

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE

September 27, 2011

Real Property and Asset Management Committee Chair Hawkins called the meeting to order at 12:30 p.m. in Committee Room 2-145 at Metropolitan's Headquarters.

Committee Members present: Chair Hawkins, Vice Chair Grandsen, Directors Chavez, Heidel, Little, Record, and Wunderlich

Members absent: Directors Grunfeld and K. Murray

Other Board Members present: Directors Ackerman, Ballin, Camacho, Edwards, Foley, Friedman, Lewinger, Morris, J. Murray, Peterson, Pocklington, Steiner, and Wright

Staff present: Bennion, L. Carrillo, Clairday, DeBacker, P. Fowler, J. Green, Hicks, J. Holland, Hom, Ivey, Kightlinger, Knudson, Lieu, N. Luna, Man, Neal, Riss, Scully, Waade and Wicke

1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

Mike Abrams of Diamond Development, LLC gave a brief statement on his experience working as a real estate developer. He has worked with redevelopment agencies for the past 30 years. He has successfully completed 70 projects from the ground up. He stated Cal Poly San Luis Obispo has expressed interest in taking a lead role in developing a campus at Diamond Valley Lake and that his team is focused on campus planning and student housing.

2. APPROVAL OF THE MINUTES OF THE MEETING OF THE REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE HELD JULY 26, 2011

Approved

Motion: Director Little

Seconded: Director Wunderlich

3. OTHER BOARD ITEMS – ACTION

- 8-1** Subject: Authorize General Manager to accept future offers pursuant to Metropolitan Water District Administrative Code Section 8246 in sale 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

Presented by: Patty Fowler, Sr. Real Estate Representative
Real Property Development and Management Group

Recommended

Motion: Adopt the CEQA determination and authorized the General Manager to negotiate and accept a reasonable offer within 10 percent of the lowest appraisal value of \$395,000.

Modified

Motion: 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.

Modified

Motion carried: Moved: Record

Seconded: Little

Ms. Fowler presented a power point on this property. After discussing the matter, option 1 was modified to give the General Manager the authority to accept up to 20 percent below the current appraised value or to lease the subject property.

- 8-2** Subject: Authorize entering into an exclusive negotiating agreement with Diamond Development, LLC, for the development of a college campus at Diamond Valley Lake

Presented by: Ralph Hicks, Manager
Real Property Development and Management Group

Motion: Adopt the CEQA determination and authorize entering into an exclusive negotiating agreement with Diamond Development, LLC, for the development of a college campus at Diamond Valley Lake.

Motion carried: Moved: Record

Seconded: Heidel

In closed session, the committee heard this item. In open session the committee voted to adopt the CEQA determination and authorize entering into an exclusive negotiating agreement with Diamond Development, LLC, for the development of a college campus at Diamond Valley Lake.

4. COMMITTEE ITEMS

None

5. MANAGEMENT REPORT

a. Real Property Development and Management Manager's report

Presented by: Ralph Hicks, Manager
Real Property Development and Management

Mr. Hicks spoke on the existing marina operator, Urban Parks, at Diamond Valley Lake. He informed the committee staff has recently negotiated a short-term agreement with the operator for 6 months that is based on a percentage rent of 7 percent of gross income. This would change from a negative cash flow operation to a positive cash flow operation. Urban Parks is interested in building modular cottages. They feel this would be a viable business opportunity. A draft operational plan has been written and is under review internally.

Mr. Hicks added a small lease with City Scholars is being put in place at Metropolitan's Headquarters.

Upcoming events include the Palo Verde lease. Three submittals were received. These will be presented to the committee in October.

6. FUTURE AGENDA ITEMS

None

Meeting adjourned at 1:24 p.m.

Phillip Hawkins
Chair