

- **Board of Directors**
Asset and Recreation Committee

July 11, 2006 Board Meeting

7-4

Subject

Affirm the General Manager's determination of a portion of Metropolitan Parcel Nos. 1004-17-9 and 1004-17-14 as surplus located in the City of Orange, Orange County; and proceed with disposition of the designated surplus land: 0.84 acre formerly acquired for construction and operation of the area along the East Orange County Feeder No. 2

Description

It has been determined that a portion of two parcels ([Attachment 1](#) and [Attachment 2](#)) are surplus to Metropolitan's needs and can be sold pursuant to Metropolitan's Administrative Code Sections 8240 through 8258. The land is located within a continually operating channel of the Orange County Flood Control District (OCFCD) in the City of Orange, Orange County. This property was acquired in fee simple in 1963 and 1964 as a part of the overall site for access and operational use at the Santiago Creek Pressure Control Structure and right-of-way for the East Orange County Feeder No. 2. The parcels were purchased in their entirety to avoid severance damages. Since that time OCFCD has constructed a flood control channel adjacent to and adjoined with the subject parcels. Staff has determined that a 0.84-acre portion of land mainly within the flood control channel is not necessary for Metropolitan's current or future operations and business needs.

The OCFCD provided a letter of interest to acquire the property for conveyance and flood control purposes. The subject land poses possible environmental concerns and financial liability to Metropolitan, and thus, it is in Metropolitan's best interests to surplus and sell this property. The OCFCD owns the adjacent land and has made a request to purchase the property in order to maintain contiguous fee ownership within the flood control channel. Due to its permanent encumbrance by the flood control channel, it is unlikely that another public or private entity would seek ownership of this land.

If the property is deemed surplus, notice of this decision will be provided to all relevant public agencies as required by the California Surplus Lands Act (Cal. Gov't Code §§ 54220-54232). Assuming no other public agencies, having priority under the Surplus Lands Act, seek to purchase the property, Metropolitan would then list the property for sale at its fair market value. Metropolitan anticipates that OCFCD will be the only interested buyer.

The estimated fair market value of \$82,000 has been reported by an independent appraisal report ([Attachment 3](#)).

Policy

Metropolitan Water District Administrative Code Sections 8240 through 8258

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. In particular, the proposed action consists of the sale of surplus government property with no statewide, regional, or area-wide importance. In addition, the sale will not have a significant effect on the physical environment. Accordingly, this proposed action qualifies as a Class 12 Categorical Exemption (Section 15312 of the State CEQA Guidelines).

The CEQA determination is: Determine that pursuant to CEQA, the proposed action qualifies under a Categorical Exemption (Class 12, Section 15312 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and

- a. Affirm the General Manager’s determination that designated portions of Metropolitan Parcel Nos. 1004-17-9 and 1004-17-14 are surplus property;
- b. Comply with California Surplus Lands Act, and notify other prescribed agencies of surplus designation; and
- c. If the property is not purchased by a prescribed entity with priority rights under the Surplus Lands Act, authorize the sale of the subject property in a form approved by the General Counsel.

Fiscal Impact: Approximately \$82,000 in revenue upon close of escrow

Business Analysis: Parcels are excess to Metropolitan’s needs.

Option #2

Adopt the CEQA determination with continued Metropolitan ownership of the subject land in its “as is” condition, including maintenance and payment for appropriate ownership costs and improvements (e.g., fencing, signage, weed abatement, removal of trash from dumping).


Fiscal Impact: Continuing cost of approximately \$2,800+ per annum subject to increases with inflation

Business Analysis: Parcels are excess to Metropolitan’s needs.

Staff Recommendation

Option #1


 _____ 6/20/2006
 Jill T. Wicke Date
 Manager, Real Property Development and Management

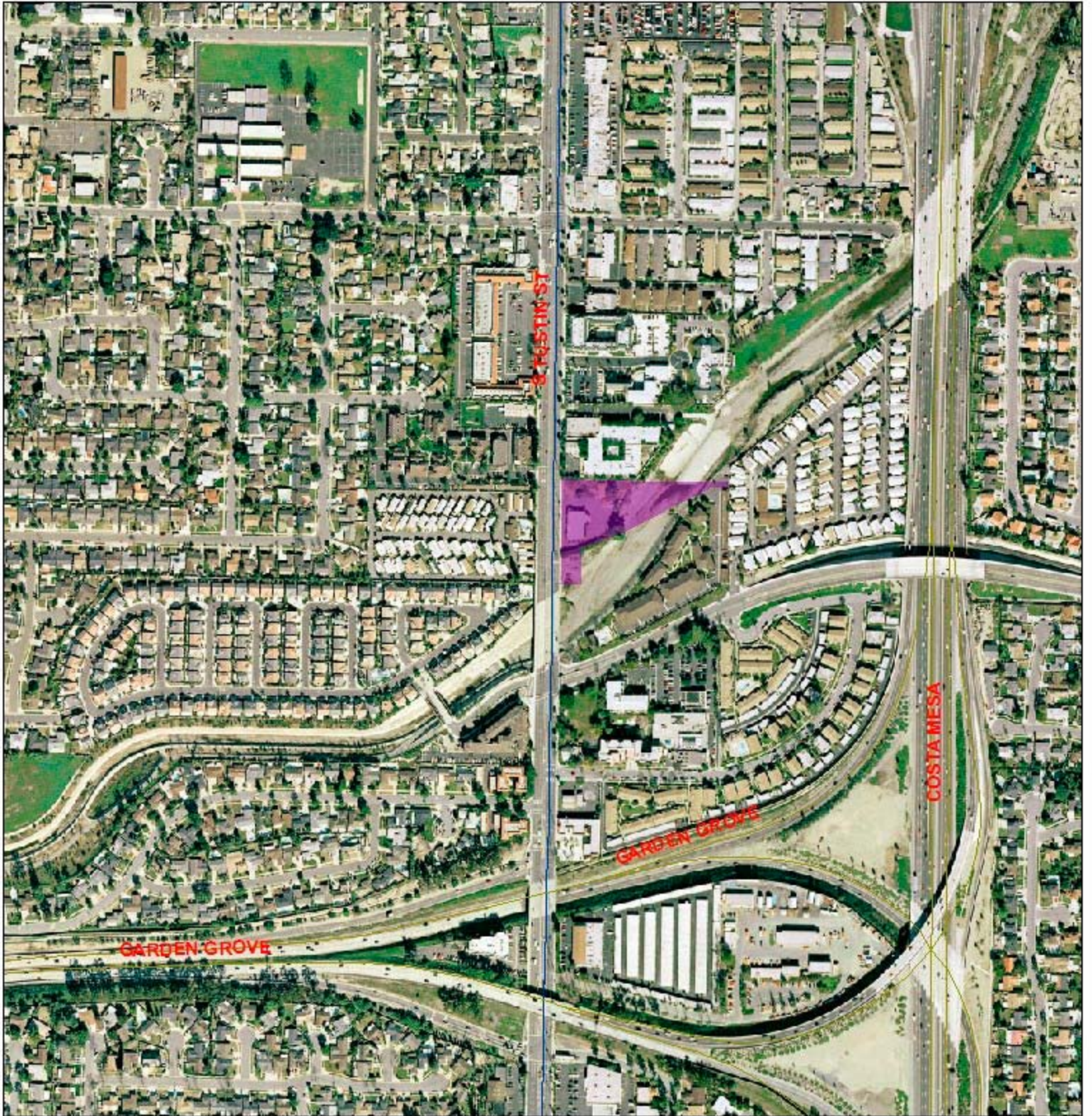

 _____ 6/20/2006
 Jeffrey Kightlinger Date
 General Manager

Attachment 1 – Location Map

Attachment 2 – Exhibit Map of Metropolitan Parcel Nos. 1004-17-9 and 1004-17-14

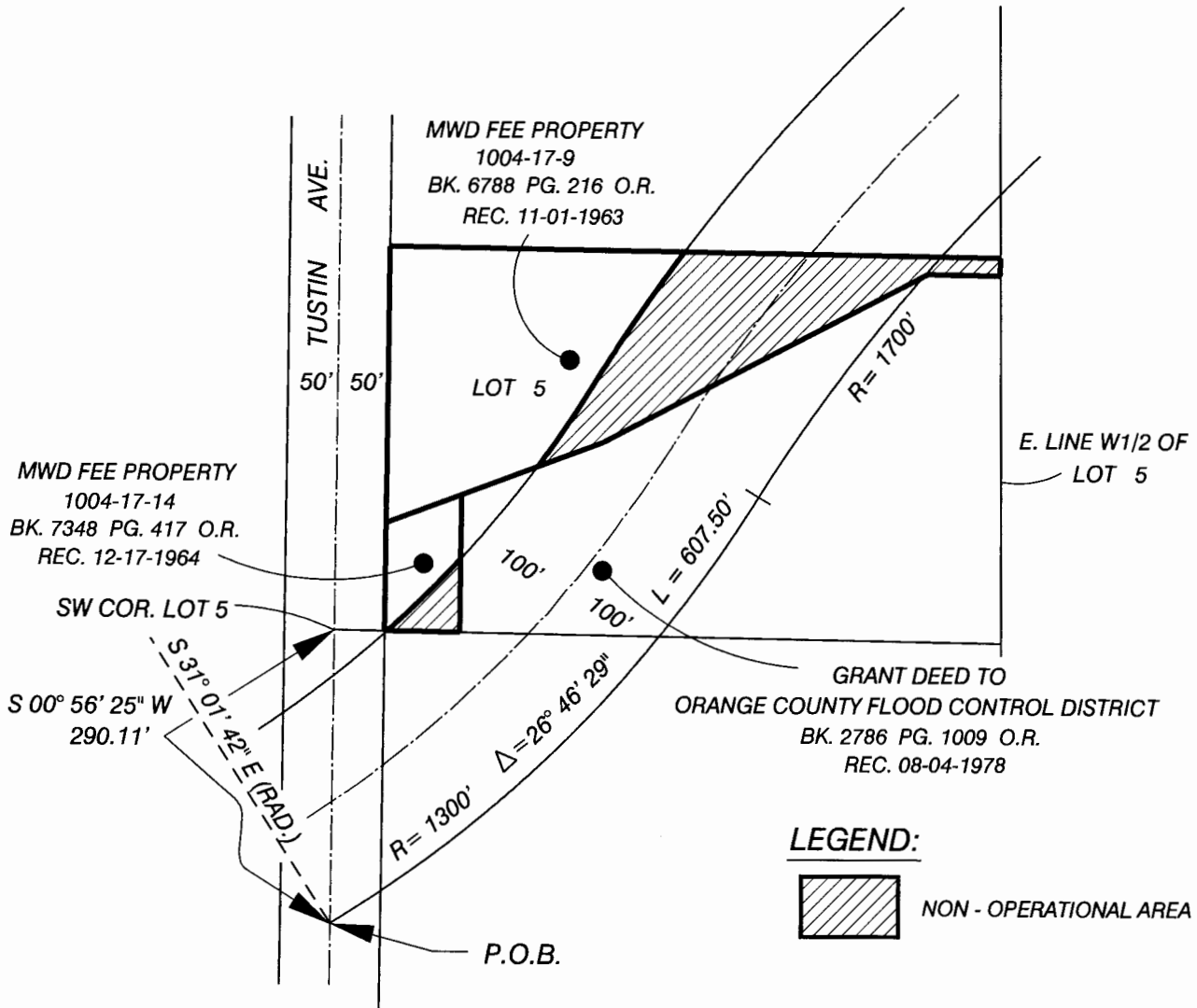
Attachment 3 – Appraisal Summary

Location Map

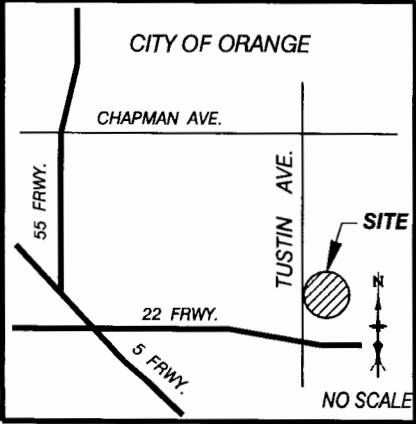


ATTACHMENT 2

PORTION LOT 5, BLOCK C, OF CHAPMAN TRACT
CITY OF ORANGE, COUNTY OF ORANGE, STATE OF CALIFORNIA



SUBJECT TO ANY AND ALL EXISTING USES,
LICENSES, PERMITS, EASEMENTS, RIGHTS
OF WAY, COVENANTS, CONDITIONS AND
RESTRICTIONS.



**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

EAST ORANGE COUNTY FEEDER NO.2

NON - OPERATIONAL AREA

1004-17-9 & 14 PORTION

Attachment 3 – Appraisal Summary

Market Value	\$82,000 per appraisal
Present Use	Vacant land, mostly encumbered by county flood control channel
Gross Land Area	0.84 acre total, 96% within county flood channel
Zoning	City of Orange jurisdiction, R-3 (Multiple-family residential)
General Plan	City of Orange jurisdiction, open space and medium density residential