

December 29, 2015

Ms. Diane F. Boyer-Vine
Legislative Counsel
State Capitol, Room 3021, B-30
Sacramento, CA 95814

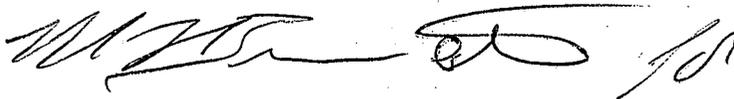
Dear Ms. Boyer-Vine:

Pursuant to the requirements of Government Code Section 11011(f), the Department of General Services is submitting the 2015 Surplus Real Property Annual Report to the State Legislature.

In keeping with our commitment to encourage conservation, we have posted this report to our website. The report can be viewed at <http://www.dgs.ca.gov/ola/home/2015Reports.aspx>. The report is titled "2015 Surplus Real Property Annual Report to the State Legislature."

If you wish to receive a printed copy of this report, please contact Robert McKinnon, Assistant Branch Chief, Asset Management Branch, Real Estate Services Division, Department of General Services at (916) 376-1814 or Robert.McKinnon@dgs.ca.gov.

Sincerely,



Daniel C. Kim
Director

cc: See attached Distribution List #2
Jemahl Amen, Acting Deputy Director, Real Estate Services Division,
Department of General Services
Robert McKinnon, Assistant Branch Chief, Asset Management Branch,
Real Estate Services Division, Department of General Services

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Originating Office

LEGISLATURE—REVISED 12/1/15

**2015 SURPLUS REAL PROPERTY
ANNUAL REPORT TO
THE STATE LEGISLATURE**



Preston School of Industry, also known as Preston Castle, Ione, Amador County

**Compiled By:
Asset Management Branch
Real Estate Services Division
December 2015**

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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 2015 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 2014 report.
- Properties that have been authorized as surplus and are pending disposition. There are currently 16 properties.
- Properties that have been identified as excess. There are 12 properties in this category.
- Properties which had the surplus authorization rescinded or for which a rescission of the surplus authorization has been requested in response to a state need for the property.

2015 Highlights

Final Payment on 2004 Economic Recovery Bonds

On August 5, 2015, the final payment was made on the state's 2004 Economic Recovery Bonds (ERBs). The payment closed the books on the \$15 billion Proposition 57 bonds, approved by voters in March 2004 to refinance accumulated budgetary debt. DGS surplus property program contributed over \$170 million in sales revenue to the repayment of the ERBs.

Sale of the bonds was conditioned on passage of a companion measure, Proposition 58, which voters also approved in the same election. That measure created the state's Rainy Day Fund—the Budget Stabilization Account. Revenue from the future sale of surplus property will be deposited directly into the Rainy Day Fund.

Compton Armory Sold for Affordable Housing

A former military armory in Compton that has been abandoned for many years will now be used to house low- to moderate-income families. DGS closed escrow on September 4 on the 4.59-acre vacant state surplus property located at 2320 North Parmelee Avenue. The sale price was \$3 million. Before it was declared surplus, the property was severely damaged by vandalism and all of the buildings were subsequently demolished.

The buyer, Neighborhood Housing Services (NHS) of Los Angeles County, plans to build 45 to 75 housing units on the property. Nationally, NHS has helped place more than 4 million families on the road to homeownership.

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 sale price for high-value urban properties by utilizing a value enhancement process to secure development entitlements prior to the 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 2015 Surplus Property Report can be directed to Robert W. McKinnon, Assistant Branch Chief, Asset Management Branch, at (916) 376-1814 or by email to Robert.McKinnon@dgs.ca.gov.

Cover

The Preston School of Industry, also known as Preston Castle, opened in 1894 and was one of the oldest and best-known reform schools in the United States. The facility officially closed on June 2, 2011. The Preston Castle was transferred to the Preston Castle Foundation in November 2014.

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
CYA	California Youth Authority
DDS	Department of Developmental Services
DGS	Department of General Services
DMV	Department of Motor Vehicles
DOF	Department of Finance
DPH	Department of Public Health
EDD	Employment Development Department
MIL	Military Department
USFS	United States Forest Service

SECTION 1

PROPERTIES SOLD OR REMOVED FROM STATE ROLLS IN 2014-15 - SALES

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Butte	EDD	Office building, Oroville	1.17	\$251,500	Chapter 178 Statutes of 2011
<i>Comments</i> Property was sold in June 2015 to a local business for its own occupancy. Proceeds were provided to EDD to satisfy federal equity in the property.					
Los Angeles	DDS	Lanterman Developmental Center (LDC), Pomona	300	N/A	Chapter 25 Statutes of 2013
<i>Comments</i> Transferred to California State Polytechnic University, Pomona on July 1, 2015.					
Los Angeles	MIL	Compton-Parmelee Armory	4.59	\$3,000,000	Chapter 798 Statutes of 2012
<i>Comments</i> Property was sold on September 4, 2015 to an affordable housing developer/sponsor. The buyer will build 45 to 75 units on the site. Proceeds were deposited into the Armory Fund pursuant to Military and Veterans Code.					
Placer	DMV	Field Office, Roseville	1.1	\$680,000	Chapter 324 Statutes of 2010
<i>Comments</i> Property was sold to a private party in March 2015.					
Sacramento	CADA	1530 N Street	0.22	\$775,000	Chapter 32 Statutes of 2012
<i>Comments</i> Property was sold to a private party in May 2015.					

SECTION 1

PROPERTIES SOLD OR REMOVED FROM STATE ROLLS IN 2014-15 - SALES

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Sale Amount</i>	<i>Authority</i>
Sacramento	CADA	1416 17th Street and 1631 O Street	0.15	\$160,000	Chapter 32 Statutes of 2012
<i>Comments</i> Property was sold to a private party in June 2015.					
Sacramento	CADA	1612 14th Street	0.07	\$106,500	Chapter 32 Statutes of 2012
<i>Comments</i> Property was sold to a private party in June 2015.					
Sacramento	CADA	1616 14th Street and 1325 Q Street	0.3	\$68,500	Chapter 32 Statutes of 2012
<i>Comments</i> Property was sold to a private party in June 2015.					
Tehama	CAL FIRE	Campbellsville Lookout, Red Bluff	5.00	\$28,875	Chapter 178 Statutes of 2011
<i>Comments</i> Property was sold in January 2015 through an online public auction.					
Tehama	CAL FIRE	Digger Butte Lookout, Manton	40	\$20,201	Chapter 178 Statutes of 2011
<i>Comments</i> Property was sold in January 2015 through an online public auction.					
				Total	\$5,090,576

SECTION 2

PROPERTIES PENDING DISPOSITION

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Authority</i>
Amador	CDCR	Preston Youth Correctional Facility	15	Chapter 505 Statutes of 2013
<i>Comments</i> The City of Lone has 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 2016.				
Fresno	CDCR	Female Offender Facility	2.03	Chapter 337 Statutes of 2014
<i>Comments</i> The property is the site of the former Family Foundations Facility. The facility closed in 2012 and CDCR has determined that it no longer meets their programmatic needs. The property is under contract for sale following a competitive bid process. The sale of the property is anticipated to close by spring of 2016.				
Kern	CHP	Bakersfield Field Office	1.87	Chapter 337 Statutes of 2014
<i>Comments</i> CHP is closing this office and relocating to a new field office in the Bakersfield area. The property will be offered for sale through a competitive bid process in summer of 2016.				
Los Angeles	DPH	Public Health Lab	1.1	Chapter 337 Statutes of 2014
<i>Comments</i> The property is being offered for sale through a competitive bid process. Offers are due by December 4, 2015.				
Los Angeles	CON	Beaudry Street Residential Lot, Los Angeles	0.09	Chapter 761 Statutes of 2008
<i>Comments</i> This property is the site of former oil well operations and contains contaminated soil. CON, in cooperation with the Los Angeles County Fire Department, has prepared a remediation plan. Removal of contaminated soil commenced in late 2014 and "a no further action" letter is expected by mid-2016. Once the letter is received, DGS will offer the property for sale.				

SECTION 2

PROPERTIES PENDING DISPOSITION

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Authority</i>
Los Angeles	CDCR	Nelles Youth Correctional Center (former CYA), Whittier	75	Chapter 925 Statutes of 2004
<i>Comments</i> 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 2017.				
Los Angeles	CDCR	Southern Youth Correctional Reception Center & Clinic, Norwalk	32	Chapter 342 Statutes of 2012
<i>Comments</i> Per Senate Bill 1021 (Chapter 342, Statutes of 2012), the County of Los Angeles had until January 1, 2015, to purchase or lease the property at market value. The County did not exercise their rights. The property can be sold as surplus. CDCR requested that DGS not sell the property while CDCR evaluates the property for future CDCR use.				
Los Angeles	EDD	Office Building, Los Angeles	1.68	Chapter 178 Statutes of 2011
<i>Comments</i> EDD has determined that there are programmatic needs for the building until 2017.				
Sacramento	CADA	1609 O Street	0.59	Chapter 32 Statutes of 2012
<i>Comments</i> The sale of this property is on hold for at least one year while remediation of an adjacent property is conducted.				
Sacramento	DGS	Bercut Building	1.5	Chapter 337 Statutes of 2014
<i>Comments</i> This property is the former site of the American Justice Training Center. The facility closed in 2008 and is presently utilized on an intermittent basis by the CHP for training. The property was offered for sale in early 2015 through a competitive bid process, however all bids were rejected. The property is now being considered for reutilization.				

SECTION 2

PROPERTIES PENDING DISPOSITION

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Authority</i>
San Diego	CAL FIRE	Forest Fire Station (Old), San Marcos	0.33	Chapter 761 Statutes of 2008
<i>Comments</i> The Regional Water Quality Control Board has issued a Uniform Closure Letter for the site following remediation of contaminated soil. A request for written offers resulted in the selection of a buyer. The sale is anticipated to close by March of 2016.				
San Diego	CHP	Oceanside Field Office	1.04	Chapter 337 Statutes of 2014
<i>Comments</i> CHP is closing this office and relocating to a new field office in the Vista area. The property will be sold through a competitive bid process in 2016.				
San Francisco	DGS	Parking Lot, San Francisco	0.39	Chapter 761 Statutes of 2008
<i>Comments</i> 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. DGS is evaluating the sales process that will maximize the value of the two parcels.				
San Francisco	EDD	Franklin Street	0.29	Chapter 337 Statutes of 2014
<i>Comments</i> Three parcels comprise a parking lot currently used for employee parking. The parcels are adjacent to an existing DGS surplus parcel. DGS is evaluating the sales process that will maximize the value of the two parcels.				
San Joaquin	EDD	Office Building, Stockton	1.42	Chapter 798 Statutes of 2012
<i>Comments</i> The property is being sold through a competitive bid process. Offers are due by January 8, 2016.				

SECTION 2

PROPERTIES PENDING DISPOSITION

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Authority</i>
San Luis Obispo	CDCR	Estrella Correctional Facility	160	Chapter 505 Statutes of 2013
<i>Comments</i> CAL FIRE has expressed an interest in acquiring a portion of property through a transfer of jurisdiction. A decision regarding their request is pending DOF approval. The marketing of the balance of the property is anticipated to commence in early 2016.				

SECTION 3

PROPERTIES IDENTIFIED AS EXCESS

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Authority</i>
Fresno	CON	North Fifth Street	0.17	Chapter 233 Statutes 2015
<i>Comments</i> Property consists of one parcel with an older structure currently used as office space. Property will be vacated in early 2016 and sold thereafter through a competitive bid process.				
Fresno	CHP	Fresno Area Office	3.13	Pending
<i>Comments</i> CHP is closing this office and relocating to a new area office in January 2017. The property will be sold through a competitive bid process in 2017.				
Imperial	MIL	Brawley Armory	1.78	Chapter 355 Statutes 2015
<i>Comments</i> This property will be offered by a competitive bid process in 2016. Proceeds will be deposited into the Armory Fund pursuant to Military and Veterans Code.				
Los Angeles	MIL	Azusa Armory	1.53	Chapter 355 Statutes 2015
<i>Comments</i> The City of Azusa has the right to buy the property until June 2016. Thereafter the property will be marketed and sold through a competitive bid process. Proceeds will be deposited into the Armory Fund pursuant to Military and Veterans Code.				
Los Angeles	MIL	Lynwood Armory	1.03	Chapter 355 Statutes 2015
<i>Comments</i> This property will be offered by a competitive bid process in 2016. Proceeds will be deposited into the Armory Fund pursuant to Military and Veterans Code.				

SECTION 3

PROPERTIES IDENTIFIED AS EXCESS

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Authority</i>
Los Angeles	MIL	Pomona Armory	0.5	Chapter 355 Statutes 2015
<i>Comments</i> This property will be offered by a competitive bid process in 2016. Proceeds will be deposited into the Armory Fund pursuant to Military and Veterans Code.				
Riverside	MIL	Indio Armory	3.35	Chapter 355 Statutes 2015
<i>Comments</i> This property will be offered by a competitive bid process in 2016. Proceeds will be deposited into the Armory Fund pursuant to Military and Veterans Code.				
San Bernardino	DGS	Vacant Parcel	1.94	Pending
<i>Comments</i> The City of San Bernardino has terminated its right to purchase this property. The property will be sold through a competitive bid process in 2017.				
San Joaquin	CHP	Stockton Area Office	1.3	Pending
<i>Comments</i> Property was sold January 2015 through an online public auction.				
Santa Barbara	MIL	Santa Barbara Armory	3.03	Chapter 355 Statutes 2015
<i>Comments</i> DGS is consulting with the Department of the Military to evaluate the property for value enhancement and eventual sale. Proceeds will be deposited into the Armory Fund pursuant to Military and Veterans Code.				

SECTION 3

PROPERTIES IDENTIFIED AS EXCESS

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Authority</i>
Shasta	CAL FIRE	HWY 299 west	29.93	Chapter 233 Statutes 2015
<i>Comments</i> The property consists of one large parcel with several dilapidated buildings. The USFS intends to purchase the property from the state and is currently having the property appraised based on DGS guidelines. If the USFS elects not to acquire, DGS will sell the property through a competitive bid process.				
Shasta	MIL	Yreka Armory	1.34	Chapter 355 Statutes 2015
<i>Comments</i> This property will be offered for sale by a competitive bid process in 2016. Proceeds will be deposited into the Armory Fund pursuant to Military and Veterans Code.				

SECTION 4

PROPERTIES RESCINDED OR IDENTIFIED FOR RESCISSION OF SURPLUS AUTHORIZATION

<i>County</i>	<i>Agency</i>	<i>Property Name</i>	<i>Acres</i>	<i>Authority</i>
<i>Comments</i> There were no properties identified for rescission of the surplus authorization in 2015.				