



• Real Estate Activities Quarterly Report ending March 31, 2013

Summary and Accomplishments

This report provides an update on real estate activities for the period January through March 2013.

During this reporting period:

- Eleven transactions were executed, including compatible secondary use requests; telecommunications leases, amendment to an existing office lease; and construction related permits.
- The lease with Office of Statewide Health Planning and Development at the Metropolitan Headquarters Building was amended to extend the term through August 30, 2015.
- Real Property Development and Management (RPDM) staff continued to work collaboratively with Bay Delta Initiatives to assess potential near-term habitat restoration projects.

Through March 2013, expenses for RPDM Group are three percent under budget and revenue is four percent over 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 other to use Metropolitan-owned land |
| Attachment 3 | Deeds granted to others that provide for compatible uses of Metropolitan-owned land or disposal of surplus property |

Detailed Report

Completed Transactions

Deeds and Grants Accepted by Metropolitan

[Attachment 1](#) is a listing of one agreement that was accepted. A license agreement was acquired from American Tower for a telecommunications site at Las Vegas Junction in Nevada. This acquisition is part of Metropolitan's two-way radio upgrade capital project and will help provide more expansive coverage than the current site with Nevada Power. Once this site is fully operational, the lease with Nevada Power will be terminated.

Leases and Permits Granted

Eight 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 one lease, one lease amendment, one license amendment, three entry permits, and two entry permit amendments all of which conform to Administrative Code provisions established by Metropolitan's Board.

An entry permit was issued to Bruno Farms, Inc. to allow for access and sheep grazing on various areas east of Diamond Valley Lake.

The term of an entry permit to Canyon Crossings Corporate Center was amended to allow for additional time for access, temporary parking, street improvements, landscaping and utilities along a designated portion of the Box Springs Feeder right of way and to provide for compatible construction activities in conjunction with an adjacent development.

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Cucamonga Valley Water District was issued an entry permit to allow for access for construction equipment and the temporary storage of pipe and equipment on a portion of Metropolitan's Foothill Feeder/Rialto Pipeline right of way in the city of Rancho Cucamonga.

A license with Desert Sunlight 250, LLC and Desert Sunlight 300, LLC, was amended to include an additional 0.34 acre for the non-exclusive right to access and the ability to construct, operate, replace, repair, and maintain an electrical distribution line and an emergency vehicle access road.

A ground lease of 45 years was issued to the city of Los Angeles Department of Parks and Recreation for recreational purposes on 23 acres of property located at the Joseph Jensen Water Treatment Plant. In exchange for this lease, the Los Angeles Department of Water and Power will provide use of six adjacent lagoons to Metropolitan pursuant to a "Use Agreement for Use of Solids Handling Lagoons".

Office of Statewide Health Planning and Development was granted a two year extension to an existing office lease at Metropolitan Headquarters Building. This lease will now expire August 30, 2015.

An entry permit amendment was issued to the County of Los Angeles extending the term. This permit allows for access, surveys, invasive investigations, construction and staging in connection with modifications for the existing WB-26B service connection on the Culver City Feeder at the Venice Pressure Control Structure.

San Diego Gas and Electric was issued an entry permit to allow for construction of a pipeline and related facilities within Metropolitan's San Diego Pipeline Nos. 4 and 5 rights of way for natural gas transmission.

Deeds Granted to Others

Attachment 3 lists two agreements during this reporting period. A Memorandum of Amendment No. 1 to License Agreement was recorded on the agreement to Desert Sunlight 250, LLC and Desert Sunlight 300, LLC (listed in Attachment 3). An easement was conveyed to the city of Upland for the construction, operation, and maintenance of a water pipeline and fire hydrant assemblies crossing the Foothill Feeder/Rialto Pipeline right of way to serve a retail development adjacent to Metropolitan's property.

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 3rd Quarter of FY 2012/13
January 1, 2013 through March 31, 2013**

GRANTOR	ACREAGE	TYPE	TERM	USE	RECORDING DATE	COSTS
American Tower	n/a	License	20 years ⁽¹⁾	Allows for installation, maintenance and operation of radio and antenna equipment as a part of Metropolitan's two-way radio upgrade capital project supporting Metropolitan's telecommunications needs. The site is located at Las Vegas Junction in Nevada. ⁽²⁾	n/a ⁽³⁾	\$2,000/month ⁽⁴⁾

TBD = To be Determined

n/a = Not Applicable

⁽¹⁾ Initial term is 10 years with two 5-year options to renew; total 20 years

⁽²⁾ This site will provide more expansive coverage than the current site with Nevada Power, located at Red Mountain in Nevada. Once this site is fully operational, the lease with Nevada Power will be terminated.

⁽³⁾ This agreement was effective January 29, 2013

⁽⁴⁾ Monthly rent is \$2,000 with a 4% annual escalator, plus \$50/month for utility charges

**Leases and Permits Issued
During 3rd Quarter of FY 2012/13
January 1, 2013 through March 31, 2013**

LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
Bruno Farms, Inc. (RL 3257)	Private	850 acres	Entry Permit	4 months	Allows for access and sheep grazing purposes on a portion of property east of Diamond Valley Lake	\$5,500	One Time
Canyon Crossings Corporate Center (RL 2309)	Private	2 acres	Amendment No. 8 to Entry Permit	1 year	Allows extension to term allowing for access, temporary parking, street improvements, landscaping and utilities along a designated portion of the Box Springs Feeder right of way and provides for compatible construction activities in conjunction with an adjacent development. Adjacent development project is currently on hold; Canyon Crossings continues to perform site maintenance under terms of entry permit.	\$2,500	One Time
Cucamonga Valley Water District (RL 3271)	Public	0.19 acre	Entry Permit	1 year	Allows access for operating construction equipment and the temporary storage of pipe and equipment on a portion of Metropolitan's Foothill Feeder/Rialto Pipeline right of way in the city of Rancho Cucamonga	\$1,500	One Time
Desert Sunlight 250, LLC and Desert Sunlight 300, LLC (RL 3046)	Private	10.3 acres	Amendment No. 1 to License Agreement ⁽¹⁾	50 years ⁽²⁾	Allows for an additional 0.34 acre for the non-exclusive right to access and the ability to construct, operate, replace, repair, and maintain an electrical distribution line and an emergency vehicle access road.	\$3,388.49 ⁽³⁾	Annual
Los Angeles, City of, Department of Parks and Recreation (RL 3281)	Public	23 acres	Lease	45 years	Allows for park and recreational purposes on property located at the Joseph Jensen Water Treatment Plant	\$0 ⁽⁴⁾	n/a
Los Angeles, County of (RL 3220)	Public	0.42 acre	Amendment No. 1 to Entry Permit	6 months	Allows extension of term for access, surveys, invasive investigations, construction and staging in connection with modifications for the existing WB-26B service connection on the Culver City Feeder at the Venice Pressure Control Structure	\$1,500	One Time
Office of Statewide Health Planning and Development (RL 2375)	Public	25,485 RSF ⁽⁵⁾	Amendment No. 1 to Lease	2 years	Allows extension of term of an office lease at the Metropolitan Headquarters Building	\$680,616	Annual
San Diego Gas & Electric Company (RL 3181)	Public	2.96 acres	Entry Permit	1 year	Allows for construction of a line of pipe and related facilities within Metropolitan's San Diego Pipeline Nos. 4 and 4 right of way for natural gas transmission	\$1,500	One Time

TBD = To be Determined

n/a = Not Applicable

⁽¹⁾ Original License was effective on 09/20/2011

⁽²⁾ Initial term is 30 years with two 10-year options to renew; total 50 years

⁽³⁾ Terms include a 3% annual increase

⁽⁴⁾ In consideration of the Los Angeles Department of Water and Power's providing six adjacent lagoons to Metropolitan per the "Use Agreement for Use of Solids Handling Lagoons" with the Los Angeles Department of Water and Power, no rent will be charged

⁽⁵⁾ 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

**Deeds Granted
During 3rd Quarter of FY 2012/13
January 1, 2013 through March 31, 2013**

GRANTEE	ACREAGE	TYPE	TERM	USE	DOCUMENT RECORDING DATE	FEE/RENT	FREQUENCY
Desert Sunlight 250, LLC and Desert Sunlight 300, LLC	10.3 acres	Memorandum of Amendment No. 1 to License Agreement	50 years	Allows for an additional 0.34 acres of non-exclusive right to access and the ability to construct, operate, replace, repair, and maintain an electrical distribution line and an emergency vehicle access road	3/26/2013	3,388.49 ⁽¹⁾	Annual
City of Upland (RL 2993)	0.02 acre	Easement	Permanent	Construction, operation, and maintenance of water pipeline and fire hydrant assemblies crossing the Foothill Feeder/Rialto Pipeline right of way to serve a retail development adjacent to Metropolitan's property	2/6/2013	\$1,500	One Time

TBD = To be Determined

n/a = Not Applicable

⁽¹⁾ Terms include a 3% annual increase