

SENATE THIRD READING  
SB 828 (Committee on Governmental Organization)  
As Introduced April 6, 2021  
2/3 vote

## SUMMARY

This bill authorizes the Department of General Services to dispose of surplus state property.

### Major Provisions

Authorizes the Department of General Services (DGS) to sell, exchange, sell combined with an exchange, or lease for fair market value, the following properties:

- 1) The Fresno Water Resources Building, located at 3374 East Shields Avenue, Fresno, CA.
- 2) The Alfred E. Alquist State Office Building, located at 100 Paseo De San Antonio, San Jose, CA.
- 3) The Stockton State Office Building, located at 31 East Channel Street, Stockton, CA.
- 4) The California Air Resources Board's Haagen-Smit Laboratory, located at 9528 Telstar Avenue, El Monte, CA.

## COMMENTS

Existing law requires the legislature to declare state property to be surplus, and to authorize DGS to sell, exchange, lease, or transfer the surplus property according to specified statutory procedures. This bill provides the required legislative authorization to dispose of four state properties no longer needed by the state.

### According to the Author

"This bill represents the Senate Governmental Organization Committee's surplus property bill and allows DGS to dispose of a number of properties that DGS has determined no longer meet the state's needs."

### Arguments in Support

The Department of General Services states, "prompt disposition of state property that is no longer needed reduces the state's maintenance costs and potential legal liability, and recovers funds for the state."

### Arguments in Opposition

No opposition on file.

## FISCAL COMMENTS

According to the Assembly Appropriations Committee:

- 1) One-time General Fund (GF) revenue gains of an unknown amount related to the sale, exchange, or lease of each property. The estimated value of the properties is unknown. The net property sale proceeds for the buildings will be deposited into the Special Fund for Economic Uncertainties, per the state Constitution.

- 2) No net costs to the state. DGS estimates one-time costs of approximately \$125,000 to sell the four properties, which includes preliminary title reports, Phase I Environmental Site Assessments, appraisals if needed and staff time. There are no outstanding bonds on the properties. Existing law allows DGS' upfront costs to be paid from the Property Acquisition Law Money Account (with approval by the Department of Finance). The Property Acquisition Law Money Account would be repaid from the property sale proceeds, resulting in no net costs to DGS.
- 3) By disposing of the Fresno Water Resources, Alquist and Stockton buildings, DGS estimates potential annual savings of approximately \$925,000 (GF) from avoiding warm shutdown costs after buildings are vacated. DGS estimates, through the Air Resources Board (ARB), additional savings of approximately \$571,000 (GF), from avoiding warm shut down costs of the ARB building once it is vacated. For the Alquist State Office Building, it is possible there will be no warm shutdown costs for DGS (and therefore, no savings) if jurisdiction of the property is transferred to San Jose State University. Warm shutdown costs include building management, security, utilities, maintenance, etc.

## VOTES

### SENATE FLOOR: 39-0-1

**YES:** Allen, Archuleta, Atkins, Bates, Becker, Borgeas, Bradford, Caballero, Cortese, Dahle, Dodd, Durazo, Eggman, Glazer, Gonzalez, Grove, Hertzberg, Hueso, Hurtado, Jones, Kamlager, Laird, Leyva, Limón, McGuire, Min, Newman, Nielsen, Ochoa Bogh, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener, Wilk

**ABS, ABST OR NV:** Melendez

### ASM ACCOUNTABILITY AND ADMINISTRATIVE REVIEW: 7-0-0

**YES:** Petrie-Norris, Patterson, Burke, Gray, Lackey, Medina, Rodriguez

### ASM APPROPRIATIONS: 16-0-0

**YES:** Lorena Gonzalez, Bigelow, Bryan, Calderon, Carrillo, Chau, Megan Dahle, Davies, Fong, Gabriel, Eduardo Garcia, Levine, Quirk, Robert Rivas, Akilah Weber, Kalra

## UPDATED

VERSION: April 6, 2021

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FN: 0001317