



2014 SURPLUS REAL PROPERTY
ANNUAL REPORT TO
THE STATE LEGISLATURE



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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 2014 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 **2013 report**. There were nine surplus property sales for a total consideration of \$95.5 million.
- Properties that have been authorized for disposition as surplus and are pending final disposition. There are currently 21 properties in this category.
- Properties that have been identified as excess. There are seven properties that were authorized for disposition in 2014.
- Properties which had the surplus authorization rescinded or for which a rescission of the surplus authorization has been requested in response to a state need for the property.

Final Chapter – Agnews Developmental Centers – San Jose and Santa Clara

On June 30, 2014, DGS completed the sale of the final remaining developable parcel of the former Agnews Developmental Center. This 81-acre parcel contained the core of the East Campus located in San Jose. The property was sold to the City of San Jose for a regional park and to the Santa Clara Unified School District for development of a new K-12 campus to serve the burgeoning housing development that is occurring in North San Jose. The cover page of this report depicts the proposed development.

History of Agnews

The sale of the property marks the final chapter of a story that began in 1885 when the Agnews Developmental Center (originally known as "The California Hospital for the Chronic Insane at Agnew") was established by the California State Legislature as the third neuropsychiatric institution in California for the care and treatment of the mentally ill. The main structure consisted of a four-story central administration building with two wings, each three stories high. The buildings were constructed of brick and stone and were surrounded by large and beautiful grounds. The hospital was located near Agnew's Village, which later became part of Santa Clara. The first patients were received in 1888.

In the 1930s and 1940s, state hospitals suffered from overcrowding. Between 1948 and 1950, Agnews was expanded to include a second campus with three large wards about two miles to the east in San Jose. Individuals with developmental disabilities were first

admitted to a special habilitation program activated in 1965. In 1972 the programs for the mentally ill were discontinued and the center served only persons with developmental disabilities.

The Lanterman Developmental Disabilities Act, which passed in 1977, provided people with developmental disabilities the right to services and support that enable them to live a more independent and normal life. As a result, there has been an increasing move toward closing hospitals and reliance on community treatment programs. While still legally a state hospital, Agnews was more commonly referred to as Agnews Residential Facility. In 1985 it was renamed the Agnews Developmental Center. In 1996, the state began disposing of the Agnews Developmental Center in phases when it was determined that property was no longer needed.

The original West Campus in Santa Clara was closed in 1998 as part of a plan to reduce and eventually close the center. In March 2009, the last consumer moved out of the East Campus and the residential facility was closed. Following this closure, the East Campus was still used to provide outpatient clinic services to consumers who resided in the community through April 2011.

Surplus Sales Summary – Agnews Developmental Centers

- West Agnews Developmental Center Land, Santa Clara:

1998: 180 acres were sold to a consortium of national developers for approximately \$200 million. This return represents a 400 percent increase in value over the “as-is” condition prior to DGS initiating its value enhancement process. The land has since been developed for 3,000 units of housing, a K-8 school and park, shopping center, library, museum, and fire station. In August 1998, the National Association of State Directors of Administration and General Services conferred an award to the State of California in the public works category for marketing real property for the West Agnews Developmental Center. In June 1999, the State of California was recognized by the American Planning Association for Planning Implementation of the Agnews West Mixed Use Conceptual Master Plan.

- West Agnews Developmental Center Historic Core, Santa Clara:

1999: The West Agnews Developmental Center consisted of 82 acres that included dozens of buildings in various stages of decay. Sun Microsystems paid \$51 million, which included costs to rehabilitate the most historically significant buildings and construct infrastructure that allowed DGS to market the adjacent property. Because of the condition of the existing buildings, the “as-is” value of the property was nominal.

- East Agnew Developmental Center, San Jose:

1995: 155 acres of land valued at \$30-35 million in an "as-is" condition were sold to Cisco Systems as a fully entitled property for \$91 million. The site in San Jose is now home to Cisco's corporate headquarters and accommodates approximately 13,000 workers.

2014: 81 acres of land were sold to the Santa Clara Unified School District and City of San Jose for the future development of a K-12 campus and regional park for \$80 million.

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 2014 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

CADA	Capitol Area Development Authority
CDCR	California Department of Corrections and Rehabilitation
CAL FIRE	California Department of Forestry and Fire Protection
CHP	California Highway Patrol
CON	Department of Conservation
DDS	Department of Developmental Services
DGS	Department of General Services
DMV	Department of Motor Vehicles
DPH	Department of Public Health
EDD	Employment Development Department
MIL	Military Department

Section 1: Properties Sold or Moved from State Rolls in 2013-14—Sales

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Amador	CDCR	Ione Single Family Residence	0.6	\$151,000	Chapter 798 Statutes of 2012

Comments:

The property was sold on December 6, 2013, to a private individual. This property was used for employee housing at the former Preston Youth Authority.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Glenn	MIL	Willows Armory	2.84	\$250,511	Chapter 798 Statutes of 2011

Comments:

The armory was sold on September 30, 2014. The buyer was a local church which had been leasing the property. Proceeds will be deposited into the Armory Fund.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Los Angeles	EDD	Hollywood Office Building, Los Angeles	1.62	\$12,700,000	Chapter 178 Statutes of 2011

Comments:

The property was sold on February 20, 2014, to the Los Angeles Gay and Lesbian Center for development of an affordable housing project. The federal Department of Labor owned the equity in the property. Sale proceeds were invested in the state's Unemployment Insurance Fund.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Los Angeles	CDCR	Watts parole Office	0.36	\$700,000	Chapter 798 Statutes of 2012

Comments:

The property was sold on August 21, 2014, to a private individual.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Mendocino	DGS	Ranger Station Excess Land, Willits	53	N/A	Chapter 166 Statutes of 2009

Comments:

This property was transferred to the jurisdiction of CAL FIRE on June 2, 2014, to be used for firefighting and for training programs.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Nevada City	MIL	Nevada City Armory	1.42	\$210,000	Chapter 798 Statutes of 2012

Comments:

The armory was sold on May 23, 2014, to a private individual. Proceeds will be deposited into the Armory Fund.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Sacramento	MIL	58 th Street Armory	6.00	\$1,074,000	Chapter 761 Statutes of 2008

Comments:

The armory sold on April 28, 2014. The buyer was the Archdiocese of Sacramento which plans to use the property for the expansion of St. Francis High School. Proceeds will be deposited into the Armory Fund.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Santa Clara	DDS	Agnews Developmental Center, San Jose	84.3	\$80,000,000	Chapter 166 Statutes of 2009

Comments:

The property sold on June 30, 2014. The buyers were the City of San Jose and the Santa Clara Unified School District. The property will be developed for a new K-12 school campus and a regional park.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Sonoma	MIL	Healdsburg	2.00	\$425,000	Chapter 798 Statutes of 2012

Comments:

The armory was sold on August 22, 2014, to a private individual. Proceeds will be deposited into the Armory Fund.

TOTAL **\$95,510,511**

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	Preston Youth Correctional Facility	15	TBD	Chapter 505 Statutes of 2013

Comments:

The City of Lone indicated an interest in the ± 15 acres under Government Code Section 11011.1. In the event the city does not purchase the property, the property will be sold pursuant to a competitive bid sale in 2015.

<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	\$370,000	Chapter 178 Statutes of 2011

Comments:

EDD will vacate the building in 2014. DGS released a request for written offers in September 2014. Offers were received in October 2014 however all offers were rejected by the state. DGS will re-market the property in 2015.

<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. Per Senate Bill 1021 (Chapter 342, Statutes of 2012), the County of Los Angeles has until January 1, 2015, to either purchase or lease the property at market value. If the county declines to purchase or lease the property, DGS authorized to sell the property to surplus.

<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:

This property is the site of former oil well operations and contains contaminated soil. The Department of Conservation, in cooperation with the Los Angeles County Fire Department, has prepared a remediation plan. Removal of contaminated soil will commence in late 2014 and "a no further action" letter is expected by mid-2015. At that time, DGS will offer the property for sale.

<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 25 Statutes of 2013

Comments:

Assembly Bill 89 (Chapter 25, Statutes of 2013) set the closure date for the LDC for December 31, 2014. California State Polytechnic University Pomona (Cal Poly Pomona) requested transfer of jurisdiction of the property to the university. DGS also received notice of interest from the CHP for an area office. A decision regarding a transfer of jurisdiction to Cal Poly Pomona is pending.

<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 CYA), 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 is scheduled to close no later than March 2015.

<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 has determined that there are programmatic needs for the building on an indefinite basis. DGS plans to offer the property pursuant to a competitive bid process once the site is vacant.

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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	MIL	Compton-Parmelee Armory	4.59	TBD	Chapter 798 Statutes of 2012

Comments:

Property to be offered for sale January 2015. Proceeds will be deposited into the Armory Fund.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Placer	DMV	Field Office, Roseville	1.1	\$650,000	Chapter 324 Statutes of 2010

Comments:

DGS has released a request for written offers which are due November 17, 2014. A buyer will be selected in December and the sale will close in the first quarter of 2015.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Sacramento	CADA	1530 N Street	0.22	\$775,000	Chapter 32 Statutes of 2012

Comments:

The state leases the land to CADA. CADA leases the land under a development ground lease to a private real estate developer/investor.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Sacramento	CADA	1416 17 th Street and 1630 O Street	0.15	\$160,000	Chapter 32 Statutes of 2012

Comments:

The state leases the land to CADA. CADA leases the land under a development ground lease to a private real estate developer/investor.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Sacramento	CADA	1609 O Street	0.59	\$840,000	Chapter 32 Statutes of 2012

Comments:

The state leases the land to CADA. CADA leases the land under a development ground lease to a private real estate developer/investor.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Sacramento	CADA	1612 14 th Street	0.07	\$106,500	Chapter 32 Statutes of 2012

Comments:

The state leases the land to CADA. CADA leases the land under a development ground lease to a private real estate developer/investor.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Sacramento	CADA	1616 14 th Street and 1325 Q Street	0.3	\$68,500	Chapter 32 Statutes of 2012

Comments:

The state leases the land to CADA. CADA leases the land under a development ground lease to a private real estate developer/investor

<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	TBD	Chapter 761 Statutes of 2008

Comments:

Attempts to sell the property by competitive bid have been unsuccessful due to groundwater and soil contamination. San Diego County and CAL FIRE will manage the environmental clean-up efforts. DGS will resume the disposition process when the site is clear of environmental issues, which is expected by January 2015.

<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. An adjacent 0.29 acre parcel was declared surplus in 2014 (see Section 3). DGS is evaluating the sales process that will maximize the value of the two parcels.

<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 will vacate the building in February 2015. Marketing of the property is estimated to commence in Spring 2015.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
San Luis Obispo	CDCR	Estrella Correctional Facility	160	TBD	Chapter 505 Statutes of 2013

Comments:

CAL FIRE has expressed an interest in acquiring this property through a transfer of jurisdiction. A decision regarding their request is pending.

<i>County</i>	<i>Agency</i>	<i>Property</i>	<i>Acres</i>	<i>Estimated Value</i>	<i>Authority</i>
Solano	EDD	Vallejo Office Building	0.09	TBD	Chapter 505 Statutes of 2013

Comments:

EDD plans to vacate the building in late 2015. Marketing of the property is estimated to commence in late 2015.

<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 will be sold in December 2014 through public auction.

<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 will be sold in December 2014 through public auction.

Section 3: Properties Identified as Excess

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Authority</i>
San Diego	CHP	Oceanside Field Office	1.04	Chapter 337 Statutes of 2014

Comments:

CHP is closing this office and relocating to a new field office in Vista in June 2015. The property will be sold through a competitive bid process in 2015.

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Authority</i>
San Francisco	EDD	Turk Street	0.43	Chapter 337 Statutes of 2014

Comments:

The property is improved as a parking lot and carports that are used by EDD employees. DGS is evaluating the sales process that will maximize the value of the parcel.

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Authority</i>
San Francisco	EDD	Franklin Street	0.29	Chapter 337 Statutes of 2014

Comments:

Three parcels comprise a parking lot currently used for employee parking. The parcels are adjacent to an existing DGS surplus parcel (see Section 2). DGS is evaluating the sales process that will maximize the value of the two parcels.

Section 4: Properties Rescinded or identified for Rescission of Surplus Authorization

There were no properties identified for rescission of the surplus authorization in 2014.