



COMMONWEALTH of VIRGINIA

Department of General Services

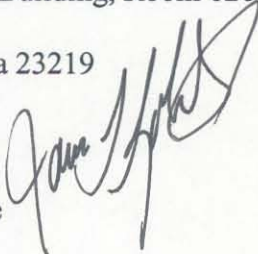
James T. Roberts
Director

November 16, 2004

202 North Ninth Street
Suite 209
Richmond, Virginia 23219-3402
Voice/TDD (804) 786-6152
FAX (804) 371-8305

MEMORANDUM

To: The Honorable John H. Chichester, Chairman
Senate Finance Committee
General Assembly Building, Room 626
Capitol Square
Richmond, Virginia 23219

From: James T. Roberts 

Subject: Surplus Real Estate

Chapter 997 of the 2004 Acts of Assembly made certain changes to Virginia Code §2.2-1153 regarding how agencies report surplus real property. The statute provides, in part:

Each department, agency and institution shall submit to the Division a land use plan for property it possesses or has under its control showing present and planned uses of such property. Such plan shall be approved by the cognizant board or governing body of the department, agency or institution holding title to or otherwise controlling the state-owned property or the agency head in the absence of a board or governing body, with a recommendation on whether any property should be declared surplus by the department, agency or institution. Development of such land use plans shall be based on guidelines promulgated by the Division. The guidelines shall provide that each land use plan shall be updated and copies provided to the Division by September 1 of each year. The Division may exempt properties that are held and used for conservation purposes from the requirements of this section. The Division shall review the land use plans and determine whether the property or any portion thereof should be declared surplus to the needs of the Commonwealth. By October 1 of each year, the Division shall provide a report to the Chairmen of the House Appropriations and Senate Finance Committees setting forth the Division's findings, the sale or marketing of properties identified pursuant to this section, and recommending any actions that may be required by the Governor and the General Assembly to identify and dispose of property not being efficiently and effectively utilized.

The development and review of land use plans is a new program (as of July 1, 2004) and we are not yet fully engaged in the program or able to assess the effectiveness. However, the following provides a status of our progress to date in initiating the program:

- The Division of Engineering and Buildings issued guidelines for land use plans through revision to the *Construction and Professional Services Manual* published by the Bureau of Capital Outlay Management. The guidelines are contained in Chapter 13 of the Manual entitled *Master Plans and Site & Utility Plans*. This chapter requires agencies to develop either Master Plans or Site plans and to show on such plans any surplus real property. The new section requires the agencies to submit certain exhibits from the plans to comply with the noted statute. By using already-required plans, we are able to avoid the burden of additional costs to the agencies.
- During the past year, we sold or contracted to sell 22 properties with aggregate value of \$7.3 million.
- In addition to the land use plan requirements, DGS is closely evaluating properties in the development of broad portfolio management strategies that assess utilization of leased as well as owned properties and facilities. We are therefore well on the path to fullest utilization of state facilities and disposal of unneeded assets.

We are available to meet with you and to otherwise provide any other information you may request.

c: The Honorable Sandra D. Bowen



COMMONWEALTH of VIRGINIA

Department of General Services


James T. Roberts
Director

November 16, 2004

202 North Ninth Street
Suite 209
Richmond, Virginia 23219-3402
Voice/TDD (804) 786-6152
FAX (804) 371-8305

MEMORANDUM

To: The Honorable Vincent F. Callahan, Jr., Chairman
House Appropriations Committee
General Assembly Building, Room 947
Capitol Square
Richmond, Virginia 23219

From: James T. Roberts 

Subject: Surplus Real Estate

Chapter 997 of the 2004 Acts of Assembly made certain changes to Virginia Code §2.2-1153 regarding how agencies report surplus real property. The statute provides, in part:

Each department, agency and institution shall submit to the Division a land use plan for property it possesses or has under its control showing present and planned uses of such property. Such plan shall be approved by the cognizant board or governing body of the department, agency or institution holding title to or otherwise controlling the state-owned property or the agency head in the absence of a board or governing body, with a recommendation on whether any property should be declared surplus by the department, agency or institution. Development of such land use plans shall be based on guidelines promulgated by the Division. The guidelines shall provide that each land use plan shall be updated and copies provided to the Division by September 1 of each year. The Division may exempt properties that are held and used for conservation purposes from the requirements of this section. The Division shall review the land use plans and determine whether the property or any portion thereof should be declared surplus to the needs of the Commonwealth. By October 1 of each year, the Division shall provide a report to the Chairmen of the House Appropriations and Senate Finance Committees setting forth the Division's findings, the sale or marketing of properties identified pursuant to this section, and recommending any actions that may be required by the Governor and the General Assembly to identify and dispose of property not being efficiently and effectively utilized.

The development and review of land use plans is a new program (as of July 1, 2004) and we are not yet fully engaged in the program or able to assess the effectiveness. However, the following provides a status of our progress to date in initiating the program:

- The Division of Engineering and Buildings issued guidelines for land use plans through revision to the *Construction and Professional Services Manual* published by the Bureau of Capital Outlay Management. The guidelines are contained in Chapter 13 of the Manual entitled *Master Plans and Site & Utility Plans*. This chapter requires agencies to develop either Master Plans or Site plans and to show on such plans any surplus real property. The new section requires the agencies to submit certain exhibits from the plans to comply with the noted statute. By using already-required plans, we are able to avoid the burden of additional costs to the agencies.
- During the past year, we sold or contracted to sell 22 properties with aggregate value of \$7.3 million.
- In addition to the land use plan requirements, DGS is closely evaluating properties in the development of broad portfolio management strategies that assess utilization of leased as well as owned properties and facilities. We are therefore well on the path to fullest utilization of state facilities and disposal of unneeded assets.

We are available to meet with you and to otherwise provide any other information you may request.

c: The Honorable Sandra D. Bowen