

AMENDED IN SENATE JULY 14, 2008

AMENDED IN SENATE JUNE 24, 2008

AMENDED IN SENATE MAY 20, 2008

AMENDED IN SENATE APRIL 22, 2008

## SENATE BILL

**No. 1527**

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**Introduced by Senator Yee  
(Principal coauthor: Senator Denham)  
(Coauthor: Senator Wyland)**

February 22, 2008

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An act to add Section 19622.5 to the Business and Professions Code, and to add Section 11011.27 to the Government Code, relating to state property, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

### LEGISLATIVE COUNSEL'S DIGEST

SB 1527, as amended, Yee. State property: sale.

Existing law authorizes the Director of General Services to dispose of state surplus property, subject to specified conditions, including authorization by the Legislature.

This bill would require the director, prior to January 1, 2009, to *enter into negotiations to sell*, at fair market value, upon those terms and conditions determined by the director, a specified parcel of state property located in the County of San Mateo and the City and County of San Francisco to any interested ~~parties~~ *3rd party*, with the Daly City Redevelopment Agency afforded the right of first refusal, as specified. The net proceeds of the conveyance would be paid into the Fair and Exposition Fund, a continuously appropriated fund, for the benefit of a specified district agricultural association, as provided, thereby making

an appropriation. The bill would require reimbursement to the Department of General Services for any cost or expense incurred in the disposition of the property from the ~~purchaser or the~~ Daly City Redevelopment Agency *or other purchaser*. This bill would also declare the Legislature's findings that the sale of this state property does not constitute a sale of surplus state property, as set forth in specified existing law.

The bill would declare that it would take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 19622.5 is added to the Business and  
2 Professions Code, to read:

3 19622.5. (a) Pursuant to subdivision (c) of Section 19622.3,  
4 within 30 days of enactment of this section, the Department of  
5 Food and Agriculture, until June 1, 2013, shall assume only the  
6 rights, duties, and powers of the board of directors of the District  
7 1-A Agricultural Association associated with negotiating the sale  
8 of the real property of the District 1-A Agricultural Association.

9 (b) The Department of Food and Agriculture in coordination  
10 with the Department of General Services, no later than June 1,  
11 2013, shall provide to the Legislature a report analyzing the  
12 business operations of the District 1-A Agricultural Association  
13 for the previous five years and make recommendations identifying  
14 the best use of the property. Recommendations may include, but  
15 are not limited to, continued operation as a district agricultural  
16 association or the sale or lease of any and all parcels.

17 SEC. 2. Section 11011.27 is added to the Government Code,  
18 to read:

19 11011.27. (a) The Director of General Services in consultation  
20 with the Department of Food and Agriculture, prior to January 1,  
21 2009, ~~shall sell at fair market value to any interested party, with~~  
22 ~~2009, shall enter into negotiations to sell, at fair market value with~~  
23 ~~an all cash sale or cash equivalent without any conditions relating~~  
24 ~~to entitlements, to any interested third party, with the~~ Daly City  
25 Redevelopment Agency afforded the right of first refusal, upon  
26 those terms and conditions and subject to those reservations and

1 exceptions that the director determines are in the best interests of  
2 the state, the following real property:

3 Parcel A: Beginning at a point on the southerly line of Walbridge  
4 Street, now Geneva Avenue, with the easterly line of Carter Street  
5 (in the City and County of San Francisco); thence running easterly  
6 along the southerly line of Walbridge Street 980 feet; thence at a  
7 right angle south  $19^{\circ}35'$  west 600 feet; thence at a right angle north  
8  $70^{\circ}25'$  west 720 feet; thence at a right angle south  $19^{\circ}35'$  west 60  
9 feet; thence at a right angle north  $70^{\circ}25'$  west 260 feet; thence at  
10 a right angle north  $19^{\circ}35'$  east 660 feet along the easterly line of  
11 Carter Street to the point of beginning.

12 (b) Notwithstanding the terms and conditions negotiated  
13 pursuant to subdivision (a), the director shall not sell the property  
14 identified in subdivision (a) for less than its fair market value.

15 (c) *Upon acceptance by the Department of General Services of*  
16 *any bid, offer, or proposal, the Daly City Redevelopment Agency*  
17 *shall have the right of first refusal. If the Department of General*  
18 *Services rejects all bids, proposals, or offers obtained in the open*  
19 *market, then the department shall enter into negotiations to sell*  
20 *the subject parcel to the Daly City Redevelopment Agency at fair*  
21 *market value.*

22 (d) *If the Daly City Redevelopment Agency exercises its right*  
23 *of first refusal or enters into negotiations with the Department of*  
24 *General Services pursuant to subdivisions (a) and (b), then, within*  
25 *90 days, the Daly City Redevelopment Agency and the Director*  
26 *of General Services shall enter into a written agreement to*  
27 *complete the sale of the property described in subdivision (a) at*  
28 *least at its fair market value but for no less than the accepted bid,*  
29 *proposal, or offer.*

30 (e) *Fair market value shall be evaluated at the highest and best*  
31 *use of the property as entitled with its existing zone designation,*  
32 *generally required for all real estate appraisals and as governed*  
33 *by the Uniform Standards of Professional Appraisal Practice*  
34 *(USPAP).*

35 (f) *If the Daly City Redevelopment Agency and the Department*  
36 *of General Services have not entered into a written agreement for*  
37 *the purchase of the property within the time limit specified in*  
38 *subdivision (d) without unreasonable delay, the Director of*  
39 *General Services may sell, transfer, or otherwise dispose of the*  
40 *property as provided by law.*

1 (e)

2 (g) An agreement for the sale of the property identified in  
3 subdivision (a) shall require a purchaser to develop the property  
4 for uses consistent with the general plan of the City of Daly City,  
5 any amendment to that general plan, any specific plan amendments  
6 to any specific plan, and the Bayshore Revitalization  
7 Redevelopment Plan.

8 (d)

9 (h) The Department of General Services shall be reimbursed  
10 for any cost or expense incurred in the disposition of the property  
11 described in subdivision (a) from the Daly City Redevelopment  
12 Agency or other purchaser.

13 (e)

14 (i) The net proceeds of any moneys received from the disposition  
15 of any parcel of property described in subdivision (a) shall be paid  
16 into the Fair and Exposition Fund for the benefit of the District  
17 1-A Agricultural Association.

18 ~~(f) If the Daly City Redevelopment Agency exercises its right~~  
19 ~~of first refusal pursuant to subdivision (a), then, within 90 days,~~  
20 ~~the Daly City Redevelopment Agency and the Director of General~~  
21 ~~Services shall enter into a written agreement to complete the sale~~  
22 ~~of the property described in subdivision (a) at its fair market value~~  
23 ~~but for no less than the highest bid.~~

24 SEC. 3. The Legislature finds and declares that the disposition  
25 of state property authorized in Section 2 of this act does not  
26 constitute a sale or other disposition of surplus state property as  
27 set forth in Section 9 of Article III of the California Constitution  
28 or subdivision (g) of Section 11011 of the Government Code.

29 SEC. 4. This act is an urgency statute necessary for the  
30 immediate preservation of the public peace, health, or safety within  
31 the meaning of Article IV of the Constitution and shall go into  
32 immediate effect. The facts constituting the necessity are:

33 In order for the Director of General Services to sell the property  
34 described in Section 2 of this act at the earliest possible time, it is  
35 necessary that this act take effect immediately.