



- Board of Directors  
*Real Property and Asset Management Committee*

10/11/2011 Board Meeting

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**REVISED 8-1**

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## **Subject**

Authorize General Manager to accept offers for the purchase or lease of surplus property identified as The Metropolitan Water District of Southern California's Parcel No. 1600-1-100, Orange County Assessor Parcel No. 323-012-14: 0.170 acre of improved land near Robert B. Diemer Water Treatment Plant

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## **Description**

At its April 2010 meeting, the Board of Directors affirmed the General Manager's determination that ownership of Metropolitan's Parcel No. 1006-1-100, Orange County Assessor Parcel No. (APN) 323-012-14, a 0.17-acre improved property that includes a single family residence located at 4232 Valley View Avenue in Yorba Linda, California ([Attachment 1](#) and [Attachment 2](#)), was surplus to Metropolitan's needs and could be disposed of pursuant to Metropolitan's Administrative Code Sections 8240 through 8258: Disposal of Real Property. The subject property was acquired in January 1999 for \$227,200 to support Metropolitan's previous Emergency First Responder Program. Compliance with the requirements of the Surplus Lands Act contained in the California Government Code Sections 54222 through 54227 requiring notification to specifically designated public agencies has been met and the property has been marketed in accordance with applicable sections of Metropolitan's Administrative Code.

The fair market value for this parcel was initially estimated at \$430,000 in November 2009 as determined by an independent appraisal report in conformance with Metropolitan's Administrative Code Section 8231: Management of Real Property. The independent appraisal was updated in September 2010 and February 2011, with estimated values of \$390,000 and \$395,000, respectively. See [Attachment 3](#) for the most current appraisal report review. Metropolitan's Administrative Code Section 8231 was modified by the Board in July 2011 to add Section 8231(b) providing that the grant of any interest in real property by the General Manager shall be at fair market value, as determined by the appraisal, unless the General Manager determines that the grant will directly benefit or enhance the Metropolitan's operations, facilities or property. Concurrently, Section 8231 (a) (iii) was modified to provide that the grant of any real property interest exceeding \$250,000 in fair market value shall require the approval of the Board.

Existing home sales and prices have continued to decrease and there is a large inventory of homes in the area on the market. In March 2011, staff presented to the RP&AM Committee an offer to purchase the property; however, the offer was withdrawn. Authorizing the General Manager to sell or lease the subject property at a price within 20 percent of the current appraised value would allow staff to quickly respond to an offer and expedite the sale or lease of the property. Therefore, staff is requesting the General Manager be authorized by the Board to negotiate and accept a reasonable offer to sell the property at a price within 20 percent of the most recent appraised value or, in his discretion, to enter into a lease of the property to avoid further ongoing expenses and generate revenue for Metropolitan. .

## Policy

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Metropolitan Water District Administrative Code Section 8231: Appraisals of Real Property Interests

Metropolitan Water District Administrative Code Section 8240: Preliminary Requirements

Metropolitan Water District Administrative Code Section 8246: Exclusive Listing

## California Environmental Quality Act (CEQA)

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CEQA determination for Options #1 and #2:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #3:

None required

## Board Options

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### Option #1

Adopt the CEQA determination and authorize the General Manager, in his discretion, to negotiate and accept a reasonable offer to sell the property within 20 percent of the lowest appraisal of \$395,000 or to enter into a lease.

**Fiscal Impact:** \$316,000 in revenue upon close of escrow less disposition expenses

**Business Analysis:** Property is excess to Metropolitan's needs.

### Option #2

Do not authorize the General Manager to accept an offer within 20 percent of the lowest appraised value, continue to market the property at its fair market value of \$395,000, and bring to the Board prior to acceptance any reasonable offer less than \$395,000 for the Board's approval.

**Fiscal Impact:** Continued ownership expenses and associated costs for site maintenance, security and utilities.

**Business Analysis:** Metropolitan continues its fee ownership of the property until an offer is received and accepted by the Board. There will be ongoing maintenance costs with no revenue.

### Option #3

Do not continue marketing the property for sale.

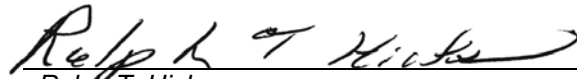
**Fiscal Impact:** Continued ownership expenses and associated costs for site maintenance, security and utilities.

**Business Analysis:** Metropolitan continues its fee ownership of the property. There will be ongoing maintenance costs with no revenue.

**Staff Recommendation**

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Option #1

  
\_\_\_\_\_  
Ralph T. Hicks 9/29/2011  
Date  
Manager, Real Property Development and  
Management

  
\_\_\_\_\_  
Jeffrey Kightlinger 9/29/2011  
Date  
General Manager

**Attachment 1 – Location Map**

**Attachment 2 – Legal Description and Exhibit Map of Metropolitan Parcel No. 1006-1-100  
(Assessor Parcel No. 323-012-14)**

**Attachment 3 – Appraisal Summary**

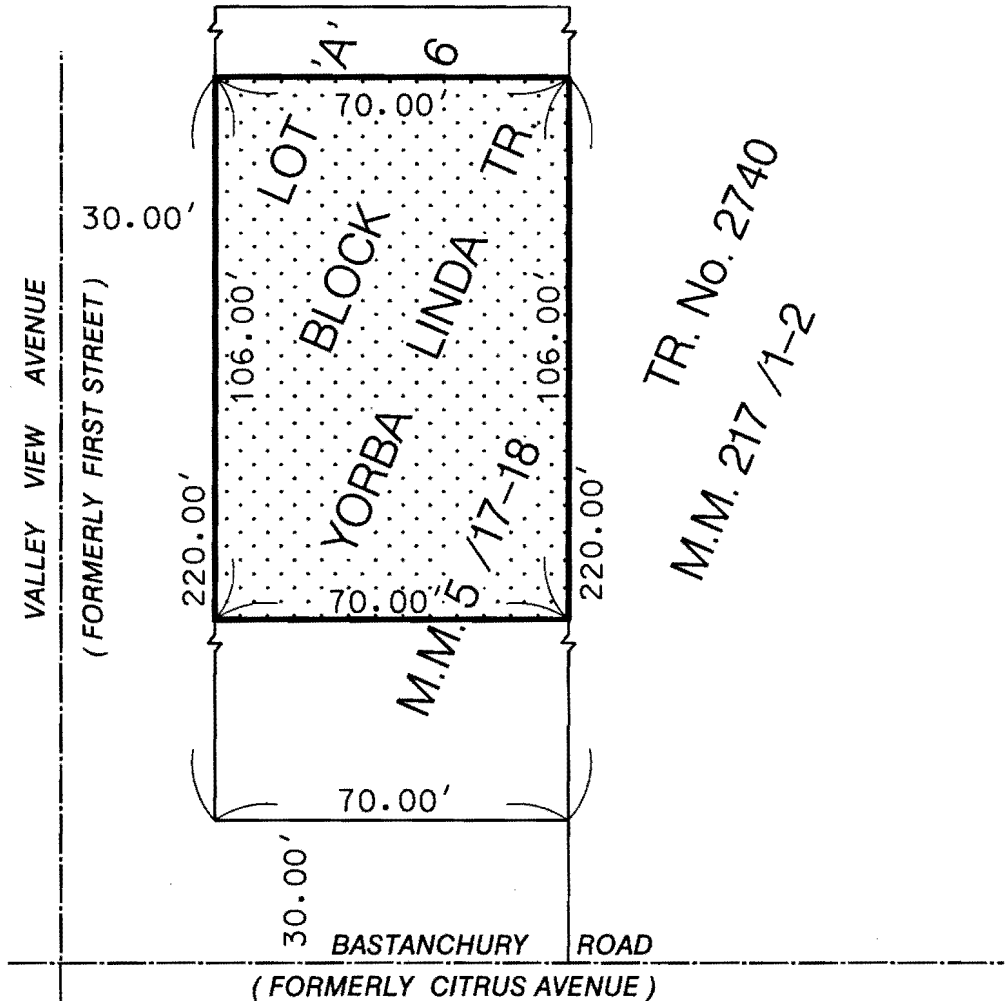
Ref# rpdm12614049

# MWD Parcel 1006-1-100



### EXHIBIT B

PORTION N1/2 SEC. 21, T3S, R9W, S.B.M.,  
CITY OF YORBA LINDA, ORANGE COUNTY, CALIFORNIA  
THIS EXHIBIT IS TO BE ATTACHED TO THE LEGAL DESCRIPTION



TR. No. 2740  
M.M. 217 /1-2

### LEGEND

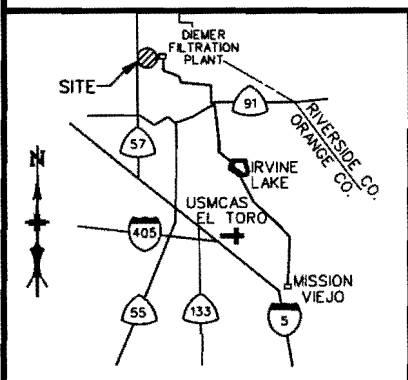
= GRANT DEED  
= 1006-1-100  
(0.170 ac.)

# PRELIMINARY



NO SCALE

### VICINITY MAP



PREPARED UNDER  
MY SUPERVISION

THOMAS M. BOSSERMAN  
P.L.S. 7328

DATE

THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

## GRANT DEED

M.W.D.  
TO  
XXX XXXX  
1006-1-100

**EXHIBIT A**

1006-1-100

**GRANT DEED**

MWD to XXX XXXX

The north 106.00 feet of the south 220.00 feet of Lot A in Block 6 of the Yorba Linda Tract, in the City of Yorba Linda, County of Orange, State of California, as per map recorded in Book 5, pages 17 and 18 of Miscellaneous Maps, in the office of the County Recorder of said County.

**All as shown on Exhibit "B" attached hereto and made a part hereof.**

**END OF DESCRIPTION**

PREPARED UNDER MY SUPERVISION

\_\_\_\_\_  
Thomas M. Bosserman P.L.S. 7328

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Date

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**PRELIMINARY**