

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: November 8-9, 2006

Reference No.: 3.6
Information Item

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Chief Financial Officer

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Subject: **2006 ANNUAL REAL PROPERTY RETENTION REPORT**

SUMMARY:

In conformance with obligations under Department Deputy Directive (DD) 21 R2, the California Department of Transportation (Department) has completed the annual review of its real estate holdings. The Department will submit a copy of the 2006 Real Property Retention Review Report (Report) to the California Transportation Commission (Commission) for review prior to its November meeting. The Report, completed in August 2006, reflects findings and recommendations associated with the parcel-specific review undertaken by each of the Department's districts between March 2006 and May 2006 of lands and buildings supporting transportation operations, excess land parcels on hold, and parcels needed for future projects. The review examined 5,821 parcels and determined that 1,659 parcels were required to support transportation operations, 588 excess land parcels were to be held for local public agencies, engineering or legal reasons, or environmental mitigation, 573 parcels were being used by current projects, 2,477 parcels should be held for viable future projects, and 524 parcels could be made available for sale or other conveyance. Districts and regions will actively pursue the appropriate disposal of these parcels through their real property disposal plans.

BACKGROUND:

The Department owns real estate that provides public transportation infrastructure and services or 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 evaluate its real estate portfolio annually and retain only those properties supporting its mission.

The real property retention review process (RPRR) 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 R2 directs each district director to annually form a RPRR 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 underutilized, not required, or no longer conform to surrounding neighborhood uses and determine appropriate disposition.