

State of New York
Department of Transportation
Albany, N.Y. 12232
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Joan McDonald
Commissioner

Andrew M. Cuomo
Governor

June 7, 2012

Ms. Carmen Maldonado
Audit Director
Office of the State Comptroller
Division of State Government Accountability
123 William Street, 21st floor
New York, NY 10038-3804

Subject: Audit Report 2010-S-48
*Review of Real Property Holdings for
Disposal*

Dear Ms. Maldonado:

As required by Section 170 of the Executive Law, the Department of Transportation (NYSDOT) offers the following 90-day update on actions taken to implement the audit's recommendations:

Recommendation 1: Evaluate and document whether the 18 properties cited in the audit should be marketed for sale or otherwise disposed of.

Report Response: NYSDOT agrees with this recommendation. An initial evaluation of these 18 properties indicated that some are still needed for transportation purposes and/or should not be marketed for sale. NYSDOT is in the process of documenting these evaluations.

90-day Update: NYSDOT has evaluated the 18 properties cited in the audit and offer the following:

- Five will be proceeding to auctions planned for SFY 2012-13.
- Five properties are rear abutting properties that can only be sold to the respective single abutting property owner. In response to past NYSDOT solicitations, each owner has expressed no interest in purchasing the abutting property.
- Two properties were previously sent to auction and not sold. NYSDOT plans to re-auction both properties in 2012.

- A NYNEX cable is buried under one NYSDOT property. Under NYS Law, a Transportation Corporation such as NYNEX has the right to occupy State-owned, non-controlled access rights of way without any easement or other occupancy agreement. The existing NYNEX cable and related right of occupancy currently prevent NYSDOT from selling this property.
- Two properties are being reevaluated for their surplus potential. Both properties are affiliated with active transportation projects. After completing the respective projects, NYSDOT will revisit the opportunity to auction each property.
- Three properties must be retained for continued highway use.

Recommendation 2: Modify Sesame to include essential information such as value, usage, and restrictions, and periodically review the information to prioritize properties that potentially could be surplus for review and potential disposal.

Report Response: NYSDOT partially agrees with this recommendation. Currently, Sesame has the functionality regarding this information and so does not require modification. For example, Sesame has a tab titled “Value” and a tab titled “Other” and there is a “Value/Appraisal” field for each of these tabs. In addition, there are flexible-use text fields that can be used to aggregate information, such as usage and restrictions. NYSDOT agrees that it is beneficial to periodically review excess properties that potentially could be surplus for review and potential disposal. As required by NYSDOT policy, Regional Property Managers are reviewing excess property holdings. Regional Property Managers will use Sesame to prioritize properties subject to these reviews and the Office of Right of Way will ensure excess property reviews are included in the scope of its next annual Quality Assurance Review (QAR) plans.

90-day Update: NYSDOT’s QAR process is currently being modified to include assessments of Sesame-prioritized excess property holdings as a QAR evaluation item. This will ensure that Property Managers are properly prioritizing potential excess property conveyances. The QAR process is a component of NYSDOT’s Right of Way Manual (Manual). Any change to the Manual requires Federal Highway Administration (FHWA) approval. NYSDOT plans to submit the Manual to FHWA in 2012 for review and approval. NYSDOT will execute the revised QAR process subsequent to FHWA’s approval.

Recommendation 3: Require the regions to regularly review real property holdings to determine whether they should be surplus and disposed of.

Report Response: NYSDOT agrees with this recommendation. The Office of Right of Way will be updating MAP procedure 7.8-5-1, *Disposal of Surplus Real Estate*, to require regular reviews of property holdings to determine which should be marketed for sale.

90-day Update: NYSDOT is currently revising MAP procedure 7.8-5-1, *Disposal of Surplus Real Estate* and plans to release it in 2012.

Recommendation 4: Develop and implement methods to inform the public and potential buyers about excess property available for sales inquiries.

Report Response: NYSDOT agrees with this recommendation. NYSDOT will be working with other State agencies to improve communication of information regarding the sale of surplus property, including potential centralized publication of State-owned property available for sales inquiry by the public and potential buyers.

90-day Update: NYSDOT is currently reviewing its excess property holdings. Excess properties not needed for transportation use will be reclassified to surplus property status and auctioned when appropriate. NYSDOT is currently developing, for a planned 2012 release, a centralized NYSDOT surplus property website to inform the public of all NYSDOT surplus property auctions.


Recommendation 5: Monitor compliance with Department procedures to review permits and update them as appropriate.

Report Response: NYSDOT agrees with this recommendation. The Office of Right of Way conducts cyclic QARs. FHWA is invited to participate on these QARs and frequently joins with NYSDOT in performing these reviews. The last permit-related QAR in 2010 examined the collection of permit revenues. NYSDOT intends to modify the scope of the next permit-related QAR to also examine the adequacy of the permit fees being charged.

90-day Update: NYSDOT's QAR process is being modified to include an assessment the adequacy of the permit fees being charged. The QAR process is a component of NYSDOT's Manual. Any change to the Manual requires FHWA approval. NYSDOT plans to submit the Manual to FHWA in 2012 for review and approval. NYSDOT will execute the revised QAR process subsequent to FHWA's approval.

If you require any additional information, please contact Pat Bennison, Director, Office of Organizational Effectiveness, at (518) 485-8571.

Sincerely,



Peter Snyder
Assistant Commissioner
Administrative Services Division

cc: Honorable Andrew M. Cuomo, Governor of the State of New York
Honorable Thomas P. DiNapoli, State Comptroller
Honorable Dean G. Skelos, Senate Majority Leader and President Pro Tempore
Honorable John Sampson Senate Minority Leader
Honorable Sheldon Silver Assembly Speaker
Honorable Ronald Canestrari, Assembly Majority Leader
Honorable Brian M. Kolb, Assembly Minority Leader
Honorable John A. DeFrancisco, Chairman, Senate Finance Committee
Honorable Liz Krueger, Ranking Minority Member, Senate Finance Committee
Honorable Herman D. Farrell, Jr., Chairman, Assembly Ways and Means Committee
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