



## ● Real Estate Activities Quarterly Report for the period January 1, 2011 through March 31, 2011

### Summary & Accomplishments

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This report provides an update on real estate activities for the period January through March 2011.

Eleven transactions were executed during this reporting period, including several compatible secondary land uses by others; permits to assist in construction project; parking and filming permits; telecommunications agreements; and, other miscellaneous property procedures.

Following completion of the public surplus process, staff offered the Arrow Highway property located in La Verne for sale. The Real Property and Asset Management (RP&AM) Committee approved the sale to Trammel Crow and the item was placed on the April Board agenda for its approval.

The RP&AM Committee approved a pending sale of the Yorba Linda house and this item was placed on the April Board agenda for its approval.

Option agreements with Axio Power, Inc., to lease up to 627 acres of Diamond Valley Lake (DVL) north and west properties for solar projects were approved by the RP&AM Committee in January.

Staff is initiating entitlement work with its consultants and the City of Hemet for the proposed solar farms on the north and west properties located near DVL.

Real Property staff is assisting Metropolitan's Bay-Delta Program. During this quarter, staff provided property research, cost study information and title reviews. Staff coordinated the appraisal of two properties critical to the program's habitat restoration goals.

### Attachments

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Attachment 1	Requests for long-term leases and licenses by others to use Metropolitan-owned land
Attachment 2	Requests for easements and other rights or administrative proceeding to use Metropolitan-owned land
Attachment 3	Deeds and grants accepted by Metropolitan to use others' privately-owned or publicly-owned real property
Attachment 4	Leases and permits issued to others to use Metropolitan-owned land
Attachment 5	Deeds granted to others that provide for compatible uses of Metropolitan-owned land or disposal of surplus property

### Detailed Report

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#### Diamond Valley Lake Alternative Land Use Scenarios

Two option agreements were executed with Axio Power, Inc. to lease up to 627 acres of the north and west properties at DVL for proposed solar projects. Staff has initiated entitlement work with its consultants and the City of Hemet for the proposed solar farms near DVL.

#### Diamond Valley Lake Recreation Infrastructure

During the months of January, February, and March, a total of 14,000 lbs. of rainbow trout were planted into DVL by Mt. Lassen Trout, Inc., for a total of 24,000 lbs. during the 2010/11 planting season. The bi-weekly plants are fully funded with Fishing Access Permit funds.

**Board Report (Real Estate Activities Quarterly Report for the period January 1, 2011 through March 31, 2011)**

Approximately 80,000 anglers have visited Diamond Valley Lake, and 15,000 private boats launched since the reopening of the boat ramp December 20, 2009. Increased launch fees collected through March for the purpose of reimbursing the cost of construction are estimated to be \$98,000.

Lake elevation rose 18.61 vertical feet (88,152 AF) during the quarter. Current elevation is at 93% of capacity.

**Diamond Valley Lake Visitor Center**

The Western Riverside County Clean Cities Coalition hosted the 4<sup>th</sup> Annual Environmental Youth Conference in March at the DVL Visitor Center. The theme of this year’s conference was “Vision for a Cleaner, Clear Future”. The purpose of this conference was to allow students an opportunity to learn about and gain a sense of environmental responsibility and to raise awareness among the students about the relationship between human health and the environmental footprint being left behind. The conference allowed students to participate in workshops, presentations and other activities related to air quality, green cities, and conservation. It focused on how to live in today’s world to preserve resources for the generations to come and to enact cleaner practices that will improve quality of life and environment. Conference partners included American Lung Association of California, California Regional Environmental Education Community, County of Riverside Flood Control, Eastern Municipal Water District, Riverside County Waste Management, Riverside County Children’s Asthma Program, South Coast Air Quality Management District and Rancho California Water District.

The Western Science Center continues to bring field trips to the DVL Visitor Center. The DVL docents have been actively working with students participating in Metropolitan’s Education Program.

The Western Center Academy students continue to monitor the aquarium/aquatic biology exhibits, and update the information as needed.

DVL Visitor Center and Viewpoint statistics during January through March 2011 include:

<b>Program</b>	<b>Number of Visitors January 2011</b>	<b>Number of Visitors February 2011</b>	<b>Number of Visitors March 2011</b>	<b>Total Visitors January through March 2011</b>
Visitor Center	1,633	1,244	1,241	4,118
Viewpoint	2,685	2,004	2,178	6,867
Field Trips	634	839	1,480	2,953
Tours and Inspection Trips	78	69	146	293
Special Events	0	0	263	263
<b>TOTAL</b>	<b>5,030</b>	<b>4,156</b>	<b>5,308</b>	<b>14,494</b>

**Requests Received for Secondary Uses**

**Requests for Long Term Leases and Licenses**

During the third quarter of fiscal year 2010/11, there was one request for a long-term lease (exceeding one year) as shown on [Attachment 1](#). Leases are generally considered on property owned by Metropolitan that is not appropriate to be declared surplus due to underlying Metropolitan pipelines or operational needs. Leasing provides an opportunity to defray operations and maintenance costs. Fees and rents to be charged are determined during the appraisal process, which occurs after all the operational and technical issues are addressed, maps and exhibits are prepared, and the general terms, limitations, and conditions have been agreed upon. These fees and rents require a current market appraisal and may take into consideration any mutual benefits that Metropolitan may receive from the lease or license.

## Board Report (Real Estate Activities Quarterly Report for the period January 1, 2011 through March 31, 2011)

Terra-Gen Power is requesting a long-term transmission line and access lease across a portion of Metropolitan's Colorado River Aqueduct right of way in Riverside County near Desert Center. Terra-Gen Power is developing a solar farm on an adjacent property.

Metropolitan's standard leasing terms and conditions include: a) Metropolitan holds paramount rights to use the property; b) Lease provides only secondary uses and is not required by Lessee for primary or regulatory conditions or permits; c) Metropolitan has unconditional right to enter and inspect the property; d) No hazardous substances allowed; e) Rent based on market appraisal; f) Term length less than ten years or identified in board report; g) Cancellation clause for one year or less (except for leases with public entities or for telecommunications purposes); h) Lessee responsible for maintenance; i) Lessee pays all applicable fees, costs, and taxes, e.g. business and possessory taxes; j) Lease to contain insurance, indemnification, defense, and hold harmless provisions protecting Metropolitan against liability; k) Any improvements provided by the tenant/lessee require prior written Metropolitan approval; and, l) Compliance is required with all local, state, and federal laws. An administrative processing fee paid by the requestor/applicant is generally required.

### **Requests for Fee and Easements**

**Attachment 2** is a listing of the recent requests for easements and other durable property interests or administrative proceedings (for example, quitclaims). The easement requests are considered on properties that are not categorized as surplus due to underlying Metropolitan pipelines or operational needs. There were no requests for infrastructure improvements including access, roads and utilities during this reporting period.

### **Completed Transactions**

#### **Deeds and Grants Accepted by Metropolitan**

One transaction was executed and accepted during this reporting period. **Attachment 3** lists this transaction.

A special events agreement was obtained from Catellus Operating Limited Partnership to use the Fred Harvey Restaurant at Union Station train terminal for a Metropolitan Board of Directors event.

#### **Leases and Permits Granted**

Ten transactions were executed and issued during this reporting period (see **Attachment 4**). These instruments allow others a compatible secondary use of Metropolitan-owned land. The agreements include one lease, one lease amendment, one license amendment, six entry permits, and one facilities use agreement all of which conform to criteria affirmed by Metropolitan's Board.

An entry permit was issued to American Water Works Association (AWWA) to allow the photography of Metropolitan facilities and staff at portions of the Metropolitan Headquarters Building, F. E. Weymouth Water Treatment Plant and Live Oak Reservoir for AWWA publications. These publications will promote Diamond Valley Lake and educate the public on current water issues such as the quagga mussels.

A facilities use agreement was executed with California Building Performance Contractors Association, Inc. (CBPCA) which allows CBPCA non-exclusive access to Metropolitan's Douma House and former Visitor Center at Diamond Valley Lake for a fee of \$300 per day. CBPCA is using the facilities to provide green workforce training and certification testing. This use will vary each month on an as-needed basis.

The term of a license to Castaic Lake Water Agency (CLWA) was amended to allow for additional time for invasive on-site investigations and temporary activities and equipment needed to install and maintain CLWA's expanded turnout from the Foothill Feeder pipeline right of way.

Cingular Wireless was granted a long-term lease to allow for the operation and maintenance of an existing telecommunications facility at Iron Mountain Pumping Plant. This agreement replaces an existing agreement and will bring the terms and conditions up to date, as well as increases the rent.

## Board Report (Real Estate Activities Quarterly Report for the period January 1, 2011 through March 31, 2011)

A 4-day entry permit was issued to Jarrett Edwards Outdoors, Inc. to allow for filming of fishing activities at Diamond Valley Lake for a national television show on fishing. This show will help provide public awareness on lake rules, regulations, quagga mussel inspections and other water related information.

Marvel Eastern Productions was issued a 6-day entry permit to allow filming of scenes for the major motion picture entitled "Thor". Filming occurred at the ozone basement and contactor pipe gallery within the Joseph Jensen Water Treatment Plant.

An amendment to the lease with River Valley Ranches was executed to extend the term an additional five years, pursuant to the original terms. This lease allows for growing and harvesting irrigated crops at Metropolitan's Palo Verde Property in Imperial County.

The County of Riverside was issued an entry permit to allow for access onto Metropolitan's property near Lake Mathews to perform site inspections, environmental, biological, cultural and land use surveys for the County's proposed Cajalco Road widening project.

An entry permit was issued to Warner Bros. Television to allow for the filming of scenes for the television series "The Mentalist" in Metropolitan's courtyard patio area.

Yvonne Cooks, LLC, was issued an entry permit to allow parking at Metropolitan's Headquarters Building in conjunction with a "TruckIt Fest" event which is scheduled to be held at Union Station train terminal the first Sunday of each month.

### **Deeds Granted to Others**

[Attachment 5](#) lists property rights granted to others by Metropolitan. There were no transactions completed during this reporting period.

### **Right-of-Way Protection**

Staff is continuing efforts to develop strategic right-of-way protection policies, evaluate changes in right of way conditions, and assess Metropolitan's responses to reduce or remediate existing and potential future risks.

### **Metropolitan Headquarters Building**

During this reporting period, numerous events were held at Metropolitan Headquarters Building, such as the New Water Supply Annual Board Meeting, Black History Month celebration, Construction Training Classes, Pre-Construction Subcontracting Workshop and Metropolitan's Health Fitness Fair.

### **Goal**

- Complete the sale of Metropolitan's Arrow Highway property in La Verne

### **Upcoming Board Item**

- Adopt policy principles for obtaining fair market value for Metropolitan's real estate assets
- Oral report on Palo Verde farming request-for-proposals
- Oral report on current annexation policies

**Requests for Long Term Leases and Licenses by Others  
During 3rd Quarter of FY 2010/11  
January 1, 2011 through March 31, 2011**

LESSEE NAME	ENTITY TYPE	ACREAGE	TYPE	TERM (YRS)	FEE	STANDARD CONDITIONS MET (Y/N)	COMMENTS
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**Infrastructure Improvements (office space, fencing, utilities, access)**

Terra-Gen Power, LLC (RL 3163)	Private	TBD	Lease	TBD	TBD <sup>(1)</sup>	Y	Terra-Gen Power is requesting a long term transmission line and access lease across a portion of Metropolitan's Colorado River Aqueduct right of way in Riverside County near Desert Center. Terra-Gen Power is developing a solar farm on an adjacent property.
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**Parking and Other Compatible Improvements (vegetation, erosion control, groundcover)**

None							
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**Agricultural**

None							
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TBD = To be Determined

n/a = Not Applicable

<sup>(1)</sup> Market rent based on an appraisal plus processing fee

**Requests for Easements by Others  
During 3rd Quarter of FY 2010/11  
January 1, 2011 through March 31, 2011**

GRANTEE NAME	ENTITY TYPE	ACREAGE	TYPE	TERM	FEE	STANDARD CONDITIONS MET (Y/N)	COMMENTS
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Infrastructure Improvements (fencing, utilities, access)

None							
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Parking and Other Compatible Improvements (e.g. slopes, drainage, buffer)

None							
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TBD = To be Determined

n/a = Not Applicable

**Deeds, Grants and Leases Accepted  
During 3rd Quarter of FY 2010/11  
January 1, 2011 through March 31, 2011**

GRANTOR	ACREAGE	TYPE	TERM	USE	RECORDING DATE	COSTS
Catellus Operating Limited Partnership	n/a	Special Events Agreement	1 day	Allows use of Fred Harvey Restaurant at Union Station train terminal for a Metropolitan Board of Directors event	n/a <sup>(1)</sup>	\$4,200

TBD = To be Determined

n/a = Not Applicable

<sup>(1)</sup> This agreement is not recorded

**Leases and Permits Issued  
During 3rd Quarter of FY 2010/11  
January 1, 2011 through March 31, 2011**

LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
American Water Works Association (AWWA) (RL 3158)	Private	n/a <sup>(1)</sup>	Entry Permit	2 days	Allows for the photography of Metropolitan facilities and staff at portions of the Metropolitan Headquarters Building, F. E. Weymouth Water Treatment Plant and Live Oak Reservoir for AWWA publications	\$0 <sup>(2)</sup>	n/a
California Building Performance Contractors Association, Inc. (CBPCA) (RL 3167)	Private	n/a <sup>(3)</sup>	Facilities Use Agreement	10 months <sup>(4)</sup>	Provides CBPCA with non-exclusive access to Metropolitan's Douma House and former Visitor Center at Diamond Valley Lake for the purpose of providing green workforce training	\$300	Daily
Castaic Lake Water Agency (RL 2761)	Public	0.78 acre	Amendment No. 1 to License	Year to Year	Extension of term to allow for invasive on-site investigations and temporary activities and equipment to install and maintain Licensee's expanded turnout from the Foothill Feeder pipeline	\$1,950	Annual
Cingular Wireless, LLC (RL 3134)	Private	0.06 acre	Lease	15 years <sup>(5)</sup>	Allows for operation and maintenance of an existing telecommunications facility near Metropolitan's Iron Mountain Pumping Plant <sup>(6)</sup>	\$2,500 <sup>(7)</sup>	Monthly
Jarrett Edwards Outdoors, Inc. (RL 3172)	Private	n/a <sup>(8)</sup>	Entry Permit	4 days	Allows for filming of fishing activities at Diamond Valley Lake for a national fishing television show	\$0 <sup>(9)</sup>	n/a
Marvel Eastern Productions, LLC (RL 3161)	Private	n/a <sup>(10)</sup>	Entry Permit	6 days	Allows use of various areas at the Joseph Jensen Water Treatment Plant for filming of scenes for the major motion pictures entitled "Thor"	\$25,475 <sup>(11)</sup>	One Time
River Valley Ranches (RL 2364)	Private	2,261 acres	Amendment No. 1 to Lease	5 years <sup>(12)</sup>	Allows for growing and harvesting irrigated crops at Metropolitan's Palo Verde property in Imperial County. Tenant participates in fallowing program.	\$209,142.50	Semi-Annual
Riverside, County of, Economic Development and Cultural Services (RL 3142)	Public	4.065 acres	Entry Permit	1 year	Allows for access to perform site inspections, environmental, biological, cultural and land use surveys for County's proposed Cajalco Road widening project near Lake Mathews	\$1,500	One Time
Warner Bros. Television (RL 3159)	Private	n/a <sup>(13)</sup>	Entry Permit	1 day	Allows use of Metropolitan Headquarters Building courtyard patio area for filming scenes for the television series "The Mentalist"	\$3,500 <sup>(14)</sup>	One Time
Yvonne Cooks, LLC (RL 3166)	Private	n/a <sup>(15)</sup>	Entry Permit	6 days <sup>(16)</sup>	Allows use of parking areas at 700 North Alameda Street for a "TruckIt Fest" event held at Union Station train terminal	\$6 <sup>(17)</sup>	Per Vehicle

TBD = To be Determined

n/a = Not Applicable

<sup>(1)</sup> Temporary use of areas at three Metropolitan facilities

<sup>(2)</sup> Fee waived due to mutual benefits derived from photos being used in AWWA publications, which will promote Diamond Valley Lake and educate the public on water issues such as the quagga mussels

<sup>(3)</sup> Temporary use of areas within Metropolitan's Douma House and former Visitor Center

<sup>(4)</sup> Amount of use will vary each month

Date of Report: June 14, 2011



**Leases and Permits Issued  
During 3rd Quarter of FY 2010/11  
January 1, 2011 through March 31, 2011**

- <sup>(5)</sup> Initial term is 5 years with two 5-year options to review; total term is 15 years
- <sup>(6)</sup> This agreement replaces an existing agreement and will bring the terms and conditions up to date, as well as increases the rent
- <sup>(7)</sup> There is an additional \$1,500 annual road maintenance fee
- <sup>(8)</sup> Temporary use of areas at Diamond Valley Lake
- <sup>(9)</sup> Fee waived due to mutual benefits derived from the television show providing public awareness on lake rules, regulations, quagga mussel inspections and other water related information
- <sup>(10)</sup> Use of areas within Joseph Jensen Water Treatment Plant including portions of the ozone basement and contactor pipe gallery
- <sup>(11)</sup> Fee included an additional \$15,000 refundable security deposit which was collected and subsequently returned
- <sup>(12)</sup> Initial lease terms allows for one 5-year extension
- <sup>(13)</sup> Temporary use of portions of Metropolitan Headquarters Building courtyard patio area
- <sup>(14)</sup> Fee included an additional \$3,500 refundable security deposit which was collected and subsequently returned
- <sup>(15)</sup> Temporary use of parking spaces at Metropolitan Headquarters Building
- <sup>(16)</sup> Entry permit effective for a portion of the first Sunday of each month from March through August 2011
- <sup>(17)</sup> Fee is \$6 per vehicle subject to final count at completion of each event, up to a maximum of 600 spaces. One time processing fee of \$1,500 collected over the 6 month period (\$250 per event)

**Deeds Granted**  
**During 3rd Quarter of FY 2010/11**  
**January 1, 2011 through March 31, 2011**

GRANTEE	ACREAGE	TYPE	TERM	USE	DOCUMENT RECORDING DATE	FEE/RENT	FREQUENCY
None							

TBD = To be Determined

n/a = Not Applicable