DGS website on January 1, 2012, for local governmental agencies.

<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	TBD	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 Department of Parks and Recreation (DPR) provided \$3,000,000 of the original purchase price in 1978 (29 percent). As a condition of sale, DPR is requesting reimbursement of the original acquisition cost. The City is disputing whether DPR is entitled to reimbursement. Disposition of this property will be delayed pending resolution of the dispute between DPR and the City of Los Angeles.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Madera	DPR	Hidden Lake Estates, Unincorporated Area	1.52	TBD	Chapter 178, Statutes of 2011

Comments:

Property is under review for State reuse. The DGS posted the property to its website for review by State agencies. The DGS will post the property to the website for 90-day local agency and affordable housing sponsor review on January 1, 2012.

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

Comments:

CAL FIRE made a formal written request to acquire jurisdiction of the property from DGS at no cost because they use the property on an ongoing basis for their operational and training programs at the Northern Region Mendocino Unit in Willits. The DOF approves of the transfer of jurisdiction. The DGS expects to transfer the property to CAL FIRE before the end of 2011.

<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 they 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>
Placer	DMV	Field Office, Roseville	1.10	\$1,000,000	Chapter 324, Statutes of 2010

Comments:

The Roseville Department of Motor Vehicles (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 existing building is 4,766 gross sq. ft., on 1.1 acres and the 5-year plan requirement is for 17,000 -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, and located on a busy four lane thoroughfare. Therefore, DMV is proposing to relocate this office into new space and surplus the building. Office relocation is planned for 2013.

<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 Military Department 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 Military Department 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>
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>
San Bernardino	CDF	Forest Fire Station (Old), Hesperia	0.92	\$225,000	Chapter 761, Statutes of 2008

Comments:

Public bid opening held on September 28, 2011. Highest bid of \$80,000 selected. Expect close of escrow on or before November 15, 2011.

<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	\$851,000	Chapter 761, Statutes of 2008

Comments:

Public bid opening held on February 18, 2011. Escrow closed on June 3, 2011. Property sold to Ridgeline Capital Partners, Inc. for \$851,000.

<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 (Old), San Marcos	0.33	\$295,000	Chapter 761, Statutes of 2008

Comments:

Attempts to sell the property by competitive bid were unsuccessful due to groundwater and soil contamination. The County wants CAL FIRE to develop a new mitigation plan. Additional studies planned by CAL FIRE in Fiscal Year 2011/12. CAL FIRE asked DGS to postpone marketing the property because mitigation efforts may interfere with a new buyer's development of the property, but they believe a long-term lease would be acceptable. The DGS is considering the long-term lease potential of this site.

<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, Valley Center	1.90	TBD	Chapter 761, Statutes of 2008

Comments:

The results of a public bid opening will be known in November of 2011. The DGS expects to close escrow by the end of 2011.

<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 with lease payments paid to the State. The Employment Development Department (EDD) controls an adjacent 0.29-acre parcel that is used for surface parking by EDD employees. It is recommended that the State evaluates assembling the surplus parcel with the adjacent EDD parking lot in order to achieve the highest value for the properties. Funding will be sought to hire a consultant to evaluate the most profitable course of action for the State.

<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 59.5 acres of the property for a K-12 school campus. The District is conducting due diligence and environmental review which will be completed in the spring of 2012. Cisco Systems has the right of first refusal for the balance of the property. 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 2021. 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:

The BAREC is the site of a former UC Agricultural Extension Center. The City of Santa Clara fully entitled the property for residential development. Approximately six acres are in escrow with the City of Santa Clara Redevelopment Agency for the development of a 165-unit affordable senior housing project; approximately 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. Escrow is scheduled to close in Fiscal Year 2011/12.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Tehama	CAL FIRE	Campbellsville Lookout, Red Bluff	5.00	TBD	Chapter 178, Statutes of 2011

Comments:

Property is under review for State reuse. The DGS posted the property to its website for review by State agencies. The DGS will post the property to the website for 90-day local agency and affordable housing sponsor review on January 1, 2012.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Tehama	CAL FIRE	Digger Butte Lookout, Manton	40	TBD	Chapter 178, Statutes of 2011

Comments:

Property is under review for State reuse. The DGS posted the property to its website for review by State agencies. The DGS will post the property to the website for 90-day local agency and affordable housing sponsor review on January 1, 2012.

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>
Los Angeles	CDCR	Southern Youth Correctional Reception Center & Clinic, Norwalk	32	TBD	Pending Surplus Authorization

Comments:

The CDCR has closed the facility and has requested that the property be included in the 2012 Surplus Bill.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Sacramento	DFA	Annex Office Building, Sacramento	0.89	TBD	Pending Surplus Authorization

Comments:

The DFA has vacated the building due to fire/life safety issues. They have identified the property as surplus to their future need.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
San Joaquin	EDD	Office Building, Stockton	1.42	TBD	Pending Surplus Authorization

Comments:

The EDD has requested that this field office be included in the 2012 Surplus Bill.

Section 4: Properties Rescinded or 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:

After obtaining special legislation to acquire 0.544 acres of the Sutter Hill FFS property, the County of Amador decided it did not need to acquire fee interest in the 0.544 acres as CAL FIRE granted the County easement rights to use the property for a parking lot prior to enactment of the special legislation. The County determined it had all the rights it needed in the land for its parking lot use and chose not to spend any more of its funds. The 0.544 acres cannot be sold separately from the State's larger fire station parcel as it is fully encumbered by the County's easement. Chapter 178 of the Statutes of 2011 (AB 1272) rescinded the legislation authorizing disposal of this property.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Santa Clara	MIL	W. Hedding Street Armory, San Jose	5.54	TBD	Chapter 178, Statutes of 2011

Comments:

The Military Department uses the property on a 24-hour ongoing basis and has no plans to move from this location. Chapter 178 of the Statutes of 2011 (AB 1272) rescinded the legislation authorizing disposal of this property.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Sonoma	MIL	Powell Avenue Armory, Healdsburg	2.00	TBD	Chapter 625, Statutes of 2007

Comments:

Chapter 625 of the Statutes of 2007 declared the property surplus land. Legislation authorized DGS, with the approval of the Adjutant General, to lease the armory to the City of Healdsburg at fair market value (FMV). Lease had to be executed by January 1, 2009. The City rejected the FMV lease rate and decided not to lease the property. Recommend rescinding the original surplus legislation authorizing the lease of the property to the City..

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
DOF	Department of Finance
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