

# Memorandum

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From: CINDY McKIM  
Chief Financial Officer

Prepared by: Bimla G. Rhinehart  
Division Chief  
Right of Way and Land Surveys

Subject: **2007 REAL PROPERTY RETENTION REVIEW REPORT**

## **SUMMARY:**

In conformance with obligations under Department Deputy Directive (DD) 21 R3, the California Department of Transportation (Department) has completed the annual review of its real estate holdings and is submitting a copy of the 2007 Real Property Retention Review Report (Report) to the California Transportation Commission (Commission). The Report, completed in August 2007, reflects findings and recommendations associated with the parcel-specific review undertaken by each district between January 2007 and April 2007 of lands and buildings supporting transportation operations, excess land parcels on hold, and parcels needed for future projects. The review examined 5,094 parcels and determined that 1,649 parcels were required to support transportation operations, 731 excess land parcels were to be held for local public agencies, engineering or legal reasons, or environmental mitigation, 66 parcels were being used by current projects, 2,140 parcels should be held for viable future projects, and 508 parcels could be made available for sale or other conveyance. Districts and regions will actively pursue the appropriate disposal of these parcels through the excess land disposal plans.

## **BACKGROUND:**

The Department owns real estate of substantial value, which provides public transportation infrastructure and houses employees, equipment or materials supporting transportation operations. Government Code Section 11011.18 and Governors' Executive Orders D-77-89 and S-10-04 mandate that the Department evaluates its real estate portfolio annually and retains only those properties supporting its mission.

The Real Property Retention Review process is the framework within which the Department assesses its real estate holdings and determines whether or not they are needed to meet long-term operational goals and objectives. To properly fulfill its statutory and administrative obligations, DD 21 R3 directs each District Director to annually form a Real Property Retention Review Committee, comprised of senior management representatives from functional areas controlling the Department's real property holdings, to comprehensively review lands and buildings supporting transportation operations, excess land parcels on hold, and parcels being held for viable future projects. While the overwhelming majority of these properties effectively serve the needs of the public and the Department, the department must identify properties that are underused, not required, or no longer conform to surrounding neighborhood uses and determine appropriate disposition.

# DEPARTMENT OF TRANSPORTATION REAL PROPERTY RETENTION REVIEW

2007 ANNUAL REPORT



Division of Right of Way and Land Surveys  
Office of Real Property Services, Airspace and Asset Management  
August 2007

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## **EXECUTIVE SUMMARY**

***The Real Property Retention Review (RPRR) is the annual process through which the Department determines which real property assets will be held to meet its long-term operations and project delivery goals, while identifying those for which disposal is most appropriate.***

The California Department of Transportation (Department) owns, leases, otherwise possesses or controls a wide assortment of real property, which it uses for a variety of public purposes. Beyond the land and improvements constituting the State of California's extensive system of freeways, state highways, and other public transportation infrastructure, Department holdings include facilities serving employees supporting, administering, maintaining or operating the statewide transportation network.

To fulfill its fiduciary obligations, satisfy statutory mandates and observe prudent business practices, the Department conducts a comprehensive annual review of its real property portfolio. This survey, the Real Property Retention Review (RPRR), includes properties supporting transportation operations, excess land currently on hold or property acquired for use in a future project. The RPRR identifies which of these land holdings is no longer needed and recommends the most appropriate means of disposal.

### **1. Background and Purpose**

#### **FINDINGS**

1. The Department has suffered from an unflattering external perception depicting it as an overly bureaucratic, inattentive and ineffectual government organization that was, at worst, incapable of managing its real estate holdings, or at best, just inept.
2. The Department Director clearly considers the RPRR the cornerstone of the Department's unflinching effort to effectively manage its real estate assets.

#### **RECOMMENDATIONS**

- The Department will support the RPRR process and associated asset management practices, which will reverse unflattering external perceptions by demonstrating it effectively manages its real property holdings.

### **2. Reviewing the Real Property Portfolio**

#### **FINDINGS**

1. The real property parcel inventory reviewed by the Department's RPRR process shrank by approximately 700 parcels from 2006 to 2007.
2. The Department's singular focus on project delivery and the organizational effects of regionalization have adversely impacted the RPRR process.
3. Having the Department's district directors lead the RPRR is an effective antidote to insufficient support or unclear direction and, when coupled with the use of specialized staff with RPRR experience, results in a more efficient, competent and timely review.
4. Department district directors' renewed commitment became immediately apparent with their selection of RPRR committee chairs and members, participation in property review activities or involvement in property disposal deliberations.

5. Empirical evidence demonstrated that apart from Department district director's sustained interest and participation, appointing district deputies to chair RPRR committees did more to ensure a robust effort and the likelihood of success than anything else.
6. To enhance management focus and support, consensus is developing around creation of property disposal "projects."

#### **RECOMMENDATIONS**

- Department district directors will appoint deputy-level managers to chair RPRR committees, which will be supported with sufficient resources to adequately conduct the real property review and satisfy subsequent committee property disposal decisions.
- The Department will adopt property disposal cycle times in an effort to achieve the intent of Streets and Highways Code Section 118.6 (one year disposal of surplus real property).
- The Department will commit resources specifically to disposal-related activities; for example, creating property disposal "projects", that could be managed and resourced in conjunction with the parent project and Department policy governing initiation, capital support and project delivery.

### **3. Surplus Lands or Buildings**

#### **FINDINGS**

1. Government Code Section 11011.18 and Governor's Executive Order S-10-04 mandates comprehensive annual property review and reporting.
2. District directors are primarily responsible for planning, managing and reporting real property assets.
3. While it continues to make progress, the Department did not meet its goal of updating all land and buildings inventory information before the June 30<sup>th</sup> reporting deadline.
4. The 2007 RPRR identified 24 land or buildings assets, which were no longer required for departmental operations.

#### **RECOMMENDATIONS**

- The Department must sustain: (1) a robust asset management function, which effectively coordinates comprehensive long-range facility planning, (2) district divisional facility coordinators, who accurately inventory real property assets, and (3) district directors who consistently committing adequate resources that support asset management and the RPRR process.

### **4. Excess Land on Hold**

#### **FINDINGS**

1. The Department reserves the authority to define when or under what circumstances property becomes excess.
2. A parcel is not excess until completion of administrative tasks needed for clearance and disposal.
3. The Department director has agreed to parcel-specific excess land "disposal contracts" with the Department's district directors.
4. The Director reaffirmed that the RPRR is the final property clearance process and that property offered for sale to local public agencies will only be held for one year.

5. The Department determined it could dispose of 264 parcels in ELMS (Excess Land Management System) for which a hold was no longer needed.
6. The length of time excess property remains on hold has dropped markedly since the introduction of district-specific disposal plans.
7. Excess land parcels should be identified upon completion of final right-of-way maps, which occurs soon after project approval.
8. Creating property disposal “projects” may counter the perception that limited support for excess land disposal has been caused by “decoupling” it from project delivery.
9. Not all environmental mitigation parcels have been inventoried in the Excess Land Management System (ELMS).
10. The Department should execute agreements that set the terms and conditions of parcel delivery with “receiving agencies” before acquiring environmental mitigation parcels.
11. Effective and efficient administration is a constant challenge and an often-elusive goal.
12. Staff requested development of a “Real Property Disposal Reference Guide” as a detailed “how-to” procedural.

**RECOMMENDATIONS:**

- The Department will measure surplus parcels’ “cycle-time-to-disposal.”
- The Department will execute agreements defining the terms and conditions of parcel delivery before acquiring environmental mitigation land.
- The Department will inventory all environmental mitigation parcels in ELMS as category 2D Environmental Holds (and in the Asset Management Inventory [AMI]).
- The Department will identify excess parcels at the completion of final right-of-way maps.
- The Department will develop a “Real Property Disposal Reference Guide.”
- The Department will develop a Geographic Information System (GIS) capability linking parcel and project map imaging.
- The Department will develop and implement data entry quality control procedures, which confirm desired outcomes.

**5. Holding Property for Future Project Use**

**FINDINGS**

1. Slightly more than 1,100 parcels, which represent just under half (46 percent) of the Department’s inventory of parcels being retained for future use, are being held for just four projects.
2. 4.5 percent of the items reviewed during the 2007 RPRR were data anomalies, which was an increase from 3 percent in 2006.
3. Improperly maintained data in Department databases causes parcels for projects that have been awarded to continue to be erroneously reported in the Right of Way Property System.
4. The effects of regionalization, uncoordinated rotations, training deficiencies, and little interest in quality control have adversely affected accurately maintaining multiple databases.

5. Going back to at least 2001, there is still no universally applied policy, which directed districts to designate the entity that will set-up and administer parcels in the IRWS (Integrated Right of Way System).
6. Better information needs to be provided for property under review. RPRR disposition coordinators should concisely answer five questions: what, where, when, why, who.

#### **RECOMMENDATIONS**

- Each Department district will identify the division/function responsible for entering and maintaining information in the IRWS database.
- The Department will develop and implement Right of Way Property System (RWPS) and Integrated Right of Way System (IRWS) data entry quality control procedures, which confirm the occurrence of desired outcomes or identify anomalies as they occur.
- The Department will develop a “Real Property Disposal Reference Guide” as a detailed “how-to” adjunct to the “Property Management” chapter of the Right of Way Manual.
- The Department will develop a GIS capability linking parcel and project map imaging.

### **6. Getting It Right**

#### **FINDINGS**

1. The Department will not realize the full value of the RPRR until it is fully embraced within a broader, more comprehensive asset management paradigm.
2. Competently managing any enterprise is rooted in continuously doing a thousand little, often-mundane things well, while consistently taking the time needed to examine and improve or refine the internal processes through which the business is managed and progress is realized.

#### **RECOMMENDATIONS**

- Maintain clear, consistent policy guidance that defines the roles responsibilities, authority and accountability of districts and divisions for the planning, management and disposal of real property.
- Maintain the absolute commitment and unwavering support of senior headquarters and district management to proactive management of the Department’s real property portfolio, which includes annual real property reviews.
- Maintain a fair, fast, predictable, and transparent surplus property disposal process.

2007 Real Property Retention Review  
Summary of Properties Evaluated

	LANDS & BUILDINGS			EXCESS LAND MANAGEMENT SYSTEM HOLDS			UNAWARDED FUTURE PROJECTS					
	TOTAL	IN-USE	HOLD	DISPOSE	TOTAL	IN-USE	HOLD	DISPOSE	TOTAL	IN-USE	HOLD	DISPOSE
DISTRICT 1	126	124	2	0	12	1	6	5	38	0	38	0
DISTRICT 2	190	188	2	0	12	0	10	2	4	0	0	4
DISTRICT 3	221	220	0	1	52	0	34	18	89	34	48	7
DISTRICT 4	237	233	4	0	441	0	389	52	796	2	768	26
DISTRICT 6	90	90	0	0	24	0	10	14	55	1	49	5
DISTRICT 8	95	91	1	3	48	0	13	35	309	5	304	0
DISTRICT 7	202	195	2	5	168	0	96	72	558	18	513	27
DISTRICT 8	167	167	0	0	54	0	32	22	195	2	31	162
DISTRICT 8	69	69	0	0	65	0	60	5	2	2	0	0
DISTRICT 10	83	81	2	0	48	0	25	23	377	1	376	0
DISTRICT 11	139	136	2	1	69	0	54	15	16	0	13	3
DISTRICT 12	40	40	0	0	3	0	2	1	0	0	0	0
TOTAL	1659	1634	15	10	996	1	731	264	2439	65	2140	234

**Footnote 1:** Parcels held for 8 projects comprise 41% of the property on hold in the Excess Lands Management System: ALA-80 (44 parcels), ALA-238 (93 parcels), ALA-880 (75 parcels), SCL-86 (29 parcels), SCL-87 (81 parcels), FRE-180 (38 parcels), LA-710 (45 parcels), TUC-108 (31 parcels).

**Footnote 2:** Parcels held for 8 projects comprise 70% of the property on hold for Unawarded Future Projects: ALA-238 (415 parcels), LA-710 (425 parcels), SIM-1 (152 parcels), SBD-30 (110 parcels), FRE-180 (110 parcels), TUC-108 (126 parcels), MER -152 (83 parcels), STA-132 (69 parcels). Parcels for two projects, ALA-238 & LA-710, represent 39% of the total.

**General Note:** Exclusive of Lands & Buildings, parcels held for just 5 projects comprise 49% (1,405/2,874) of all property held by the Department (734+2,140 = 2,874): ALA-238 (478 parcels), LA-710 (470 parcels), SIM-1 (152 parcels), FRE-180 (148 parcels), TUC-108 (157 parcels). Parcels for two projects, ALA-238 & LA-710, represent 33% of the total.

## **1. Background and Purpose**

*The Department has suffered from an unflattering external perception depicting it as an overly bureaucratic, inattentive and ineffectual government organization that was, at worst, incapable of managing its real estate holdings, or at best, just inept.*

The California Department of Transportation (Department) owns, leases, otherwise possesses or controls a wide assortment of real property, which it uses for a variety of public purposes. Beyond the land and improvements constituting the State of California's extensive system of freeways, state highways, and other public transportation infrastructure, Department holdings include facilities serving employees supporting, administering, maintaining or operating the statewide transportation network.

Guided by the language and intent of Governors' Executive Orders D-77-89, W-18-91, and 10-S-04 (statewide real property asset planning, management and reporting) and the mandates of Department Deputy Directive DD-21 R3, the Department annually conducts district-driven Real Property Retention Reviews, which evaluate and confirm the viability and utility of property held for Department use within the context of one or more long-range transportation infrastructure plans.

As 2007 began, the Department was experiencing the full significance of the adage "perception is reality." It was enduring the consequences of assorted real or perceived deficiencies of past property management strategies or practices, which had been chronicled for weeks in a series of unflattering newspaper articles. No single, simple direct response could acceptably explain the history of Department actions, or inactions, therein purported or placate legislative concerns aroused thereby, which only intensified with the passing of time. The general, pervasive impression of an overly bureaucratic, inattentive and ineffectual government organization was being amplified in the public mind, and, true or not, there was a growing sentiment that the Department was, at worst, incapable of managing its real estate holdings, or at best, just inept.

While the particular catalyst for the most recent external scrutiny was Department management practices associated with property acquired 40 years ago for two as-yet unbuilt projects, assertions of Department mismanagement gained immediate validity because of its ongoing struggle in recent years to demonstrate a consistent commitment to efficiently managing its extensive real estate holdings. The Department's well-documented history of inattention and tepid management support, compounded by fragmented or inconsistent organizational roles and responsibilities was more than sufficient reason for many people

***The Director clearly considers the RPRR the cornerstone of the Department's unflagging effort to effectively manage its real estate assets.***

having some contact with the Department to believe the allegations of incompetence.<sup>1</sup>

Reality is often far different from appearances based on perfunctory perceptions. While the Department has struggled in the past to aggressively fulfill its fiduciary obligations, satisfy statutory mandates and conform to prudent business practices in the management of its real property holdings, one significant sign of the Department's acknowledgement of the problem and commitment to a solution was its renewed effort to conduct comprehensive annual Department-wide reviews of its real property portfolio. Although this property survey, the Real Property Retention Review (RPRR), which evaluates properties held for future use and identifies which are no longer needed, has enjoyed only a semblance of management support in the past and has only been intermittently undertaken during the last 10 years, the Director has clearly expressed to senior managers and Department staff that he considers the RPRR the cornerstone of the Department's unflagging effort to effectively manage its real estate assets: change the reality, perfect the perception.<sup>2</sup>

***District directors appoint the chair and members who comprise the district's RPRR committee.***

#### **CHARGING THE PROCESS**

Under the dictates of Department guidance, Deputy Directive-21 R3, district directors appoint the chair and members who comprise the district's RPRR committee. The members of the RPRR committee are divisional deputies or their designees with authority to speak and act for the division during the functional review and clearance of real property holdings, which occurs in RPRR committee meetings. With the assistance of headquarters Asset Management in the Division of Right of Way's Office of Real Property Services, each district RPRR committee is responsible for reviewing the district's lands and buildings inventory to identify surplus facilities, excess land parcels on hold to determine which parcels still need to be retained, parcels being held for unawarded future projects to identify those that may be released for disposal and unneeded operating right-of-way capable of independent development, which could be decertified and sold.

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<sup>1</sup> The Department's shortcomings were identified in the 2001 Bureau of State Audits Report "*The State's Real Property Assets: The State Has Identified Surplus Real Property But Lacks Effective Processes To Manage Its Property*" as well as the 2004 and 2006 RPRR Annual Reports.

<sup>2</sup> The RPRR was undertaken from 1996-2000, again in 2004 and then in 2006.

*District RPRR committees reviewed the Department's lands & buildings inventory, excess land on hold and property acquired for use in future projects, which have not yet been awarded.*

## **REAL PROPERTY CATEGORIES REVIEWED**

1. **The Lands and Buildings Inventory** is comprised of a wide variety of facilities supporting transportation operations like office buildings, maintenance stations, equipment shops, Transportation Management Centers, safety roadside rest areas, environmental mitigation sites, park & rides, (etc.) or parcels acquired for future facility development.
2. **Parcels on Hold in the Excess Lands Management System (ELMS)** satisfy one or more of the criteria for being kept in one of four ELMS hold categories:
  - (2A), Engineering requests that a parcel be held for a project;
  - (2B), local public agencies request a hold to arrange acquisition of a parcel;
  - (2C), parcels are held for legal or administrative reasons; and,
  - (2D), parcels are held for environmental compliance or mitigation purposes.
3. **Property Acquired for Unawarded Future Projects** is comprised of parcels acquired for routes identified as viable in a local, regional, or departmental transportation system or infrastructure planning document (within 20 years). Any property may be conditionally retained if there is a legitimate, compelling and substantive justification for holding the subject property.
4. **Operating Right-of-Way** acquired for future projects that will never materialize or that is capable of independent development may be decertified and cleared for disposal.

### **RECOMMENDATIONS:**

- ⇒ **The Department will support the RPRR process and associated asset planning and management practices, which will reverse unflattering external perceptions by demonstrating it effectively manages its real property holdings.**

## **2. Reviewing the Real Property Portfolio**

*The real property parcel inventory reviewed by the Department's RPRR process shrank by approximately 700 parcels from 2006 to 2007.*

*The Department's myopic focus on project delivery and the organizational effects of regionalization have adversely impacted the RPRR process.*

*Having district directors lead the RPRR is an effective antidote to insufficient support or unclear direction and, when coupled with the use of specialized staff with RPRR experience, results in a more efficient, competent and timely review.*

During the 2007 RPRR, district committees reviewed almost 5,100 parcels, which represented a real property inventory that had been reduced by approximately 700 parcels from the 5,800 reviewed during the 2006 RPRR. Of these, 1,659 comprised the Department's lands and buildings inventory, 996 (up from 800) were parcels on hold in ELMS, and 2,442 parcels (down from 3,300) were awaiting project award and construction. Of the roughly 3,400 project-related parcels reviewed, approximately 230 were being administratively removed from the property inventory, roughly 250 had been sold or were being cleared for sale or other disposal, and another 2,800 were on hold for Department projects. More than half of the parcels currently being retained should be consumed by projects or declared excess by 2009.

Two crucial factors still adversely impacted RPRR performance; (1) the Department's emphasis on project delivery continued to limit the overall resources needed to minimize property disposal cycle-times, and (2) the organizational effects of regionalization often diffused focus, limited resources, or blurred authority and accountability. The most effective antidote to insufficient support or unclear direction was having district directors personally lead RPRR initiation (kick-off) meetings and attend committee meetings as the majority did in 2007, which immediately and effectively communicated the level of importance he/she invested in the RPRR. Greater direct and consistent district director involvement "persuaded" a greater number of district divisions or functions responsible for holding real property in support of its mission to more fully participate in the 2007 RPRR than had previously been the case. While individual district experience varied and functional support was not universal, more and more district divisions realized that the RPRR was not exclusively a Division of Right of Way exercise.

### **HISTORY REPEATING**

As in 2006, the majority of district RPRR chairpersons (9 of 12) were drawn from district Right of Way divisions, and the significant majority of process-related resources were supplied by district or region Right of Way organizations to meet the support needs of district RPRR committees.

Even with the greater participation and support of high-ranking district managers, the consistent allocation of resources by division or function sufficient to satisfy asset management and property disposal objectives was an ongoing challenge faced

throughout the state in 2007's RPRR. Many districts found it productive to characterize intermediate objectives in terms of smaller, more tightly defined function-specific or area-of-responsibility property groups, which could be more efficiently accommodated as the focus of smaller working groups and enhance the speed and effectiveness of the review process.

The 2007 RPRR process once again demonstrated that committees lead by chairpersons of superior rank and supported by members participating with a clear understanding of his/her role and authority and benefiting from prior RPRR experience enjoyed a higher level of competence and continuity, which resulted in more efficient navigation of the RPRR process, more competent review of the property inventory, more consistent follow-through on recommended disposal actions and more rapid production of final district reports.

### **PERSONALIZING PERFORMANCE**

Experiences and insights gained from the 2006 RPRR directly contributed to the greater relative success of the 2007 review. The renewed commitment on the part of district directors to the RPRR became immediately apparent with their selection of RPRR committee chairs and members, participation in property review activities or involvement in property disposal deliberations. Having the significant majority of district directors, deputies and senior division managers more consistently supportive of, and involved in the RPRR process was a welcome change from past experience; however, the commitment is not yet universal. Nevertheless, the simple fact is the more district directors become engaged the more they appreciate just how district RPRR reports form the basis of, and management framework for district property disposal plans, which have become a deliverable in their delivery contracts with the Director.

Appointing Deputy District Directors to chair RPRR committees produces better performance, which has become even more significant as RPRR execution has become more directly linked to delivery commitments to the Director. Empirical evidence demonstrated that apart from the district director's sustained interest and participation, appointing district deputies to chair RPRR committees did more to ensure a robust effort and the likelihood of success than anything else. In those districts enjoying deputy-level oversight, RPRR committee deliberations and decisions were undertaken and completed in a timely and efficient fashion. As one could have anticipated from history, districts having the greatest problems conforming to the demands of the process were those in which the RPRR chairperson's duties

*District directors' renewed commitment became immediately apparent with their selection of RPRR committee chairs and members, participation in property review activities or involvement in property disposal deliberations.*

*Empirical evidence demonstrated that apart from the district director's sustained interest and participation, appointing district deputies to chair RPRR committees did more to ensure a robust effort and the likelihood of success than anything else.*

*To enhance management focus and support, consensus developed around creation of property disposal “projects.”*

were delegated outside a deputy-level office and the responsible deputy adopted a hands-off approach to oversight or management of the RPRR process, which lead to significant non-participation of individual district divisions and delayed determination of property disposition.

In an effort to enhance the level of management focus and efficient use of resources committed to meet the Department’s property disposal goals, consensus developed among and between those responsible for real property disposal in the districts around creation of property disposal “projects,” which would be resourced, managed and tracked like any other Department project. In this way, disposal “projects” would become part of district directors’ project delivery contracts with the Department director and benefit from being a part of the capital projects support allocation and tracking process.

**RECOMMENDATIONS:**

- ⇒ *The Department will adopt property disposal cycle times in an effort to achieve the intent of Streets and Highways Code Section 118.6 (one year disposal of surplus real property).*
- ⇒ *Department district directors will appoint deputy-level managers to chair RPRR committees, which will be supported with sufficient resources to adequately conduct the real property review and satisfy subsequent committee property disposal decisions.*
- ⇒ *The Department will commit resources specifically to disposal-related activities; for example, creating property disposal “projects”, that could be managed and resourced in conjunction with the parent project.*

### **3. Surplus Lands or Buildings**

*Governor's Executive Order S-10-04 and Government Code Section 11011.18 mandates comprehensive annual property review and reporting.*

*District directors are primarily responsible for planning, managing and reporting real property assets.*

*While it continues to make progress, the Department did not meet its goal of updating all land and buildings inventory information before the June 30<sup>th</sup> reporting*

Government Code Section 11011.18 and Governors' Executive Order S-10-04 directs the Department to conduct comprehensive annual reviews of its real property assets, and report on its lands and buildings holdings to the Department of General Services (DGS) by June 30<sup>th</sup> each year.<sup>3</sup> Furthermore, the Department is required to determine which assets are surplus to its operational requirements and provide a list of its these properties to DGS.

#### **INVENTORY REPORTING**

Departmental guidance (DD-21 R3) assigns primary responsibility to district directors for planning, managing, and reporting the Department's real property assets. By extension, district directors look to divisional deputies and facility land and buildings coordinators to accurately identify viable facilities and determine which are no longer needed. Additionally, district lands and building coordinators are ultimately responsible for maintaining the Department's lands and buildings database, the Asset Management Inventory (AMI), from which the Department derives its mandated real property inventory report, which is delivered to DGS by June 30<sup>th</sup> of each year.

The AMI, comprised of approximately 1,650 facility records, includes, but is not limited to office buildings, warehouses, parking garages, transportation laboratories, equipment shops, maintenance stations, sand sheds, vista points, park-and-ride lots, resident engineering offices, commercial vehicle enforcement facilities (CVEF) and roadside rest areas. In early 2007, district staff undertook a significant effort to update AMI facility and improvements information, which had been discredited in the 2006 RPRR report as old, out-of-date or non-existent. The challenge was not insubstantial, with an estimated 80 percent of Department structures' data deemed too old or inaccurate and 70 percent of the facilities reported to DGS reporting no structure data whatsoever. At this juncture, it appears that records for approximately 25 percent of major Department's facilities have been updated (about 125 of roughly 500) with inventory information for less significant facilities (park & rides, CVEF, safety roadside rest areas, vista points, material sites, etc.) lagging even further behind. Although work is ongoing, the Department

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<sup>3</sup> Government Code Section 11011.18 mandates that the Department report on its lands and buildings holdings, excluding existing highways, to the Department of General Services by July 1<sup>st</sup> of each year.

did not meet its goal of updating all land and buildings inventory information before the June 30<sup>th</sup> reporting deadline.

### **SURPLUS FACILITIES**

*The 2007 RPRR identified 24 land or buildings assets, which were no longer required for departmental operations.*

The 2007 RPRR identified 24 Department lands and buildings assets, which were no longer required for departmental operations. Of these, nineteen were maintenance facilities, eleven of which had been reflected in prior RPRR reports. Three of these eleven have been sold, one has been converted to a storage facility and another has been reconfigured for use as a construction office. The remaining eight surplus maintenance facilities are awaiting environmental or other technical clearances prior to disposal. Additionally, one surplus park-and-ride facility first identified in an earlier RPRR has been sold, while three more facilities are in the late stages of negotiation or sale with local public agencies. The last, and largest facility identified for disposal in 2007's RPRR is the former District 11 Office Building, which is being considered for sale to the California Department of Parks and Recreation.

### **RECOMMENDATIONS:**

⇒ *The Department will sustain: (1) a robust asset management function, which effectively coordinates comprehensive long-range facility planning, (2) district divisional facility coordinators, who accurately inventory real property assets, and (3) district directors who consistently committing adequate resources that support asset management and the RPRR process.*

#### **4. Excess Land on Hold**

*The Department reserves the authority to define when or under what circumstances property becomes excess.*

California Streets and Highways Code (SHC) Section 118.6 assigns significant authority to the Department for prudently managing excess land disposal. The Department is permitted to exercise substantial administrative discretion in an environment where individual properties often present unique or significant clearance and disposal challenges.<sup>4</sup> The Department reserves the authority to define when or under what circumstances property becomes excess. This latitude is critical. While real property may no longer be needed for a project, it may not yet be ready for sale, exchange or other disposal.

*A parcel is not excess until completion of administrative tasks needed for clearance and disposal.*

The Department does not consider a parcel excess until completion of administrative tasks needed for clearance and disposal.<sup>5</sup> From the time it has been determined surplus to Department needs until it is ready for sale or other disposition, the parcel remains on hold in the Excess Land Management System (ELMS). At the point it is ready for disposal, the parcel, within its Disposal Unit, changes inventory category signifying its general availability (Category 1A). The ELMS has four “hold” categories into which real property is placed awaiting resolution of one or more issues or completion of administrative tasks:

- 2A Parcels held at engineering’s request for possible right of way or mitigation requirements;
- 2B Parcels held for sale to a public agency, which may be held up to one year after receipt of a written request and deposit;
- 2C Parcels held for administrative or legal reasons; and,
- 2D Parcels held for environmental compliance or mitigation purposes.

#### **SHIFTING APPROACH**

*The Department director has agreed to parcel-specific excess land “disposal contracts” with the Department’s district directors*

In the aftermath of the 2006 RPRR, watershed changes were made in Department excess land management and disposal practices. One of the 2006 RPRR’s primary findings was the Department did not effectively manage or support post-RPRR property disposition articulated in “action plans” associated with individual property line items. To promote more thorough oversight, encourage better management and accelerate disposal of surplus real property, the director adopted one of the 2006 RPRR’s most significant recommendations by incorporating parcel-specific excess land

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<sup>4</sup> SHC Section 118.6: “The department shall, to the greatest extent possible, offer to sell or exchange excess real property within one year from the date that it is determined by the department to be excess.”

<sup>5</sup> To be considered excess, parcels must have a new deed, disposal map and an estimate of value, which may take from several weeks to several months to prepare.

***The Director reaffirmed the RPRR was the final property clearance process and that property offered for sale to local public agencies will only be held for one year.***

“disposal contracts” into his annual “delivery contracts” with district directors.

Director Kempton also reshaped the 2007 RPRR process by reinforcing existing policy in two significant ways; first, by reaffirming the RPRR operated as a parcel clearance and decertification process, which operationally released property to sale or other disposal. This had the desired effect of shrinking disposal time by effectively eliminated the district practice of subjecting properties cleared for disposal during the RPRR to another, often protracted district decertification process. The director also shifted policy gears when he directed that Department excess land would be held for local public agencies (ELMS Category 2B) no more than one year – and then only if the property is subject to an option agreement for which the local public agency has remitted 10 percent of the property’s appraised value. The practical affect of this change was to put the acquisition burden squarely on the shoulders of the Department’s local agency partners that would now have to more proactively plan (fiscally) for asset purchases and not expect the Department to bear the market risk and administrative cost associated with holding a property year-after-year.

***The Department determined it could dispose of 264 parcels in ELMS for which a hold was no longer needed.***

#### **FOCUSING ON INTENT**

District RPRR committees reviewed 996 parcels on hold in ELMS as of the beginning of January 2007 and determined the Department could dispose of 264 parcels for which a hold was no longer needed. Of the 732 parcels remaining on hold, 406 (55 percent) were being held for just eight projects that had one or more significant reasons for being retained.<sup>6</sup> The RPRR also identified 100 parcels being held by districts for environmental mitigation, which reduced the number of parcels remaining on hold and potentially available for future disposal to 226.

***The length of time Department excess property remains on hold has dropped markedly since the introduction of district-specific disposal plans.***

Regardless of the effort made or initiative undertaken, the Department cannot lose sight of what is, by statute, the goal of the surplus property disposal process, which is a vital adjunct of the RPRR process - offering property for sale or other disposal within 12 months of the time it was declared excess.<sup>7</sup> Although resource limitations associated with the Department’s focus on project delivery have impeded achievement of this goal in the past and may still present challenges to the attainment of this objective in

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<sup>6</sup> 44 parcels for ALA-80, 63 parcels for ALA-238, 75 parcels for ALA-880, 29 parcels for SCL-85, 81 parcels for SCL-87, 38 parcels for FRE-180, 45 parcels for LA-710 and 31 parcels for TUO-108.

<sup>7</sup> As used here, the term “excess” denotes its common usage meaning “surplus” and not the Department’s more restrictive definition, which subjects surplus property to additional administrative requirements before declaring it “excess” (starting the statutory disposal clock).

the future, the length of time Department excess property remains on hold prior to disposal has dropped markedly since district-specific disposal plans were introduced in late 2006.<sup>8</sup> While “cycle time” measurement has not yet become Department policy, the 2007 RPRR demonstrated that the Department is making steady progress reducing the length of time property is held before disposal, and it may be approaching the point at which it begins to measure itself against a surplus property disposal standard of 12 months (or less) from parcel clearance.

***Excess land parcels should be identified upon completion of final right-of-way maps, which occurs soon after project approval.***

Development and use of district disposal plans, which compared district parcel-by-parcel accomplishments to commitments, as an extension of the RPRR facilitated real property disposal by creating the necessary framework and immediate imperative (director’s contract) through which to compel compliance with property disposal decisions. However, transitioning from a process governed by “disposal plans” that have had success in freeing-up property that languished on administrative hold to one focused on clearing and disposing of property within a standard “cycle-time” will require better insight into “future” excess that may exist within the Department’s real property portfolio. Identification of excess land parcels should be pushed forward in the process to completion of final right-of-way maps, which is a more logical process point occurring soon after project approval.

While there is likely to be some variability in project delivery associated with project magnitude and complexity, setting the threshold for determining excess status at the final right-of-way maps milestone represents a significant improvement over post-Construction Contract Acceptance (CCA). Moving the decision point at which excess is identified from post-CCA to completion of right-of-way maps is also consistent with the Department’s stated goal of reducing its design re-work to approximately 30 percent. Even with immediate achievement of the Department’s re-work reduction goal, there will still be a sizable number of project designers and managers who will want to hold onto property long after a statement of sufficiency has been provided for the project. However, none of these concerns represents a fatal flaw, nor should they be seen as impediments to future RPRR committees insisting on completion of final right-of-way maps as the new excess land marker.

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<sup>8</sup> The property for 7 or 8 long-lived and politically sensitive or legally constrained projects continues to skew the ELMS hold duration statistics.

***Creating property disposal “projects” may counter the perception that limited support for excess land disposal has been caused by “decoupling” it from project delivery.***

As mentioned earlier, a number of district RPRR participants expressed interest in creating real property disposal “projects,” which would enjoy the certainty of being resourced, managed and measured like any other Department project. Since property identified as excess was either acquired as such, or created by project requirements, it would be logical to assume that funding and managing excess land disposal should flow from its “parent” project and be subject to the general oversight and guidance of the project manager – even if individual parcel disposal is undertaken by district Right of Way Excess Lands under the auspices of the RPRR committee. Adopting this approach might dramatically reduce and could potentially eliminate the rationale, “We didn’t have the resources.” that has been used over and over the last few years for not disposing of excess property. Furthermore, it could also assuage the unmistakable negative perception, widely expressed throughout the 2007 RPRR, that districts are enduring significant adverse support impacts caused by “decoupling” excess land disposal from project delivery.

***Not all environmental mitigation parcels have been inventoried in the ELMS.***

#### **THE MITIGATION ENVIRONMENT**

The 2007 RPRR found, as did the 2006 review, that not all parcels acquired as, or which through circumstance had become environmental mitigation parcels were being inventoried as Category 2D in the ELMS (nor were mitigation parcels also being inventoried in the AMI, the Department’s land and buildings inventory). While 100 of the Department’s environmental mitigation parcels were represented in the ELMS, district RPRR committees confirmed that a significant number of environmental mitigation parcels had not been entered into the ELMS. There was real concern that there was no statewide listing of parcels acquired for mitigation purposes – even within the Division of Environmental Analysis. Improperly inventorying mitigation parcels presents the Department with significant problem of quantifying, qualifying and reporting what it owns and properly preparing for its eventual conveyance to an outside resource agency or department.

***The Department should execute agreements that set the terms and conditions of parcel delivery with “receiving agencies” before acquiring environmental mitigation parcels.***

The conveyance of environmental mitigation parcels continues to be a significant impediment to reducing the amount of real property the Department has on hold, and it remains a major unresolved issue carried-over from the 2006 RPRR. Again in 2007, there is consensus among district RPRR committees that the Department should execute binding “conveyance” agreements with “receiving agencies” before parcel acquisition, which define the terms and conditions under which parcels will be delivered once environmental permit conditions have been satisfied. Early identification of viable resource agency partners and the

orchestration of required conveyance elements (primarily endowment funding) so as not to adversely impact project delivery continue to be the most significant obstacles.

### **ADMINISTERING PROPERTY DISPOSAL**

*Effective and efficient administration is a constant challenge and an often-elusive goal.*

In any large, complex organization, effective and efficient administration is a constant challenge and an often-elusive goal. The Department is a good example; there are still places in the Department's large Right of Way organization where things do not transpire as they should, negatively affecting the ability of district RPRR committees or Right of Way functional staff to efficiently identify or dispose of surplus real property. These issues vary from Right of Way Excess Lands consistently receiving timely and accurate excess parcel information from Right of Way Acquisitions, to consistently determining when to dispose of parcels whose administrative and environmental disposal costs are cumulatively greater than their value, to uniformly applying consistent decertification rules across different districts, to implementing data entry quality control procedures to quickly and accurately confirm desired data entry outcomes (a 2006 RPRR recommendation), to districts developing uniform and consistent GIS capability linking parcel and project map imaging.

*Staff requested development of a "Real Property Disposal Reference Guide" as a detailed or "how-to" procedural.*

As a result of the insights gained during the 2007 RPRR, staff involved in identifying, decertifying or disposing of surplus real property requested development of a "Real Property Disposal Reference Guide" along the lines of a detailed procedural or "how-to" supplemental to the guidance provided in the Department's Right of Way Manual, which would expand on the nuts-and-bolts treatment of decertification, supporting district RPRR committees and working with project management to identify (and dispose) of excess land.

### **RECOMMENDATIONS:**

- ⇒ *The Department will measure surplus parcels' "cycle-time-to-disposal."*
- ⇒ *The Department will execute agreements defining the terms and conditions of parcel delivery before acquiring environmental mitigation land.*
- ⇒ *The Department will inventory all environmental mitigation parcels in ELMS as category 2D Environmental Holds (and in the AMI).*
- ⇒ *The Department will identify excess parcels at the completion of final right-of-way maps.*
- ⇒ *The Department will develop a "Real Property Disposal Reference Guide."*
- ⇒ *The Department will develop a GIS capability linking parcel and project map imaging.*
- ⇒ *The Department will develop and implement data entry quality control procedures, which confirm desired outcomes.*

## **5. Holding Property for Future Projects**

*Slightly more than 1,100 parcels, which represent just under half (46 percent) of the Department's inventory of parcels being retained for future use, are being held for just four projects.*

Approximately two-thirds of the roughly 5,100 parcels evaluated during the 2007 RPRR were acquired for use in a transportation infrastructure project. Of these, about 1,000 were on hold in the ELMS with about 2,400 parcels in the inventory for use in as-yet unawarded future projects. Of the parcels reviewed as part of the 2007 RPRR process, on the order of 250 had been sold or were being readied for disposal or administrative removal from the real property inventory and around 2,200 were being held for future projects. Although the overall number of parcels under review shrank by almost 700 from 2006, 70 percent of the parcels currently held for future projects are, once again, dedicated to a very small number of projects (8). Of these, 46 percent (over 1,100) are being held for just four projects (Alameda 238, Los Angeles 710, San Mateo 1 and Tuolumne 108). Slightly more than 60 percent of approximately 1,300 residual parcels are committed to projects and will be committed to construction within 12 months. Until the issues preventing use of a significant majority of Department real property parcels being held for future projects are resolved, the total number of parcels districts review and release to projects as part of the RPRR process are likely to remain at 750-800 per year.

*4.5 percent of the items reviewed during the 2007 RPRR were data anomalies, which was an increase from 3 percent in 2006.*

### **IMPROVING INFORMATION QUALITY**

Although the caliber of information provided in the Right of Way Property System (RWPS) has been problematic in the past, the Department continued to sustain recent quality gains, and it achieved an overall information accuracy level of better than 95 percent according to data generated during the 2007 RPRR.<sup>9</sup> The number of anomalies encountered during this year's review represented 4.5 percent (230/5,094) of the items reviewed during the process, which was a slight increase of from fewer than 3 percent of the of the items evaluated during the 2006 review. It is important to note that this still represents (sustains) a significant quality improvement since it was not unusual for RPRR committees six or seven years ago to confront anomalous database entries that comprised 25 percent (or more) of the items reviewed.

As in the past, however, 2007's problematic items consisted primarily of parcels that remained active in the RWPS database because parcel and/or Expenditure Authorization (EA) data from recently awarded or completed projects (award date, completion date, etc.) was not input, input improperly or erroneously provided

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<sup>9</sup> Simply measured as the ratio of valid inventory items divided by the total number of items in the inventory.

***Improperly maintained data in Department databases causes parcels for projects that have been awarded to continue to be erroneously reported in the Right of Way Property System.***

to the IRWS from “upstream databases like the Project Management Control System (PMCS) or the Xpert Property Management system (XPM): updating information like award date moves parcels from an active to an inactive status in the RWPS, which removes it from RPRR consideration. When information is not properly maintained in the Department’s project management databases, like PMCS or XPM, parcels for projects that have been awarded, moved to construction or completed continue to be erroneously reported in the RWPS. The character of the Department’s real property database environment will continue dictate improvements in the quality of property information and inhibit efficient, error-free information exchange.

***The effects of regionalization, uncoordinated rotations, training deficiencies, and little interest in quality control have adversely affected accurately maintaining multiple databases.***

### **MORE ROOM FOR IMPROVEMENT**

As in 2006, the consensus opinion of 2007 RPRR participants was that the challenges of accurately maintaining multiple databases are adversely affected by the effects of regionalization, uncoordinated rotations, training deficiencies, and little interest in quality control. Accounts continue to abound purporting instances of staff, intending to create parcels in the ELMS, not knowing what documents to forward from one section to another. This exposed the Department to having excess parcels identified in the RWPS but not inventoried in the ELMS, which resulted in no clearance and disposal action being undertaken.

***Going back to at least 2001, there is still no universally applied policy, which directed districts to designate the entity that will set-up and administer parcels in the IRWS.***

The 2007 RPRR again confirmed that there continues to be inconsistent responsibility and authority for notification and input of project award and construction data into the Integrated Right of Way System (IRWS) database. More examples were offered of the inconsistency endured among and between districts with respect to creating and maintaining real property parcels in the IRWS. This debate within the context of the RPRR reaches back to at least 2001, and there is still no universally applied policy directing districts to designate which organizational entity will set-up and administer parcels in the IRWS. Without a formal assignment of responsibility, the mandate that IRWS updates be made will remain hollow, and there will be no guarantee that required parcel-related updates ever occur.

***Better information needs to be provided for property under review. RPRR disposition coordinators should concisely answer five questions: what, where, when, why, who.***

While the 2007 RPRR process was much improved and enjoyed far more management support than had previous reviews, there were too many cases of inaccurate, limited or non-existent property descriptions, limited or inadequate parcel/construction segment locations, insufficient descriptive comments or deficient action plans. Every RPRR line item should have addressed the following questions: Where is the parcel? Who wants the parcel retained? Why should the parcel be held? What needs to occur to

ready the property for project use (or disposal)? When does this need to happen? Who is seeing to it that required actions are undertaken? The introduction of the Department-wide disposal plans after the 2006 RPRR facilitated better management of this inventory segment in 2007 by compelling identification of discrete, parcel-specific requirements, assignment of necessary tasks, stipulation of how they are to be performed, identification of expected outcomes and incorporation of a means to measure actual performance against anticipated results. 2007 RPRR participants also felt it essential to extend any advances made implementing data entry quality control procedures or uniform and consistent GIS capability linking parcel and project map imaging beyond staff working on surplus land issues to those administering parcels held for unawarded future projects.

**RECOMMENDATIONS:**

- ⇒ *Each Department district will identify the division/function responsible for entering and maintaining information in the IRWS database.*
- ⇒ *The Department will develop and implement RWPS and IRWS data entry quality control procedures, which confirm the occurrence of desired outcomes or identify anomalies as they occur.*
- ⇒ *The Department will develop a “Real Property Disposal Reference Guide” as a detailed “how-to” adjunct to the “Property Management” chapter of the Right of Way Manual.*
- ⇒ *The Department will develop a GIS capability linking parcel and project map imaging.*

## **6. Getting It Right**

*The Department will not realize the full value of the RPRR until it is fully embraced within a broader, more comprehensive asset management paradigm.*

*Competently managing any enterprise is rooted in continuously doing a thousand little, often-mundane things well, while consistently taking the time needed to examine and improve or refine the internal processes through which the business is managed and progress is realized.*

The Department's 2007 experience again demonstrated the RPRR process is the primary method of quality control for its real estate portfolio. The RPRR not only promotes proactive management, strengthens communication, and encourages operational efficiency, but it also serves as confirmation of compliance with Governors' Executive Orders D-77-89, W-18-91 and S-10-04 as well as Deputy Directive DD-21 R3. While the Department has made significant progress in regularly reviewing its real property holdings, it will not realize the full value of the RPRR until it fully embraces the process within a broader, more comprehensive asset management paradigm.

It is in perfecting the grinding administrative details that the Department will ultimately determine success or failure in managing its real property portfolio. Competently managing any enterprise is rooted in continuously doing a thousand little, often-mundane things well, while consistently taking the time needed to examine and improve or refine the internal processes through which the business is managed and progress is realized. This is where the Department has confronted its most egregious historic failure – of will. It is not due so much to a lack of introspection, but to an inability to consistently follow through with developing and adopting the organizational or administrative transformation necessary to affect meaningful improvement. It has been disheartening to observe RPRR findings or recommendations articulated year-after-year, only to see them go unaddressed and find their way into subsequent years' reports in a seemingly endless, and unproductive loop.

Ideally, the Department need only do three things well to meet its real property stewardship obligations, which will gain/sustain the good opinion of others:

- Maintain clear, consistent policy guidance that defines the roles responsibilities, authority and accountability of districts and divisions for the planning, management and disposal of real property.
- Maintain the absolute commitment and unwavering support of senior headquarters and district management to proactive management of the Department's real property portfolio, which includes annual real property reviews.
- Maintain a fair, fast, predictable, and transparent surplus property disposal process.

# **Attachment A**

2007 REAL PROPERTY RETENTION REVIEW

DISTRICT SUMMARIES

2007 Annual Report  
Real Property Retention Review Committee  
District 1

District Director: Charles Fielder  
RPRR Committee Chair: Janel D. Tarczy

District 1's District Director supported the efforts of the RPRR Committee. Right of Way Excess Lands, Property Management, Asset Management and Land Surveys worked closely and in full cooperation with RPRR Committee members to comprehensively review the District's real estate portfolio and fully comply with the intent of Deputy Directive 21 R2.

### **Summary of Significant Issues**

#### Lands and Buildings Inventory

The list contains two (2) properties; the former Klamath and Weitchpec Maintenance Stations. These parcels are currently under lease. The Weitchpec Maintenance Station is included in List 2, Right of Way recommends removal from List 1. Prior to selling the Klamath Maintenance Station, archeological studies will be needed. Environmental is developing an estimate of the resources that will be necessary to complete these studies. When the parcel becomes excess to the Departments needs, the RPRR Committee recommended that we pursue steps necessary to clear the parcel beginning with the necessary environmental work.

#### Excess Land Holds

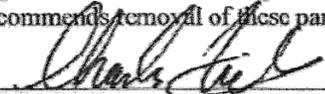
There are eleven (11) entries in this report. Three (3) of the entries are for properties that have been cleared for sale and are scheduled in the 2007 Excess Lands Sales Contract. The entry with two (2) parcels is a decertification request that was added to the review. One (1) parcel is the former Weitchpec Maintenance Station; the parcel is currently under lease. Prior to a sale archeological studies will be needed. Right of Way recommends that we re-evaluate the parcel at the next RPRR meeting. The remaining six (6) parcels are on various holds for the upcoming year.

#### Property Held for Unawarded Future Projects

There are thirty-eight (38) parcels included in the five (5) entries in this report. All thirty-eight (38) parcels are recommended for continued hold for unawarded projects.

#### Property Held for Future Projects Incorporated Into the Right-of-Way

There are five (5) entries on this list. One (1) entry will remain and staff will research the viability of selling this "extra wide" right of way. The remaining four (4) parcels are duplicate entries and are presented elsewhere in the report. The RPRR Committee recommends removal of these parcels from List 4.

  
\_\_\_\_\_  
CHARLES FIELDER  
DISTRICT DIRECTOR

3-27-07  
DATE

2007 Annual Report  
Real Property Retention Review Committee  
District 2

District Director: Brian Crane  
RPRR Committee Chair: Janel D. Tarczy

District 2's District Director supported the efforts of the RPRR Committee. Right of Way Excess Lands, Property Management, Asset Management and Land Surveys worked closely and in full cooperation with RPRR Committee members to comprehensively review the District's real estate portfolio and fully comply with the intent of Deputy Directive 21 R2.

### **Summary of Significant Issues**

#### Lands and Buildings Inventory

The list contains two (2) properties. The Buckhorn Maintenance Station needs to be held until a project is completed that will change the drainage on the facility and separate out the State right of way drainage from the facilities drainage. The Newell Maintenance Station is currently under lease with the National Park Service and it is the desire of all parties to transfer the property to the Bureau of Land Management once all environmental studies have been completed. The RPRR Committee recommends that the Department continue pursuing this transfer.

#### Excess Land Holds

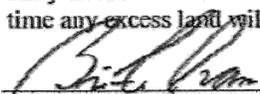
There are twelve (12) parcels in this report. One (1) parcel sold. One (1) parcel was cleared by the RPRR Committee to be sold and it is anticipated to be on the 2008 Excess Lands Sales Contract. Two (2) parcels are contained on List 1 and are duplicated in this list. The remaining eight (8) parcels will remain on various holds pending environmental clearance and project completion.

#### Property Held for Unawarded Future Projects

There are four (4) parcels included in this list. All four (4) are encroachment permits that have erroneously been reported in the Property Management System and as a result have appeared in this list. The RPRR Committee recommends that the Property Management System be corrected and that all four (4) parcels be removed from List 3.

#### Property Held for Future Projects Incorporated Into the Right-of-Way

There are four (4) entries on this list. The RPRR Committee recommends that two (2) of the entries be studied further to determine if there is any excess land. One (1) entry needs to be removed, as the right of way is needed for a future project. The one (1) remaining entry needs to be held until the legal suit related to the project has been settled, at which time any excess land will then be identified.

  
BRIAN CRANE  
DISTRICT DIRECTOR

3/28/07  
DATE

2007 Annual Report  
Real Property Retention Review Committee  
District 3

District Director: Jody Jones  
RPRR Committee Chair: Janel D. Tarczy

District 3's District Director supported the efforts of the RPRR Committee. Right of Way Excess Lands, Property Management, Asset Management and Land Surveys worked closely and in full cooperation with RPRR Committee members to comprehensively review the District's real estate portfolio and fully comply with the intent of Deputy Directive 21 R2.

### **Summary of Significant Issues**

#### Lands and Buildings Inventory

The list only contains one (1) facility, the closed Williams Maintenance Station. This facility is currently being used by the California Highway Patrol and will be vacant soon; at that time District 3 Excess Lands staff will prepare the necessary documents for a sale.

#### Excess Land Holds

There are forty (40) entries in this report. Of which, ten (10) are a part of the 2007 Excess Lands Disposal Contract. Twenty-six (26) of the entries are current holds being monitored by Right of Way (R/W) and the functional units requesting the holds. Fifteen (15) of those are a part of the Live Oak/Griddle Bypass and are not yet excess; Planning is processing a route rescission. One (1) of the entries has been identified as needed for operating R/W and will be removed from List 2. Thirteen (13) entries have been approved for sale, including a relinquishment to the local government per an existing cooperative agreement and incorporation into the R/W for oak tree mitigation.

#### Property Held for Unawarded Future Projects

There are eighty-nine (89) parcels included in the twenty-four (24) entries in this report. Seven (7) entries are for projects that are currently in construction, entries should fall off of List 3. Five (5) of the entries are leases of operating right of way, and should be removed from List 3. Property Management has been notified. Twelve (12) entries have been recommended as holds by the RPRR Committee. Of those, three (3) entries are pending a route rescission by Planning, and nine (9) are being held for future projects (Lincoln Bypass, SUT 70 widening, etc.).

#### Property Held for Future Projects Incorporated Into the Right-of-Way

There are two (2) entries on this list. One (1) has been identified at this year's RPRR and is across the street from the closed Williams Maintenance Station and is currently being used as an RE Station. The RPRR Committee recommends that we re-evaluate the parcel at the next RPRR meeting. The second entry is for a parcel identified at last year's RPRR, and has since been added to List 2. The RPRR Committee recommends that this parcel be removed from List 4.

  
\_\_\_\_\_  
JODY JONES  
DISTRICT DIRECTOR

3/21/07  
DATE

**2007 Annual Report  
Real Property Retention Review Committee  
District 4**

District Director: Bijan Sartipi  
RPRR Committee Chair: R.A. Macpherson

District 4's District Director supported the efforts of the RPRR Committee. Right of Way Excess Lands, Property Management, Asset Management and Land Surveys worked closely and in full cooperation with RPRR Committee members to comprehensively review the District's real estate portfolio and fully comply with the intent of Deputy Directive 21 R2.

**Summary of Significant Issues**

**Lands and Buildings Inventory (List 1)**

The District identified four (4) operational facilities in the Lands and Building inventory that should be made available for sale. The Ettie Street Maintenance Station is closed and cannot be used until hazardous materials are cleaned up. With the completion of construction of the new South Oakland Maintenance Station, scheduled for October 2009, the Department will be able to close and sell both the old South Oakland Maintenance Station and the Hayward Maintenance Station. The District is working with City of South San Francisco and SamTrams for a joint venture project to relocate the existing Caltrain station to a portion of the South San Francisco Maintenance Station.

**Excess Land Holds (List 2)**

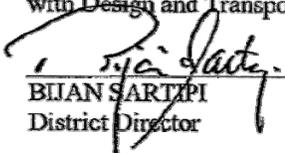
The District has 441 parcels in the Excess Lands Hold Inventory in ELMS. Of the 441 parcels, there are 78 parcels held for the Ala-238 project and 51 parcels held for the SCI-87 project. One (1) parcel has been sold. Three (3) parcels are in escrow. A look at the remaining ELMS inventory shows 67 parcels are being held for direct sales to local agencies, 49 parcels are being used for construction and maintenance activities, 35 parcels are being held for environmental issues, and five (5) parcels are being held for possible environmental mitigation projects. 48 parcels are being made available for sale. The remaining 104 parcels have been conditionally retained for various reasons (exchange, site stability, co-op agreement).

**Property Held for Unawarded Future Projects (List 3)**

The District has 797 parcels purchased for future projects. Of these 797 parcels: Seven (7) parcels are being made available for sale, 20 parcels are being administratively removed from the database, 418 are held for Ala-238, 39 parcels are held for Mm-101, 35 parcels are held for Nap-29, and 150 parcels are held for SM-1. The remaining 128 parcels are being held for numerous other projects.

**Property Held for Future Projects Incorporated Into the Right-of-Way (List 4)**

The District identified five (4) areas of extra-wide operating right of way and is investigating with Design and Transportation Planning for their ultimate disposition.

  
BIJAN SARTIPI  
District Director

4/10/07  
Date

**2007 Annual Report  
Real Property Retention Review Committee  
District 5**

District Director: Richard Krumholtz  
RPRR Committee Chair: Jamie Lupo

District 5's District Director supported the efforts of the RPRR Committee. Right of Way Excess Lands, Property Management, and Asset Management worked closely and in full cooperation with RPRR Committee members to comprehensively review the District's real estate portfolio and fully comply with the intent of Deputy Directive 21 R2.

**Summary of Significant Issues**

Lands and Buildings Inventory

No Holdings of this kind were identified in the District.

Excess Land Holds

There are seventeen (17) Disposal Units comprised of twenty-four (24) parcels. Seven (7) disposal units with (10) parcels will continue to be held for Environmental purposes (Items 1-6) or till construction is completed (Item 17). The remaining (14) parcels (Items 7-16) are currently under the Director's 2007 Excess Land Disposal Contract for disposal by the end of this year.

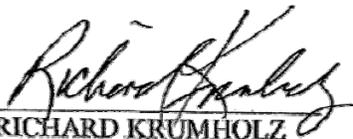
Property Held for Unawarded Future Projects

There are twenty-one (21) projects that contain fifty-five (55) Parcels in List 3. Fifty (50) Parcels are being placed on hold or in use for future unawarded projects. Four (4) parcels (Items 2, 3, 14 & 21) require them to be removed off the list. One (1) parcel (Item 13) is to be processed for relinquishment to the County through the District Planning division.

Property Held for Future Projects Incorporated Into the Right-of-Way

One (1) parcel was identified in this category as being in use and not considered as excess.

District Director Approval

  
RICHARD KRUMHOLZ

3/26/07  
DATE

**2007 Annual Report  
Real Property Retention Review Committee  
District 6**

District Director: Malcom Dougherty  
RPRR Committee Chair: Jamie Lupo

District 06's District Director supported the efforts of the RPRR Committee. Right of Way Excess Lands, Property Management, Asset Management and Land Surveys worked closely and in full cooperation with RPRR Committee members to comprehensively review the District's real estate portfolio and fully comply with the intent of Deputy Directive 21 R2.

**Summary of Significant Issues**

Lands and Buildings Inventory

Items 1, 3 & 4 on the List 1-Surplus Lands and Building Inventory have been sold. Item 3 is being placed in hold for Caltrans operational needs.

Excess Land Holds

There are thirty-four (34) Disposal Units comprised of forty-eight (48) parcels. Thirteen (13) disposal units with thirteen (13) parcels will continue to be held for future projects. Nine (9) disposal units with twenty (20) parcels are to be sold this year and are on the 2007 Director's Excess Land Disposal Contract. Eleven (11) disposal units with fourteen (14) parcels have been sold. One (1) disposal unit with one (1) parcel belongs on District 9's list and will require administrative action.

Property Held for Unawarded Future Projects

There are thirty-eight (38) Disposal Units comprised of three hundred nine (309) parcels. Four (4) Disposal Units with six (6) parcels are presently in use for operational needs. Thirty-four (34) Disposal Units with three hundred three (303) parcels are being held for future projects.

Property Held for Future Projects Incorporated Into the Right-of-Way

Five (5) disposal units with eight (8) parcels are to be held for Caltrans operational needs.

District Director Approval

  
MALCOM X. DOUGHERTY

3/23/07  
DATE

**2007 Annual Report  
Real Property Retention Review Committee  
District 7**

The remaining are being recommended for reincorporate into the R/W (5 disposal units; 6 parcels) and administrative action (14 disposal units; 16 parcels)

**Property Held for Unawarded Future Projects**

This report segment is comprised of 15 Expenditure Authorizations (EAs) containing 479 parcels.

Three (3) construction contracts are currently in progress in which 11 parcels are in use. The District will follow-up on the disposition of these parcels upon the completion of the construction contracts.

In the 7 completed construction projects listed, 7 parcels had been sold, 8 parcels are committed for sales in the 2007 Delivery Plan. The remaining will be disposed per committee's recommendation as stated in the List 3 report.

A total of 437 parcels are being held in this report segment of which 433 parcels are being held for future project use; four hundred twenty one (421) parcels, approximately 97% of the parcels held, are committed to the I-710 Extension Project in Los Angeles County.

**Property Held for Future Projects Incorporated Into the Right-of-Way**

No holdings of this kind were identified in the district.

  
\_\_\_\_\_  
DOUG FAILING  
DISTRICT DIRECTOR

4/13/07  
DATE

**2007 Annual Report  
Real Property Retention Review Committee  
District 8**

District Director: Michael Perovich  
RPRR Committee Chair: George Morhig

District 08's District Director supported the efforts of the RPRR Committee. Right of Way Excess Lands, Property Management, Assct Management and Land Surveys worked closely and in full cooperation with RPRR Committee members to comprehensively review the District's real estate portfolio and fully comply with the intent of Deputy Directive 21 R2.

**Summary of Significant Issues**

Lands and Buildings Inventory

No properties/facilities of this type in D08

Excess Land Holds

54 parcels were reviewed of which 32 are to remain on hold, 13 to be disposed of, 1 parcel had been sold, 7 parcels to be incorporated into the right of way, and 1 parcel requires administrative action by district personnel.

Property Held for Unawarded Future Projects

198 parcels were reviewed of which 30 are to remain on hold, none are to be disposed of, no parcels have been sold, 2 parcels are in use, 3 parcels to be incorporated into the right of way, and 163 parcels require administrative action by district personnel

Property Held for Future Projects Incorporated Into the Right-of-Way

No properties/facilities of this type in D08

District Director Approval

  
MICHAEL PEROVICH

2007 Annual Report  
Real Property Retention Review Committee  
District 9

Date: March 26, 2007

District Director: Tom Hallenbeck  
RPRR Committee Chair: Nancy Escallier

District 09's District Director supported the efforts of the RPRR Committee. Right of Way Excess Lands, Property Management, Asset Management and Land Surveys worked closely and in full cooperation with RPRR Committee members to comprehensively review the District's real estate portfolio and fully comply with the intent of Deputy Directive 21 R2.

We held our meeting on February 27, 2007. In attendance were James Gonzalez, CR RW Excess Lands Sr.; Tom White, HQ's RW Asset Management Sr.; Trish Sanders, Region Manager Mtc; Brad Mettam, DDD Planning; Malissa Reynolds, Mtc Engineering; Brian Wesling, Design TE Sr.; Nancy Escallier, RW Sr.; Tim Shultz, Construction Sr.; John Beischel RW Engineering; Lora Rischer, RW Agent; Linda Weier, DDD Administration; and, Tom Hallenbeck, District Director.

### **Summary of Significant Issues**

**1) Lands and Buildings Inventory:** The 2006 Lands and Building Inventory sheet was not changed during the 2007 meeting. The L&B Inventory will be updated by input into the new Asset Management Database. Tom White has requested that the data base information be reviewed and fine-tuned by May 1<sup>st</sup> 2007, to be in accordance with DD-21 R2 and the Director's renewed requirement that the District Directors and Division Chiefs maintain accurate real property inventories. Therefore, we will review the Lands and Building Inventory information during the 2008 RPRR meetings, to ensure compliance with this Directive.

**2) List 1 – Surplus Lands and Buildings Inventory:** No holdings of this kind were identified in the district.

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District 9

**3) List 2 - Excess Land Holds, pulled from the Excess Land Management or ELM system (excess land being held before selling):**

- a) DD 000450-02-01, Inyo 190, was identified as needing to be given 2-D Hold Status. Brad Mettam will be completing the necessary Hold Request documents. Hold type to change from 2C to 2D.
- b) DD 003153-01-01, Kern 58, is currently in litigation and has an option agreement. James Gonzalez/Excess Land will review said option agreement for wording regarding the length of term. Hold type to remain as OPT.
- c) DD 003405-01-02, Kern 202, has been relinquished to the City of Tehachapi. Excess Land will make note of this in the ELM system so it will be correctly identified, dropping off this list in the future.
- d) DD003405-01-01, Kern 202/Tehachapi Blvd, this strip of land is required for access purposes by our Mtc Dept. It is used to inspect the Hwy 202 over-crossing of the RR. This parcel should be incorporated back into the operating right of way and will drop off this list in the future. Take out of the ELM system.
- e) The remaining 46 Disposal Units (approx 60 parcels) identified on this list, corresponding to the Hwy 58 Bypass project, located in near Mojave in East Kern Co., need clearances. According to the Excess Land Branch, James Gonzalez, these parcels need clearances or approval from the Planning unit so that the parcels can be appraised and then sold. Clearances should be completed by May 2007. Then the parcels can be appraised – to be completed by 5/2008; and, then they can be sold – to be completed by 5/09. Until the parcels are appraised they need to remain in the 2C hold type.
- f) DD003304-01-01, Kern 58, (one of the 46 noted Hwy 58 Bypass Disposal units, containing 1 parcel) has been identified by our Maintenance Dept. as being needed for their purposes, per the clearance performed by Excess Lands in 11/06, and should be incorporated back into operating right of way, dropping off of this list in the future. Take out of the ELM system.

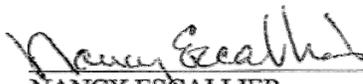
**4) List 3 – Property Owned by the State (state is owner of record) being Held for Unawarded Future Projects, pulled from the RW Property Management or RWPM system:** Under project EA 09-280101 “Topaz/Larson Lane Turn Pockets/Lanes” one parcel has been identified – 3752, as being owned by the State (recorded deed). The remaining parcels required for this project are still being acquired. To date this project has not been awarded nor gone to Construction. This parcel is “In use”.

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District 9

**5) List 4, for District awareness purposes, - Property in the RW Which is Possibly Not Needed or which is being Held for Future Projects or which could be Incorporated Into the Right-of-Way:** The 4 parcels identified in 2006 report (3149-1, 3153-1, 3154-1, and 3411-1) have now been identified for evaluation for possible partial de-certification and disposal. James Gonzalez will initiate this evaluation process through the Excess Lands branch. It is noted that these parcels will need clear boundaries and should be surveyed and mapped if determined to be excess to the State's needs.

Kern 14, Parcel 3676 has been identified as being purchased just for drainage purposes and needs to be placed on List 4. Parcel 3676 also needs to be re-engineered to capture the exact areas of the parcel that are required for drainage. What remains would therefore be excess to the project and could be sold. It is requested that a portion of this parcel be decertified. James Gonzalez will initiate this decertification process through the Excess Lands branch.

Recommended by:

 3/26/07  
NANCY ESCALLIER date  
Field Office Chief, Right of Way  
Central Region – Bishop Office

District Director Approval:  4/2/07  
THOMAS F. HALLENBECK date  
District 9 Director

2007 Annual Report  
Real Property Retention Review Committee  
District 10

District Director: Kome Ajise  
RPRR Committee Chair: Michael Rodrigues

District 10's District Director supported the efforts of the RPRR Committee. Right of Way Excess Lands, Property Management, Asset Management and Land Surveys worked closely and in full cooperation with RPRR Committee members to comprehensively review the District's real estate portfolio and fully comply with the intent of Deputy Directive 21 R2.

**Summary of Significant Issues**

Lands and Buildings Inventory

Items 1 & 2 on the List 1-Surplus Lands and Building are being placed on hold for Environmental and Caltrans operational needs.

Excess Land Holds

There are forty-five (45) Disposal Units comprised of forty-eight (48) parcels. Twenty-three (23) Disposal Units comprised of twenty-five (25) parcels will continue to be held for future projects. Fourteen (14) Disposal Units with fifteen (15) parcels are to be sold this year and are on the 2007 Director's Excess Land Disposal Contract. Six (6) Disposal Units with seven (7) parcels are to be sold in 2008. One (1) disposal unit with one (1) parcel is to be incorporated in the Right of Way.

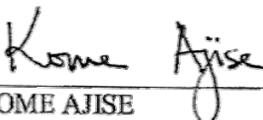
Property Held for Unawarded Future Projects

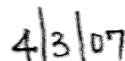
There are forty-two (42) Disposal Units comprised of three hundred nine (377) parcels. All three hundred seventy seven parcels are being held for future projects or Caltrans operational needs.

Property Held for Future Projects Incorporated Into the Right-of-Way

Two items were identified in this category and are being held until final design is established.

District Director Approval

  
KOME AJISE

  
DATE

## Real Property Retention Review Committee District 11

District 11 Director: Pedro Orso-Delgado

RPPRC Committee Chair: Janet Schaffer, Deputy District Director Right of Way

District 11 District Pedro Orso-Delgado fully supported the efforts of the RPPRC Committee. Right of Way Excess Lands, Property Management, Asset Management and Land Surveys worked closely and in full cooperation with RPPRC Committee members to comprehensively review the District's real estate portfolio and fully comply with the intent of Deputy Directive 21 R2.

### **Summary of Significant Issues**

#### Lands and Buildings Inventory

Designated RPPRC members have been delegated to review and update the Asset Management Inventory Database. There are currently three properties on the Surplus Lands and Buildings Inventory: Bostonia Maintenance Station, Ramona Maintenance Station and the former District 11 Office. Fact Sheets were created for the Bostonia and Ramona Maintenance Stations to supplement the explanation/rationale for the continued hold of these sites.

#### Excess Land Holds

The RPPRC reviewed 48 Disposal Units consisting of 69 parcels. Seventeen of the parcels are under Environmental and/or Construction holds. Fifteen parcels have been identified as current or pending Mitigation Sites. Five parcels were identified to sell, with another six previously sold. Issues of note relate to the continuing title/survey issues on IMP 86 and securing the staff resources necessary to appraise the 22 parcels identified as ready for disposal.

#### Property Held for Unawarded Future Projects

The RPPRC reviewed five project EA's consisting of sixteen parcels. The significant hold of eleven parcels for the SR 52 project will be reviewed separately by the RPPRC in the near future to identify potential excess.

Three Disposal Units from List 2 Excess Lands Holds were transferred to this list as they are to be held for future projects.

  
Pedro Orso-Delgado  
DISTRICT DIRECTOR

  
DATE

2007 Annual Report  
Real Property Retention Review Committee  
District 12

District Director: Cindy Quon  
Committee Chair: Jim Beil

The District 12 District Director supports the efforts of the Real Property Retention Review Committee (RPRR). Right of Way Excess Lands, Property Management, Asset Management, Right of Way Engineering, and Land Surveys worked closely and in full cooperation with RPRR Committee members to comprehensively review the District's real estate portfolio and fully comply with the intent of Deputy Directive 21 R2. The Orange County Transportation Authority (OCTA) participated in discussions of all identified properties.

### **Summary of Significant Issues**

#### Lands and Buildings Inventory

There are no Lands and Building inventory identified for disposal in 2007.

#### Excess Land Holds

The attached "List 2 - Excess Land Holds" identifies three disposal unit properties (15 parcels) in the Hold category as follows:

- 72803-01-01 will be reviewed for fragments to dispose of at the end of construction contract 12-101674.
- 200374-01-01 and 200374-02-01 will be reviewed for disposal, easement and to deed it to UPRR at the end of construction contract 12-101674.

Six disposal unit properties (9 parcels) are now identified in the Sell Category.

#### Property Held for Unawarded Future Projects

There are no properties identified to be held for Unawarded Future Projects in 2007.

#### Property Held for Future Projects Incorporated Into the Right-of-Way

The attached "List 4 - Future Project Parcels in R/W" identifies four properties in existing operating right of way with active hold requests as follows:

- TR-73, Forbes Road Maintenance Station

*The Department signed a three way letter of agreement with the OCTA and the Transportation Corridor Agency (TCA) for the future use of this operating maintenance station parcel as part of the Laguna Niguel Metrolink Train Station parking lot expansion. The TCA will be constructing a functional maintenance station replacement as part of the Foothill South Toll Road. Discussions are continuing regarding details of possible exchange and replacement site.*

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District 12

- F-1622-12, Operating right of way at the old off-ramp from northbound SR-55 to Lincoln Avenue.

*Parcel is being explored for potential use as a park and ride development. OCTA is considering a hold request letter. In the absence of a formal hold request, it will be sold.*

- F 1983-1, Operating right of way at the old southbound 1<sup>st</sup> Street on/off-ramp for I-5.

*OCTA to request hold for EA 12-0G260K, approved Project Study Report to improve operations from southbound I-5 to southbound SR-55, part of voter approved measure M reauthorization.*

- F 1839-4, Operating right of way between SR-90, SR-91, and Santa Ana River.

*District is evaluating for use contractor lay down yard, portion will be needed for SR-91 CMIA project and a possible mitigation site for SR-91 CMIA.*

**District Director Approval**

  
CINDY QUON

3.30.07  
Date

# **Attachment B**

2007 REAL PROPERTY RETENTION REVIEW

RPRR POLICY GUIDANCE

# Real Property Retention Review Guidelines

## 1 – Information Gathering

To meet Real Property Retention Review Committees' (RPRRCs') needs, data about the Department's real property portfolio is extracted from several sources:

1. The Asset Management Inventory (AMI) lists the Department's Lands and Buildings holdings;
2. The Right of Way's Excess Lands Management System (ELMS);
3. The Right of Way's Property System (RWPS);
4. The Integrated Right of Way System (IRWS);
5. The prior year's RPRR reports; and,
6. Review of project histories and Right of Way route maps.

Extracted information is refined into reports distributed for review by district divisions:

- List 1 identifies surplus Lands and Buildings holdings (subsequent to AMI review);
- List 2 catalogs environmental mitigation sites and conditionally retained real property;
- List 3 identifies real estate interests associated with as-yet unawarded future projects, and,
- List 4 identifies parcels for proposed (unfunded) projects where land has been incorporated into operating R/W.

## 2 – Determining Status; “In-Use” or “Not In-Use”

The RPRRC chairperson distributes inventory information and process instructions to each district division (via e-mail or RPRRC meeting). The RPRRC chairperson and district functional managers review the properties in each of the inventories to determine if properties are “In-Use” or “Not In-Use”. Steps 3 and 4 explain in greater detail the process for establishing “Use”.

## 3 – Properties “In-Use”

During the annual RPRR, each district division reviews parcels in its sub-set of the real estate portfolio to verify that intended “uses” support Department goals, division strategies or district plans within the context of the district's 20-year corridor and facility master planning horizons. The RPRRC constantly attempts to identify incentives for redirection, exchange or disposal of surplus, underused or nonconforming real estate holdings.

Property is considered “In-Use” if it meets any of the following criteria:

1. *The property provides or supports transportation services.*  
This category of “In-Use” property rarely converts to “Not In-Use” status. However, to the extent that property “In-Use” for transportation purposes turns out to be no longer used, it should be identified as such and reclassified as “Not In-Use”.
2. *The property provides or supports facilities for employees, equipment, or materials.*  
The Department owns over 1,600 different properties that provide facilities for the traveling public, employees, equipment or materials. Many different types of events occur that can change the status of these properties from “In-Use” to “Not In-Use”<sup>10</sup>. For example;

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<sup>10</sup> A facility's operational utility should be determined within the framework of a Division and District Facility Master Plan, which provides the standards-based context within which objective resource allocation decisions may be made.

- Consolidation within functional operations
- Consolidation between functional operations
- New facilities acquired to replace old facilities
- Department policy reduces or eliminates the need for the facilities

Few incentives exist for divisions to voluntarily relinquish property no longer required to meet district or division requirements. These properties may prove to be the largest base of potentially disposable inventory. District divisions must; (1) verify the accuracy of Lands and Buildings information in the AMI, (2) ensure that Lands and Buildings holdings are consistent with the district's Facility Master Plan and Transportation System Development Program, and (3) provide a list of any surplus Lands and Buildings property to the RPRRC chairperson for inclusion in List 1.

3. *The property is needed for a programmed project.*

The RPRRC must confirm that properties reflected in Lists 2 and 3 are being held for viable projects. Many parcels included in these reports were acquired for currently programmed, but as-yet unawarded projects. Others were acquired for projects whose funding/programming status has changed, but they continue to be viable projects within the district's [local transportation planning agency's] longer-range planning. Retention of properties for these projects, if properly documented, is consistent with Department policy. However, changing priorities may result in properties within these inventories being re-classified as "Not In-Use".

Programmed projects may be identified from any of the following State and Federal sources:

- Statewide Transportation Improvement Program (STIP)
- Interregional Transportation Improvement Program (ITIP)
- State Highway Operation and Protection Program (SHOPP)
- Ten-Year SHOPP
- Traffic Systems Management Plan (TSM)
- Federal Transportation Improvement Program (FTIP)
- Federal State Transportation Improvement (FSTIP)

Suggestions for confirming parcels' programming status by using expenditure authorization (E.A.) numbers:

- Search for the EA in the Project Management Control System (PMCS). Does the project have a STIP number (a.k.a. PPNO)? If so, it's a programmed project.
- Search for the EA in the district Status of Projects (hardcopy or district Website). Many districts' Status of Projects includes a PPNO number.
- Search for the EA within hardcopy programming documents. Each district's Office of Program-Project Management maintains hardcopies of these documents. They may also be obtained from HQ Transportation Programming.

#### **4 – Properties "Not In-Use"**

Property is considered "Not In-Use" if:

1. It fails to meet any of the "In-Use" criteria.
2. It no longer provides or supports transportation services.
3. It no longer provides facilities for the public, employees, equipment or materials.
4. It is not needed for viable transportation projects.

5. It is a property on hold in List 2, which no longer meets any conditional retention criterion.

Properties found to be “Not in Use” will be identified as such, disposition determined and recommendations noted in the appropriate List. Steps 3 and 4 evaluate and isolate only Departmental properties “Not In-Use”.

### **5 – Treatment of “Not In-Use” property**

The RPRRC chairperson distributes Lists 1, 2, 3 & 4, process instructions and “*Conditional Retention Criteria*” (See Step 6) to each Deputy District Director. Through e-mail, memo or RPRRC meeting, the chairperson outlines the RPRR process and describes the responsibilities of parties requesting conditional property retention (See Step 7). Functional unit review should take no more than two weeks.

The district RPRR process will determine the appropriate disposition of “Not-In-Use” Departmental real property, whether conditional retention or disposal. “*Conditional Retention Criteria*” and “*Disposal Criteria*” assist functional managers and RPRRC members in determining the disposition of “Not In-Use” properties. For conditionally retained properties, the requesting unit must develop an action plan, assign someone to manage the property to its desired disposition, and provide regular written project status reports to the RPRRC chairperson<sup>11</sup>.

### **6 – Conditional Retention Criteria**

RPRRCs regularly review district real property inventories to determine the appropriate disposition of “Not In-Use” properties has occurred. Each RPRRC uses the following “*Conditional Retention Criteria*” to test the soundness of conditional retention requests for “Not In-Use” property. **Requestors seeking conditional retention of “Not In-Use” property must demonstrate a legitimate, compelling and substantive justification for holding the subject property.**

There are two categories of property eligible for retention:

*Category 1: Potential disposal predicated upon completion of interim actions;*

- Retained until completion of a construction project.
- Retained until property can be exchanged for another property.
- Retained until contamination can be cleaned (and the property certified).
- Retained until legal issues are resolved.

*Category 2: Potential project use;*

- Retained until incorporated into a programmed transportation project.
- Retained until incorporated into an operational facility.
- Retained for purposes of environmental mitigation.

There are six primary “*Conditional Retention Criteria*” used to classify parcels (regardless of category):

#### **1. USE IN A TRANSPORTATION OR FACILITY PROJECT**

Is the property likely to be required for a viable project? Each of the following questions must be answered and the responses supported with pertinent details.

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<sup>11</sup> Reporting frequency associated with specific parcels will be determined by the RPRRC based on the nature of the individual retention request; however, the reporting frequency will not be less than once per quarter.

- a) Is there a high probability the project will be funded?
- b) Is the project a priority with Caltrans or a local transportation agency?
- c) Is the project consistent with the Department's goals?

To substantiate the response, the project should be mentioned in one or more of the following:

- Adopted Regional Transportation Plan
- District/Division Facility Master Plans
- 10-Year SHOPP
- Circulation Element of the Local General Plan
- Corridor Protection Plan
- Regional Rail Plan
- Caltrans Route Concept Report
- Legislation
- Pending Environmental Documents/Reports
- Other non-Caltrans funding sources/programs – local, other governmental agencies, private, etc.
- Conditional Retention Agreement<sup>12</sup>

## 2. POLITICAL OR LEGAL ISSUES

Do any political or legal issues exist which make immediate disposal impractical?

- a) Is the property subject to pending litigation?
- b) Is the property subject to existing or pending legislation?
- c) Do strong local political positions of record exist supporting retention of the property/project?

## 3. TEMPORARY CONSTRUCTION NEED<sup>13</sup>

Is the property needed until a construction project is completed?

- a) Does the property abut the project in question?
- b) If sold prior to completion of construction, will the use of the property be disrupted, significantly reducing its marketability/value?
- c) Will safety be compromised as a result of property disposal?
- d) Are there unresolved design or utility issues, which may adversely impact disposal?

## 4. ENVIRONMENTAL HOLD/MITIGATION SITES

Is the property being held for environmental mitigation purposes?

- a) Are there identifiable project mitigation requirements consistent with the type property being held for a programmed project?
- b) Are funds programmed/available for the anticipated mitigation use?
- c) Is the property likely to be included in a "conservation land bank"?
- d) Will disposal of the parcel adversely impact, directly or indirectly, adjacent or nearby parcels containing critical or important habitat?

Is the property contaminated with hazardous waste?

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<sup>12</sup> An agreement between Caltrans and Local entities, developed as a result of property being conditionally retained, stipulating obligations, necessary action and commitment for the project in question.

<sup>13</sup> Without a Temporary Construction Easement (TCE).

- a) Is remediation required for disposal and, if so, what is the anticipated cost?
- b) If remediation is required, are funds programmed/available?
- c) What is the course of action if no funds are programmed/available?

Are there other constraints associated with the parcel?

- a) Are there identifiable resource values (e.g. architectural, archaeological) associated with the project?
- b) Are there community or environmental justice issues associated with the parcel?
- c) Are there legal or regulatory constraints associated with the parcel (e.g. Coastal Zone restrictions [PRC 30609.5], State Highway Code restrictions [Section 118.6])?

#### 5. EXCHANGES

Will the retained property be exchanged for property or improvements required for transportation purposes?

- a) Do exchange agreements/commitments currently exist?
- b) Is an agreement imminent? How long have exchange negotiations been in progress?
- c) Are the exchange agreements or desired property part of a programmed project? (If not, apply criteria under item 1.)

#### 6. FINANCIAL CONSIDERATIONS

- a) Does Caltrans currently own, or could it acquire lower valued properties to meet the same need satisfied by the property proposed for retention?
- b) Since no funds may exist to remediate a contaminated property, where remediation is required, disposal may not be possible.
- c) Will disposal proceeds exceed disposal costs?

For requests justified under #6, the following information must be provided in the conditional retention request:

- An estimate of property value.
- An estimate of potential replacement property value.
- Documentation of significant up-front costs and potential funding sources.

### **7 – Conditional Retention of “Not In-Use” Properties**

Once the requesting program believes the property in question meets one or more of the six “*Conditional Retention Criteria*”, a written retention request (and justification) is forwarded to the RPRRC chairperson. If, after reviewing the request, the RPRRC approves conditional retention of a property, the responsible functional manager must:

1. Assign a transaction coordinator to the property,
2. Prepare an action plan culminating in the parcel’s use or disposal for RPRRC approval, and
3. Commit to provide periodic written status reports to the RPRRC.

### **8 - Disposal Criteria**

In order to determine which properties are to be retained, the District RPRRC chairperson asks all district divisions and programs to review the property Lists 1, 2, 3 & 4 (Step 5). Property not

conditionally retained will be properly accounted for in the departmental real property inventory reports and disposed of according to the RPRRC's direction. Real property interests will be recommended for disposal when:

1. They fail to meet any "Conditional Retention Criteria"; or,
2. They no longer meet the "Conditional Retention Criteria" or the objectives of previous action plans (for properties currently on hold).

If either disposal criterion is met, the RPRRC will recommend disposal of the property in question. However, renegotiation and approval of revised action plan objectives may prevent immediate disposal.

A special note regarding property retained for financial reasons.

One of the six "Conditional Retention Criteria" is "Financial Considerations". If no funding allocation yet exists to clean a property, a time extension may be granted by the RPRRC once the property coordinator's revised action plan is reviewed and approved.

The Property Disposal Process:

Each district's Right of Way Excess Lands unit generally handles real property disposal; however, in unique situations, other Department divisions may take the lead in property disposal:

Route Rescissions: Transportation Planning has responsibility for obtaining the rescissions.

Desertification: Right of Way, Right of Way Engineering, and Project Development have responsibility for obtaining desertification.

## **9 – RPRR Committee Meetings**

Each year, district RPRRCs meet to consider disposition of "Not-In-Use" parcels. The RPRRC must determine that there is legitimate, compelling and substantive justification for holding parcels proposed for conditional retention. During the meeting, the committee will consider:

- Candidates for conditional retention;
- Narrative responses to the "Conditional Retention Criteria";
- Property-specific action plans;
- Verbal presentations on newly retained properties; and,
- Property transaction coordinators' reports on existing conditionally retained properties. (See also, Step 8 – Disposal Criteria)

The RPRRC will recommend either extending conditional retention or outline the conditions for property disposition.

## **10 –Preparation and Submission of Annual Reports**

Following the last RPRRC meeting, each district chairperson prepares an annual report comprised of a narrative summary of issues and accomplishments and updated Lists 1, 2 and 3. The report is routed through all RPRRC members for concurrence before being forwarded to the District Director for review and approval. The chairperson coordinates responses to questions, comments or issues raised by committee members or the District Director.

Each district report is forwarded to HQ Right of Way Asset Management for consolidation into the statewide report submitted to the Directorate. Lists 1, 2, 3 & 4 have been formatted to simplify the

reporting process, provide consistency among and between districts, and assure year-to-year continuity; therefore, no changes to the existing report format will be allowed during the current-year cycle. Suggestions for format improvement or revision are welcome for out-year application.

### **11 - Headquarters Review of District Annual Reports**

Each District must submit its District Director-approved Annual Report to HQ Right of Way Asset Management by the date specified in the annual RPRR calendar published at the inception of each yearly review cycle. HQ Right of Way Asset Management reviews all 12 district reports, verifies information, and routes copies of the compiled reports along with a draft statewide report through:

1. The Division of Project Management;
2. The Division of Equipment;
3. The Division of Transportation Planning;
4. The Division of Environmental Analysis;
5. The Division of Design; and,
6. The Division of Maintenance.

HQ Right of Way Asset Management and district RPRRC chairpersons will make every effort to resolve the issues raised during the Headquarters review. However, due to the limited time available to complete and publish the annual RPRR report, the final report will be submitted to the Directorate noting any unresolved issues.

### **12 - Annual Report Submission to the Director**

HQ Right of Way Asset Management's goal is to submit the RPRR Annual Report to the Director by the date specified in the calendar published at the beginning of each RPRR cycle. To actively support this process, the Department Director wants each district to:

- Adhere to the process guidelines outlined herein;
- Retain property only if absolutely necessary, especially parcels for unawarded projects;
- Involve local partners where transportation corridors (and measure parcels) are involved; and,
- Support HQ Right of Way Asset Management in sustaining the statewide RPRR process.

The Annual Report submitted to the Director will summarize:

- The number of parcels reviewed, in-use, not in-use, conditionally retained, and recommended for disposal;
- Recommendations made, actions taken and significant issues engaged by each district; and,
- A comparison of current-year to prior-year holdings and actions.

### **13 – Follow-up and Management of Retained and Disposal Properties**

Each district's RPRRC chairperson works closely with the responsible functional unit to manage the disposition of property reviewed by the committee and recommended for conditional retention or disposal.

#### Conditionally Retained Properties:

1. Within 30 days of the District Director's approval of the final district report, the RPRRC chairperson will confirm the assignment of property transaction coordinators and

completion of property-specific action plans with the managers of each division requesting conditional retention of one or more parcels.

2. The RPRRC chairperson will review action plan implementation and achievement of goals and objectives with property coordinators on a quarterly basis (at minimum).
3. The RPRRC chairperson will work with property coordinators to achieve the desired property-related outcomes and report quarterly to the District Director and HQ Right of Way Asset Management on the general progress toward the goals embodied in retained-parcel action plans.

Properties Awaiting Disposal:

1. District RW Excess Lands will monitor and report quarterly to the district RPRRC chairperson, the District Director and HQ Right of Way Asset Management on progress toward disposing of real estate interests consistent with RPRRC recommendations.
2. District RW Excess Lands will track the transfer (to ELMS) and disposal of real estate interests consistent with RPRRC recommendations. These parcels may not currently be in the ELMS and may require additional action before transfer to the ELMS may occur: examples include decertifications and route rescissions.
3. District RW Excess Lands will quantify the number of properties transferred to ELMS as the result of RPRRC actions and track properties until they are removed from the ELMS. Property coordinators, the RPRRC chairperson and the district's RW Excess Land unit work together to ensure that all necessary steps are taken to put parcels in a disposable condition (environmental clearances, etc.) and that previously held and released, decertified, or rescinded parcels are sold or otherwise appropriately conveyed.

#### **14 - Review of New Excess Land Hold Requests**

District RPRRC chairpersons work closely with the RW Excess Lands unit to review new excess land hold requests on an ongoing basis throughout the year ("as required" between annual RPRRC cycles). In response to conditional retention requests made after the annual RPRRC review (as part of a "round-robin"), the RPRRC chairperson may:

1. Approve "*interim*" holds for up to one month after the next annual RPRRC meeting.
2. Convening a special RPRRC meeting in response to a substantial number of hold requests.

# **Attachment C**

2007 REAL PROPERTY RETENTION REVIEW

ACRONYM TABLE

## Acronym Table

AMI	Asset Management Inventory
BSA	Bureau of State Audits
DD	Deputy Directive
DGS	Department of General Services
EA	Expenditure Authorization
ELMS	Excess Lands Management System
HQ	Headquarters
IRWS	Integrated Right of Way System
PMCS	Project Management Control System
RPRR	Real Property Retention Review
RPRRC	Real Property Retention Review Committee
RW	Division of Right of Way
RWEL	Right of Way Excess Lands
RWPM	Right of Way Property Management
RWPS	Right of Way Property System
SHOPP	Statewide Highway Operations Planning and Preservation
SPI	Statewide Property Inventory
STIP	Statewide Transportation Improvement Plan
XPM	Xpert Project Management