



Adopt Policy Principles for Managing Metropolitan's Real Property Assets

Real Property & Asset Management Committee
Item 8-1
July 26, 2011

Draft Policy Principles

- Third party use of Metropolitan's property shall not adversely impact Metropolitan's core business
- Third party use shall be compatible with Metropolitan's operations
- Metropolitan reserves right to establish and charge reasonable fees
- All real estate transactions shall be reported to the RP&AM Committee in a written quarterly report

Draft Policy Principles (cont.)

- Transfer of all real property interests shall be at fair market value
 - Unless the General Manager determines that transfer directly benefits or enhances Metropolitan's interests or operations
- Use of real property by nonprofit entity shall be at fair market value
 - Unless the nonprofit entity provides mutual benefit to Metropolitan
 - If nonprofit engages in commercial activities on property, Metropolitan shall receive market rate percentage rent on gross proceeds

Draft Policy Principles (cont.)

- Real property transfers of greater than \$250,000 requires approval of the Board
- All long-term leases of more than five years shall be brought to the Board for approval
- The sale of real property shall require Board approval