



## ● Real Estate Activities Quarterly Report ending December 31, 2012

### Summary and Accomplishments

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This report provides an update on real estate activities for the period October through December 2012.

During this reporting period:

- Twenty-three transactions were executed, including compatible secondary use requests; telecommunications leases, amendments to existing office and telecommunication leases; construction related permits; encroachment entry permits; parking permits; and, one filming permit.
- Metropolitan entered into an option agreement with Holy Hill Community Church for the sale of the Sunset Garage located on Alpine Street in the city of Los Angeles. The transaction is currently scheduled to close no later than June 10, 2013.
- Real Property Development and Management (RPDM) staff worked collaboratively with Bay Delta Initiatives to assess potential near-term habitat restoration projects.

Through December 2012, expenses for RPDM Group are three percent under budget and revenue is four percent under projection.

### Attachments

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- Attachment 1 Deeds and grants accepted by Metropolitan to use others' privately-owned or publicly-owned real property
- Attachment 2 Leases and permits issued to others to use Metropolitan-owned land

### Detailed Report

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#### Completed Transactions

##### Deeds and Grants Accepted by Metropolitan

[Attachment 1](#) is a listing of four agreements that were accepted. One license agreement was acquired from Global Tower Partners for a telecommunications site at Crossman Peak near Lake Havasu City, Arizona, along the Colorado River. This facility will be used to install, operate, and maintain Metropolitan's two-way radio system which is used for daily operational communication by Metropolitan's Water System Operations field staff. Three encroachment permits were acquired from the City of Los Angeles Bureau of Street Lighting to accommodate infrastructure modifications to Metropolitan's West Valley Feeder No. 1 pipeline.

##### Leases and Permits Granted

Nineteen transactions were executed and issued during this reporting period (see [Attachment 2](#)). These instruments allow others a compatible secondary use of Metropolitan-owned land. The agreements include three leases, two lease amendments, one license, one license amendment, nine entry permits, and three entry permit amendments all of which conform to Administrative Code provisions established by Metropolitan's Board.

Staff executed three short-term permits for parking at the Metropolitan Headquarters Building in conjunction with events taking place at the Union Station terminal.

Two film permits were issued to @radical.media, LLC, allowing use of portions of the ozone basement, stairways, tunnels, and access roads at the Joseph Jensen Water Treatment Plant.

## Board Report (Real Estate Activities Quarterly Report ending December 31, 2012)

Compass USA, Inc., was issued a one-day permit for use of the helipad, interior space, loading dock, and parking garage at Metropolitan's Headquarters Building to film scenes overlooking the downtown skyline. These scenes will be used in a Samsung Commercial.

Desert Sunlight, LLC, was issued an entry permit to allow for the non-exclusive right of access and the ability to construct, operate, and maintain an electrical distribution line near the Eagle Mountain Pumping Plant.

A long term lease was granted to Los Angeles SMSA Limited Partnership (dba Verizon Wireless) to allow for the construction, installation, operation and maintenance of a telecommunications facility on Black Metal Mountain Site II located near Metropolitan's Gene Pumping Plant. This lease relocates Verizon's telecommunications facility from Black Metal Mountain Site I.

A license granted to Orange County Water District was amended to allow additional time to perform grading of segments of the Santiago Creek to assist in the increase of groundwater recharge within the creek.

The City of Perris was granted a year to year license to allow for passive park use and maintenance of an area along the Perris Valley Channel located near a portion of the Colorado River Aqueduct right of way in the city of Perris. The linear park is located on 12.9 acres, and the city is maintaining an additional 4.22 acres.

River Rat Radio, LLC, was granted a year to year lease which allows for the installation of a communications antenna on an existing lattice tower on Black Metal Mountain Site II located near Metropolitan's Gene Pumping Plant.

An entry permit amendment was issued to the County of Riverside to extend the term allowing for access for road construction purposes in conjunction with the Highway 79 widening project near Diamond Valley Lake.

An entry permit was issued to San Dimas Rodeo, Inc. to allow parking of vehicles and trailers, including a site for a Los Angeles County Sheriff's Department satellite command center. The permit helps to support the annual Western Days Rodeo event located near the F.E. Weymouth Water Treatment Plant.

Selman Chevrolet was granted a year to year lease allowing non-code required, secondary parking purposes near the Santiago Creek Pressure Control Structure and East Orange County Feeder No. 2.

An entry permit issued to Southern California Edison Company was amended to extend the term to construct facilities associated with the existing interconnection and switch racks at the Julian Hinds Pumping Plant. The work is included with the interconnection of FPL Blythe Energy's 230kV intertie (gen-tie) line.

An entry permit was issued to Southern California Edison allowing access and construction of a substation at the F. E. Weymouth Water Treatment Plant. This upgrade to existing electrical facilities supports Metropolitan's Ozone Retrofit Program. An amendment was also issued to extend the term.

Urban Park Concessionaires lease was amended to extend the term for the operations, management and maintenance of the Diamond Valley Lake Marina and Lakeview Trail.

A lease amendment with The Western Center Community Foundation was granted extending the term for use of four classrooms in the Diamond Valley Lake Visitor Center for public charter school classroom purposes.

### **Deeds Granted to Others**

No deeds were granted during this reporting period.

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

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

**Deeds, Grants and Leases Accepted  
During 2nd Quarter of FY 2012/13  
October 1, 2012 through December 31, 2012**

GRANTOR	ACREAGE	TYPE	TERM	USE	RECORDING DATE	COSTS
Global Towers Partners	n/a	License	30 years <sup>(1)</sup>	Allows for installation, maintenance and operation of radio and antenna equipment to support Metropolitan's telecommunications needs. This site is located at Crossman Peak near Lake Havasu City, Arizona along the Colorado River.	n/a <sup>(2)</sup>	\$1,200 <sup>(3)</sup>
Los Angeles, City of, Bureau of Street Lighting	n/a	Encroachment Permit	6 months	Access to construct valve modification to West Valley Feeder No. 1 pipeline at Station 1291+83 at Rinaldi Street east of De Soto Avenue	n/a	\$500
Los Angeles, City of, Bureau of Street Lighting	n/a	Encroachment Permit	6 months	Access to construct valve modification to West Valley Feeder No. 1 pipeline at Station 1302+-1 at Rinaldi Street west of North Independence Avenue	n/a	\$500
Los Angeles, City of, Bureau of Street Lighting	n/a	Encroachment Permit	6 months	Access to construct valve modification to West Valley Feeder No. 1 pipeline at Station 1357+78 at Topanga Canyon Boulevard north of Chatsworth Street	n/a	\$500

**TBD = To be Determined**

**n/a = Not Applicable**

<sup>(1)</sup> Initial term is 10 years with four 5-year options to renew; total 30 years

<sup>(2)</sup> This agreement was effective October 24, 2012, but was not recorded

<sup>(3)</sup> Terms include a 4% annual escalation

**Leases and Permits Issued  
During 2nd Quarter of FY 2012/13  
October 1, 2012 through December 31, 2012**

LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
@radical.media, LLC (RL 3289)	Private	n/a <sup>(1)</sup>	Entry Permit	2 days	Allows use of areas at the Joseph Jensen Water Treatment Plant in conjunction with the filming of a commercial	\$11,900 <sup>(2)</sup>	One Time
@radical.media, LLC (RL 3292)	Private	n/a <sup>(3)</sup>	Entry Permit	1 day	Allows use of areas at the Joseph Jensen Water Treatment Plant in conjunction with the filming of a commercial	\$5,000 <sup>(2)</sup>	One Time
Compass USA, Inc. (RL 3299)	Private	n/a <sup>(4)</sup>	Entry Permit	1 day	Allows use of areas at Metropolitan Headquarters Building for filming of scenes overlooking the downtown skyline. Scenes will be used in a Samsung commercial.	\$6,500 <sup>(2)</sup>	One Time
Desert Sunlight, LLC (RL 3294)	Private	0.34 acre	Entry Permit	1 year	Allows non-exclusive right of access and the ability to construct, operate, and maintain an electrical distribution line near the Eagle Mountain Pumping Plant	\$0 <sup>(5)</sup>	n/a
Downtown Women's Center (RL 3280)	Private	n/a <sup>(6)</sup>	Entry Permit	1 day	Allows use of parking areas and a portion of courtyard area at 700 North Alameda Street for an event held at Union Station train terminal	\$2,400 <sup>(7)</sup>	One Time
Los Angeles SMSA Limited Partnership (dba Verizon Wireless) (RL 3144)	Private	0.071 acre	Lease	15 years <sup>(8)</sup>	Allows construction, installation, operation and maintenance of a telecommunications facility on Black Metal Mountain Site II located near Metropolitan's Gene Pumping Plant. This lease relocates Verizon's telecommunications facility from Black Metal Mountain Site I.	\$2,500 <sup>(9)</sup>	Monthly
M. Arthur Gensler, Jr., & Associates, Inc. (RL 3297)	Private	n/a <sup>(10)</sup>	Entry Permit	1 day	Allows use of parking areas at 700 North Alameda Street for an event held at Union Station train terminal	\$780 <sup>(7)</sup>	One Time
Oaktree Capital Management, L.P. (RL 3298)	Private	n/a <sup>(11)</sup>	Entry Permit	2 days	Allows use of parking areas at 700 North Alameda Street for an event held at Union Station train terminal	\$3,000 <sup>(7)</sup>	One Time
Orange County Water District (RL 2832)	Public	1.06 acres	Amendment No. 2 to License	Year-to-Year	Amends terms to include an additional area for access to perform grading of segments of the Santiago Creek to assist in the increase of groundwater recharge within the creek	\$1,320	Annual
Perris, City of (RL 2686)	Public	17.12 acres <sup>(12)</sup>	License	Year to Year	Allows for passive park use and maintenance of area along the Perris Valley Channel located near a portion of the Colorado River Aqueduct right of way in the city of Perris	\$2,800	Annual
River Rat Radio, LLC (RL 3274)	Private	0.084 acre	Lease	Year to Year	Allows for the installation of a communication antenna on an existing lattice tower at Black Metal Mountain Site II located near Metropolitan's Gene Pumping Plant	\$2,000 <sup>(13)</sup>	Annual
Riverside County of (RL 3192)	Public	0.96 acre	Amendment No. 1 to Entry Permit	1 year	Extends the term to allow for access for road construction for the Highway 79 widening project near Diamond Valley Lake	\$1,500	One Time
San Dimas Rodeo, Inc. (RL 3042)	Private	1.56 acres	Entry Permit	3 days	Allows for parking of vehicles and trailers and Los Angeles Sheriff Department Command Center for the annual Western Days Rodeo event held in the City of San Dimas and located near the F. E. Weymouth Water Treatment Plant	\$500 <sup>(14)</sup>	One Time
Selman Chevrolet (RL 3296)	Private	0.38 acre	Lease	Year to Year	Allows non-code required, secondary parking purposes near Santiago Creek Pressure Control Structure and the East Orange County Feeder No. 2	\$30,000	Annual
Southern California Edison Company (RL 2953)	Private	19 acres	Amendment No. 3 to Entry Permit	1 year <sup>(15)</sup>	Allows for extension of term for construction of related facilities associated with the existing interconnection and switch racks at Julian Hinds Pumping Plant. The work is included with the interconnection of FPL Blythe Energy's 230KV intertie (gen-tie) line. SCE will also relocate their control panel from the Julian Hinds Pumping Plant control room to a separate shelter.	\$0 <sup>(16)</sup>	n/a

**Leases and Permits Issued  
During 2nd Quarter of FY 2012/13  
October 1, 2012 through December 31, 2012**

LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
Southern California Edison Company (RL 3208)	Private	4.104 acres	Entry Permit	1 year	Allows access and construction of a substation at the F. E Weymouth Water Treatment Plant. This upgrade to existing electrical facilities will support Metropolitan's Ozone Retrofit Program.	\$0 <sup>(17)</sup>	n/a
Southern California Edison Company (RL 3208)	Private	4.104	Amendment No. 1 to Entry Permit	1 year	Extends term to allows access and construction of a substation at the F. E Weymouth Water Treatment Plant. This upgrade to existing electrical facilities will support Metropolitan's Ozone Retrofit Program.	\$0 <sup>(17)</sup>	n/a
Urban Park Concessionaires (RL 3212)	Private	48.8 acres	Amendment No. 2 to Lease	1 year	Extends term for the operation, management and maintenance of the Diamond Valley Lake Marina and Lakeview Trail	Percentage Rent <sup>(18)</sup>	Monthly
Western Center Community Foundation dba The Western Science Center (RL 3109)	Private	4,290 RSF <sup>(19)</sup>	Amendment No. 2 to Lease	3 years <sup>(20)</sup>	Extends the term and increases the rent for use of four classrooms in the Diamond Valley Lake Visitor Center for public charter school classroom purposes	\$4,162	Monthly

**TBD = To be Determined**

**n/a = Not Applicable**

<sup>(1)</sup> Temporary use of portions of the ozone basement, stairways, tunnels, and access roads at the Joseph Jensen Water Treatment Plant

<sup>(2)</sup> An additional \$5,000 refundable security deposit was collected and subsequently returned

<sup>(3)</sup> Temporary use of portions of the ozone basement, stairways, and tunnels, to complete cleaning and restoration of areas at the Joseph Jensen Water Treatment Plant from prior filming

<sup>(4)</sup> Temporary use of helipad, interior space, loading dock, and parking garage at the Metropolitan Headquarters Building

<sup>(5)</sup> Compensation will be determined in long term license agreement which is being amended to include this additional area

<sup>(6)</sup> Temporary use of 300 parking spaces and portion of courtyard patio area at the Metropolitan Headquarters Building

<sup>(7)</sup> An additional \$500 refundable security deposit was collected and subsequently returned

<sup>(8)</sup> Initial term is 5 years with two 5-year options to renew; total term is 15 years

<sup>(9)</sup> Additional compensation includes an annual access road maintenance fee of \$1,500 and a one time capital contribution of \$95,000 for a portion of tower costs

<sup>(10)</sup> Temporary use of 65 parking spaces at the Metropolitan Headquarters Building

<sup>(11)</sup> Temporary use of 260 parking spaces at the Metropolitan Headquarters Building

<sup>(12)</sup> Linear park use on 12.90 acres; maintaining an additional 4.22 acres

<sup>(13)</sup> Additional compensation includes an annual access road maintenance fee of \$1,500

**Leases and Permits Issued  
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LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
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<sup>(14)</sup> One time fee of \$500 was collected in 2009 for five consecutive annual events  
 Fee reduced for security and weed abatement being provided to Metropolitan facilities during the recurring annual event

<sup>(15)</sup> Renewable in one year increments as necessary until construction of the expansion facilities is complete

<sup>(16)</sup> Processing fee of \$2,500 was collected from SCE upon effective date of permit. This amendment extended the term of the initial permit to allow both Metropolitan and SCE additional time to fulfill their respective obligations under the initial permit terms and conditions. The extension of term was to the benefit of both MWD and SCE; no additional fee was required for amendment.

<sup>(17)</sup> Fee waived due to mutual benefits of having the upgrade to existing electrical facilities support Metropolitan's Ozone Retrofit Program

<sup>(18)</sup> Rent to be calculated monthly as seven percent (7%) of gross receipts  
 Gross receipts are the total amount received or realized by, or accruing to, Urban Park from all sales for cash or credit, of services, accommodations, materials, and other merchandise, including sales earned from electronic media, made pursuant to rights granted under the Lease

<sup>(19)</sup> RSF = Rentable Square Feet  
 Rentable Square Feet (RSF) is the area of a building, floor or suite used as the basis for calculating Base Rent which includes a pro-rata portion of the Building Common Area. Usable Square Feet (USF) is the actual space occupied. Typically, the RSF is larger than USF because of lessee's use of common areas in the building such as lobbies and cafeteria.

<sup>(20)</sup> Initial term is one year with two 1-year options to renew; total term is 3 years