



2012 SURPLUS REAL PROPERTY ANNUAL REPORT TO THE STATE LEGISLATURE



Image: Agnews Developmental Center East Campus, San Jose

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 2012 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 since the **2011 report**.
- Properties that have been authorized as surplus and are pending disposition.
- Properties which had the surplus authorization rescinded or for which a rescission of the surplus authorization has been requested in response to a state need for the property.

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. For more information on surplus property, visit the DGS Surplus Property Website.

Questions or comments regarding the 2012 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.

State Agency Abbreviations

CDCR	California Department of Corrections and Rehabilitation
CDF	California Department of Forestry and Fire Protection (aka CALFIRE)
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
DOF	Department of Finance
DPR	Department of Parks and Recreation
DTSC	Department of Toxic Substances Control
EDD	Employment Development Department
MIL	Military Department

Section 1: Properties Sold or Removed from State Rolls in 2011-12—Sales

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Butte	CDF	Harts Mill Forest Fire Station (Old), Berry Creek	2.76	\$75,000	Chapter 166, Statutes of 2009

Comments:

Property was sold on June 14, 2012 to a private buyer for \$75,000.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Fresno	DFA	Animal Laboratory, Fresno	2.59	\$100,000	Chapter 324, Statutes of 2010

Comments:

Property was sold on July 18, 2012 to the Fresno Humane Solution, Inc. for \$100,000.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
San Bernardino	CDF	Forest Fire Station (Old), Hesperia	0.92	\$80,000	Chapter 761, Statutes of 2008

Comments:

Property was sold on November 10, 2011 to private buyer for \$80,000.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
San Diego	CDF	Forest Fire Station (New San Marcos), Escondido	3	\$851,000	Chapter 761, Statutes of 2008

Comments:

Property was sold on June 3, 2011 to a private buyer for \$851,000.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
San Diego	CDF	Forest Fire Station, Valley Center	1.9	\$255,998	Chapter 761, Statutes of 2008

Comments:

Property was sold on November 30, 2011 to Valley Center Pauma Unified School District for \$255,998.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Santa Clara	DGS	Bay Area Research Extension Center (BAREC), Santa Clara	17.6	\$44,000,000	Chapter 631 Statutes of 2008

Comments:

Property was sold on January 6, 2012 to SummerHill Homes and to the City of Santa Clara for \$44,000,000.

TOTAL

\$ 45,361,998

Section 2: Properties Pending Disposition

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Amador	CDCR	lone Single Family Residence	0.6	TBD	Chapter 798, Statutes of 2012

Comments:

The Legislature declared the lone property surplus land in the 2012. The property will be available for sale on or after January 1, 2013. DGS posted notice the property is available for State use to its website in accordance with Government Code Section 11011. After this posting expires in 60 days, DGS will post notice of availability to local agencies and nonprofit affordable housing sponsors on the website in accordance with Government Code Section 11011.1.

<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:

The property is occupied by EDD which plans to vacate in early 2013. There is no State, local, or affordable housing interest in the property. DGS plans to put the property out to public bid as soon as EDD vacates.

<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:

The disposition of this parcel is on hold pending an exchange between CALFIRE and the Green Diamond Resources Company, a forest products company. Green Diamond owns adjacent property that may be more suitable for CALFIRE's operational needs.

<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	Chapter 342, Statutes of 2012

Comments:

CDCR has closed the facility. DGS is proceeding to negotiate a sale or lease to the County of Los Angeles.

<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 Beaudry residential lot has soil and groundwater contamination due to former oil well operations on the property. The DTSC recommended additional studies and mitigation measures to address the contamination levels at the site. DGS asked CON to confer with DTSC to develop a remediation plan to enable DGS to proceed with disposition of the property. CON has taken no action towards the development of a remediation plan for the property and the sale of the property is on indefinite hold.

<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	\$9,700,000	Chapter 1265 Statutes of 1982

Comments:

The Los Angeles Civic Center property is vacant with the exception of a building pad and a secured, disused subterranean parking garage. The property is approximately 1.97 acres in size and is located to the west of Los Angeles City Hall. An appraisal of the property established a value of \$9.7 million. Both the City and County of Los Angeles have expressed interest in purchasing the property. Access has been restricted until remediation of the site including the subterranean parking garage has been completed. The property will be presented to the open market should a sale to the City or County not occur.

<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:

DGS received interest in the property from nonprofit affordable housing sponsors who plan to construct low to moderate income housing on the site. EDD is still in occupancy and plans to vacate the property in early 2013. DGS will post a Request for Proposal (RFP) by the end of 2012 to select the affordable housing sponsor and expects to close the sale of the property after EDD vacates in early 2013.

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

Comments:

Per legislative authorization, DGS and DDS were 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. As of October 30, 2012, DDS reported that most closure tasks will be complete in 2014. DGS will initiate disposition process as facility approaches full closure.

<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	\$42,500,000	Chapter 925, Statutes of 2004

Comments:

The State is under contract to sell the 74-acre surplus property in Whittier to Brookfield Homes. The sale is contingent upon the buyer securing development entitlements from the City and a certified Environmental Impact Report. Escrow will close no later than March of 2015.

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<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Los Angeles	CDCR	Watts Parole Office	0.36	TBD	Chapter 798, Statutes of 2012

Comments:

The Legislature declared the property surplus land in 2012 and the property will be available for sale after January 1, 2013. A lease of the property to the County is in progress. DGS posted the property to its website to notice State agencies of its availability as required by Government Code Section 11011. After posting notice to local agencies and nonprofit affordable housing sponsors, DGS intends to sell the property in early 2013.

<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:

EDD is still in occupancy at the Los Angeles Office Building. EDD plans to vacate the facility in early 2013. No State or local agency or nonprofit affordable housing sponsor expressed interest in the property. Therefore, after EDD vacates the property, DGS will conduct a public bid opening to dispose of the property through public sale.

<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	\$7,500	Chapter 178 Statutes of 2011

Comments:

The Hidden Lake Estates parcel is currently in escrow and DGS expects escrow to close on the sale of the property on or before November 30, 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:

On January 31, 2012, DGS forwarded a transfer of jurisdiction approval package to the DOF for approval of the transfer of the property to CALFIRE at no cost. CALFIRE currently uses the surplus property for its firefighting and training programs. Over the months, DOF required justification from CALFIRE to determine if it could approve a no-cost transfer of the property. As of November 2012, DOF is still reviewing the

justification provided by CALFIRE and expects to approve or disapprove the no cost transfer of the property in the coming months.

<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 based upon cost the estimates of the expanded facility.

<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:

DMV plans to vacate the Roseville Field Office during the summer of 2013. No State or local agency or nonprofit affordable housing sponsor expressed interest in the property. Therefore, once DMV vacates the site, DGS plans to sell the property through a public bid opening.

<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 rail yard property and abandonment of a pipeline.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
San Diego	CAL FIRE	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. San Diego County rejected CALFIRE's plan to mitigate the contamination by attrition over time, and the County subsequently requested CALFIRE to develop a new mitigation plan. CALFIRE requested DGS to postpone marketing the property due to environmental issues. CALFIRE will manage the environmental clean-up efforts, and DGS will resume the disposition process when the site is clear of environmental issues. As of October 26, 2012, CALFIRE reported that they continue to manage clean-up efforts and that DGS should check back in a year for a status update.

<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. The State currently receives \$53,000 annually from the lease of the parcel to a private parking operator. DGS and EDD will discuss the feasibility of assembling an adjacent 0.29-acre parcel that is used as a surface parking lot for EDD employees. DGS will then evaluate the sales process that will maximize the value of the property.

<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	Chapter 798, Statutes of 2012

Comments:

EDD Stockton Office Building is available for sale on or after January 1, 2013. EDD is still in occupancy and plans to vacate sometime in 2013. DGS posted the property to its website as available for State use in accordance with the requirements of Government Code Section 11011. After this posting expires, DGS will post the property's availability to local agencies and nonprofit affordable housing sponsors. If there is no local agency or nonprofit interest in the property, DGS will sell the property in a public sale after the EDD vacates the site.

<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. Cisco Systems holds a First Right of Refusal and discussions have commenced regarding their interest in exercising their right. If Cisco Systems does not exercise their right, the property will be offered for sale through a RFP process.

<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:

DGS posted the property for review by State agencies, local agencies and affordable housing sponsors. No interest was received from either posting. A minimum value was determined and a potential buyer list has been developed. DGS is investigating the possibility of using an internet based auction as a way to conduct the bidding for this remote parcel. Selecting a qualified Small Business to conduct the auction is underway.

<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:

DGS posted the property for review by State agencies, local agencies and affordable housing sponsors. No interest was received from either posting. A minimum value was determined and a potential buyer list has been developed. DGS is investigating the possibility of using an internet based auction as a way to conduct the bidding for this remote parcel. Selecting a qualified Small Business to conduct the auction is underway. The 2012 Ponderosa Fire consumed the site and very little remains. It is unknown what effect the fire will have on the level of interest in purchasing the site.

Section 3: 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>
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. DPR does not plan to proceed with the sale of their interests to the City.

<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). The lease had to be executed by January 1, 2009. The City rejected the FMV lease rate and decided not to lease the property. The surplus authorization was rescinded in 2012 per SB 1580.