



- Real Estate Activities Quarterly Report ending June 30, 2013

## Summary and Accomplishments

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This report provides an update on real estate activities for the period April 1 through June 30, 2013 and includes information on events that occurred over the course of the entire fiscal year.

During this reporting period:

- Twenty-four transactions were executed, including compatible secondary use requests, telecommunications leases, filming and parking permits, office leases (including amendments to an existing lease), and construction related permits.
- During Fiscal Year 2012/13 staff developed and conducted a five-part real property training series that included the following topics: Introduction to Real Estate/Acquisition/Negotiation, Appraisal, Right of Way Engineering, Real Estate Law, and Property Management. Each session was taught jointly by a consultant and Metropolitan staff with experience in the particular subject. All members of the RPDM Group attended.
- During Fiscal Year 2012/13 staff from RPDM, Engineering Services, and Water System Operations Groups collaborated to refine the real property management procedures and guidelines for 1) coordinating staff and County fire agencies to address weed abatement issues; 2) the review and approval process for third party encumbrances' on Metropolitan's property (agreement, easement, entry permit, lease, or license); 3) identifying and disposing of property that is excess to Metropolitan's current and future needs. These efforts produced three new RPDM/WSO policies that clearly identify the interdisciplinary processes, assign staff roles and responsibilities, and provide examples of deliverables.
- Planning for two additional trails with segments at Diamond Valley Lake has begun in partnership with Riverside County Parks and Open Space District. One proposed trail would connect Diamond Valley Lake to the Lake Skinner Recreation Area; the other would link the Valley-Wide Park to a planned regional trail along the Salt Creek Channel.
- The Metropolitan Water District Federal Credit Union was granted a 10-year lease at the Metropolitan Headquarters Building for office space to operate a credit union to serve its members. The lease area consists of 2,177 rentable square feet, space for two Automated Teller Machines (one located on the first floor at the Metropolitan Headquarters Building; the other located at the F. E Weymouth Water Treatment Plant on the first floor lobby of Building 4). Terms allow for graduated rent payments and will reach market rent in year four with annual rent increases thereafter.
- Real Property Development and Management (RPDM) staff continued to work collaboratively with Bay Delta Initiatives to assist the State and Federal Contractors Water Agency (SFCWA) to develop land acquisition strategies for habitat restoration. Staff is researching properties of possible interest to SFCWA, coordinating the appraisal process, and assisting in development of SFCWA acquisition strategies.
- Staff is participating in a multi-agency real property workgroup to develop a real estate acquisition management plan for the proposed DHCCP conveyance program.
- Staff continues to meet and negotiate with State and local agencies and other compatible tenants seeking to lease space at Metropolitan's Headquarters Building.

Through May 2013, expenses for RPDM Group are 3 percent under budget and revenues are 15 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 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**

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### **Completed Transactions**

#### **Deeds and Grants Accepted by Metropolitan**

**Attachment 1** is a listing of three agreements that were accepted. A first amendment to a sublease agreement was acquired from New Cingular PCS for a telecommunications site at Searchlight in Clark County, Nevada. The amendment allows for expansion and modification of the equipment and is part of Metropolitan's two-way radio upgrade capital project. Two entry permits were acquired from Professors Highlanders on Property Partners and Union Pacific Railroad Company to access property to perform closures of groundwater monitoring wells which were installed when constructing the Inland Feeder.

#### **Leases and Permits Granted**

Sixteen 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, three lease amendments, one license amendment, eight entry permits, one entry permit amendment, and one consent for access, all of which conform to Administrative Code provisions established by Metropolitan's Board.

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

Agri-Empire was granted a lease for access, operation of an above-ground water pipeline, and agricultural purposes over a portion of the Colorado River Aqueduct/Casa Loma Siphon right of way near the city of Rancho San Jacinto Nuevo in Riverside County.

State of California, Division of the State Architects, was issued two amendments to their existing office lease at the Metropolitan Headquarters Building. These amendments allow for term extension, addition of space, change in the termination clause, and increase in rent for office space and storage on the 4<sup>th</sup> and 5<sup>th</sup> floor low-rise, with parking on parking level 2.

A 2-day photograph entry permit was issued to Concrete Images, Inc. to use portions of areas at the Robert A. Skinner Water Treatment Plant. These photographs are intended to be used in a European clothing advertising catalog.

An entry permit was issued to Andy Domenigoni to allow horseback riding in conjunction with the 2013 Domenigoni Ranch Charity Ride for Diabetes. A portion of the ride occurred on Metropolitan-owned property located west of DVL.

EDF Renewable was issued an entry permit to perform non-invasive paleontology studies in conjunction with a project on an adjacent property near Metropolitan's Colorado River Aqueduct in Riverside County.

A 4-day entry permit was issued to Jarrett Edwards Outdoors, Inc. to allow for filming of fishing activities at Diamond Valley Lake for a national television show on fishing. This show will help provide public awareness on lake rules, regulations, quagga mussel inspections, weather, fishing activities, and other water related information.

## Board Report (Real Estate Activities Quarterly Report ending June 30, 2013)

Kiewit Infrastructure West Company was issued a license amendment to extend the term to provide access and equipment storage on property located near the Sepulveda Canyon Power Plant and Control Structure. The use is in conjunction with the Interstate 405 freeway widening project

A lease with the City of Los Alamitos was amended to extend the term and to update the terms and conditions, including charging market rent and requiring the removal of five trees located within Metropolitan's right of way on the Second Lower Feeder.

The Metropolitan Water District Federal Credit Union was granted a 10-year lease at the Metropolitan Headquarters Building for office space to operate a credit union to serve its members. The lease area consists of 2,177 rentable square feet, ten parking spaces on parking level P-2 and space for two Automated Teller Machines (one located on the first floor at the Metropolitan Headquarters Building; the other located at the F. E Weymouth Water Treatment Plant on the first floor lobby of Building 4). Terms allow for graduated rent payments and will reach market rent in year four with annual rent increases thereafter.

A lease with the County of Riverside was amended to extend the term to allow continued access to perform site inspections, environmental, biological, cultural and land use surveys for the County's proposed Cajalco Road widening project near Lake Mathews.

The City of Temecula was issued an entry permit to allow for vehicle access to perform construction activities over portions of the San Diego Pipeline Nos. 4 and 5 rights of way during the installation of street and ancillary improvements for the City's Western Bypass Bridge project over Murrieta Creek.

Three Valleys Municipal Water District was issued an entry permit to allow for temporary construction staging and access for vehicles and equipment over a portion of the Colorado River Aqueduct Foothill Feeder Rialto Pipeline right of way for Three Valleys' Water Supply Well No. 2 project.

The United States Environmental Protection Agency was issued a consent for access to perform testing and well monitoring near Metropolitan's Upper Feeder right of way on property located in Pyrite Canyon, north of Highway 60, near the community of Jurupa Valley.

### **Deeds Granted to Others**

**Attachment 3** lists five agreements during this reporting period. Two surplus property sales were completed by granting portions of the Box Springs Feeder right of way to the city of Riverside and the county of Riverside. The city of Santa Clarita was granted two permanent easements in conjunction with adjacent development along Metropolitan's Foothill Feeder/Saugus Pipeline right of way near San Fernando Road and Oak Ridge Drive. The first easement allows for ingress and egress along a 16-foot wide access road and the second easement allows for access, construction and maintenance of a public storm drain. The city of Temecula was granted an easement to allow for construction and maintenance of street improvements, utilities and landscaping along a portion of Metropolitan's San Diego Pipeline Nos. 4 and 5 rights of way in conjunction with the city's Western Bypass Project.

- 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. Staff from RPDM, Engineering Services, and Water System Operations Groups collaborated to refine the real property management procedures and guidelines for 1) coordinating staff and County fire agencies to address weed abatement issues; 2) the review and approval process for third party encumbrances' on Metropolitan's property (agreement, easement, entry permit, lease, or license); 3) identifying and disposing of property that is excess to Metropolitan's current and future needs. These efforts produced three new RPDM/WSO policy documents that clearly identify the interdisciplinary processes, assign staff roles and responsibilities, and provide examples of deliverables.

**Deeds, Grants and Leases Accepted  
During 4th Quarter of FY 2012/13  
April 1, 2013 through June 30, 2013**

GRANTOR	ACREAGE	TYPE	TERM	USE	RECORDING DATE	COSTS
New Cingular PCS	n/a	First Amendment to Sublease Agreement	5 years <sup>(1)</sup>	Allows expansion and modification of the telecommunication equipment located at Searchlight in Clark County, Nevada. This is part of Metropolitan's two-way radio upgrade capital project.	n/a <sup>(2)</sup>	\$736.29 <sup>(3)</sup>
Professors Highlanders on Property Partners	n/a	Entry Permit	7 months	Access to property to perform closure of groundwater monitoring wells which were installed when constructing the Inland Feeder	n/a <sup>(4)</sup>	n/a <sup>(5)</sup>
Union Pacific Railroad Company	n/a	Entry Permit	12 months	Access to property to perform closure of groundwater monitoring wells which were installed when constructing the Inland Feeder	n/a <sup>(4)</sup>	\$1,000

**TBD = To be Determined**

**n/a = Not Applicable**

<sup>(1)</sup> Initial lease was executed on 3/22/2007 for five years with three five-year options to renew

<sup>(2)</sup> Recording not required

<sup>(3)</sup> Rent will increase in September 2013 by \$736.29/month for a total of \$1,231.91/month with an annual three percent (3%) escalation

<sup>(4)</sup> Agreement is short term and will not be recorded

<sup>(5)</sup> No compensation paid due to mutual benefit of removing monitoring wells

**Leases and Permits Issued  
During 4th Quarter of FY 2012/13  
April 1, 2013 through June 30, 2013**

LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
Agri-Empire (RL 3127)	Private	4.846 acres	Lease	Year to Year	Allows for access, an above-ground water pipeline, and agricultural purposes over a portion of the Colorado River Aqueduct/Casa Loma Siphon right of way near the city of Rancho San Jacinto Nuevo in Riverside County	\$750	Annually
California, State of, Department of General Services, Real Estate Service Division, Division of the State Architects (RL 2376)	Public	3,494 USF <sup>(1)</sup>	Amendment No. 2 to Lease	2 years	Allows for extension of term and adjustment to rent for office and storage use on the 4th floor low-rise at the Metropolitan Headquarters Building	\$6,848	Monthly
California, State of, Department of General Services, Real Estate Service Division, Division of the State Architects (RL 2376)	Public	23,272 RSF <sup>(1)</sup>	Amendment No. 3 to Lease	n/a <sup>(2)</sup>	Allows for extension of term, addition of space, change in termination clause and increase in rent for office space on the 4th and 5th floor low-rise with parking on parking level 2 at the Metropolitan Headquarters Building	\$52,674	Monthly
Concrete Images, Inc. (RL 3323)	Private	n/a <sup>(3)</sup>	Entry Permit	2 days	Allows use of areas at Robert A. Skinner Water Treatment Plant for still photo shots to be used in a European clothing advertising catalog	\$13,262 <sup>(4)</sup>	One Time
Domenigoni, Andy (RL 3148)	Private	n/a <sup>(5)</sup>	Entry Permit	3 days	Allows for a horseback riding event on property west of Diamond Valley Lake in conjunction with the 2013 Domenigoni Ranch Charity Ride for Diabetes, benefitting Diabetic Youth Services	\$0 <sup>(6)</sup>	n/a
EDF Renewable Energy (RL 3260)	Public	2,005 acres	Entry Permit	1 year	Allows for non-invasive paleontology studies in conjunction with a project on an adjacent property near Metropolitan's Colorado River Aqueduct in Riverside County	\$1,500	One Time
Everett, Rhoda (RL 3325)	Private	n/a <sup>(7)</sup>	Entry Permit	1 day	Allows use of parking areas at 700 North Alameda Street for an event held at Union Station train terminal	\$1,200 <sup>(8)</sup>	One Time
Jarrett Edwards Outdoors, Inc. (RL 3315)	Private	n/a <sup>(9)</sup>	Entry Permit	2 days	Allows for filming of fishing activities at Diamond Valley Lake for a national fishing television show	\$0 <sup>(10)</sup>	n/a
Kiewit Infrastructure West Company (RL 3103)	Private	1.67 acres	Amendment No. 2 to License	1 year	Allows for extension of term to provide for access and equipment storage on property located near the Sepulveda Canyon Power Plant and Control Structure. The use is in conjunction with the Interstate 405 freeway widening project.	\$9,371	Annually
Los Alamitos, City of (RL 245)	Public	0.419 acre	Amendment No. 1 to Lease	Year to Year	Allows for extension of term and to update the terms and conditions, including charging market rent and requiring the removal of five trees located within Metropolitan's right of way on the Second Lower Feeder	\$450	Annually
MWD Federal Credit Union (RL 3318)	Private	2,227 RSF <sup>(1)</sup> <sup>(11)</sup>	Lease	10 years	Allows for office space to operate a credit union to serve its members at Metropolitan Headquarters Building, including space for one ATM at Headquarters and one ATM at F. E. Weymouth Water Treatment Plant	\$1,197.01 <sup>(12)</sup>	Monthly
Riverside, County of (RL 3142)	Public	191.12 acres	Amendment No. 2 to Entry Permit	1 year	Allow for extension of term for access to perform site inspections, environmental, biological, cultural and land use surveys for County's proposed Cajalco Road widening project near Lake Mathews	\$1,500	One Time
Temecula, City of (RL 3251)	Public	0.44 acre	Entry Permit	1 year	Allows for vehicle access to perform construction activities over portions of the San Diego Pipeline Nos. 4 and 5 rights of way during the installation of street and ancillary improvements for the City's Western Bypass Bridge project over Murietta Creek.	\$2,000	One Time

**Leases and Permits Issued  
During 4th Quarter of FY 2012/13  
April 1, 2013 through June 30, 2013**

LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
Three Valleys Municipal Water District (RL 3242)	Public	0.4 acre	Entry Permit	1 year	Allows for temporary construction staging and access for vehicles and equipment over a portion of the Colorado River Aqueduct Foothill Feeder/Rialto Pipeline right of way for Three Valley's Water Supply Well No. 2 project	\$2,000	One Time
United States Environmental Protection Agency (RL 3275)	Public	3 acres	Consent for Access	1 year	Allows access, testing and well monitoring near Metropolitan's Upper Feeder right of way on property located in Pyrite Canyon, north of Highway 60, near the community of Jurupa Valley	\$0 <sup>(13)</sup>	n/a
Yeshiva Aharon Yaakov Ohr Eliyahu School (RL 3326)	Private	n/a <sup>(14)</sup>	Entry Permit	1 day	Allows use of parking areas at 700 North Alameda Street for an event held at Union Station train terminal	\$1,944 <sup>(15)</sup>	One Time

**TBD = To be Determined**

**n/a = Not Applicable**

<sup>(1)</sup> RSF = Rentable Square Feet; USF = Useable 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. 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>(2)</sup> Term extension addressed in Amendment No. 1

<sup>(3)</sup> Temporary use of bridge, contactor galley, solar farm, Mod 6 stairs, roads and rooftops at Robert A. Skinner Water Treatment Plant

<sup>(4)</sup> An additional \$10,000 security deposit was collected and subsequently returned

<sup>(5)</sup> Ride was approximately 10 miles in length traversing private and Metropolitan-owned properties

<sup>(6)</sup> Fee was collected in 2011 which included bi-annual events for years 2013 and 2015

<sup>(7)</sup> Temporary use of 100 parking spaces at the Metropolitan Headquarters Building

<sup>(8)</sup> An additional \$500 refundable security deposit was collected and subsequently returned

<sup>(9)</sup> Temporary use of marina, parking lot, and other areas at Diamond Valley Lake

<sup>(10)</sup> Fee waived due to mutual benefits derived from the television show which will promote Diamond Valley Lake by raising public awareness on lake rules, regulations, guagga mussel inspections, weather, fishing activities and other water related information

<sup>(11)</sup> Leased area on 2nd floor of Metropolitan Headquarters Building consists of 2,177 RSF; ten parking spaces on parking level P-2; 50 RSF total for two Automated Teller Machines (one located on the first floor at Metropolitan Headquarters Building; the other located at the F. E. Weymouth Water Treatment Plant in the lobby of Building 4)

<sup>(12)</sup> Terms allow for escalated rent increases to reach market rent as follows:

Year 1: \$1,197.01/month; Year 2: \$2,394.03/month; Year 3: \$3,591.04/month; Year 4: 4,788.05/month; Year 5: \$4,883.81/month

**Leases and Permits Issued  
During 4th Quarter of FY 2012/13  
April 1, 2013 through June 30, 2013**

LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
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<sup>(13)</sup> Fee waived due to mutual benefits of receiving reports impacts of groundwater from adjacent property

<sup>(14)</sup> Temporary use of 162 parking spaces at the Metropolitan Headquarters Building

<sup>(15)</sup> An additional \$500 refundable security deposit was collected; 12 additional parking spaces were used; therefore, \$356 of the security deposit was refunded

**Deeds Granted**  
**During 4th Quarter of FY 2012/13**  
**April 1, 2013 through June 30, 2013**

GRANTEE	ACREAGE	TYPE	TERM	USE	DOCUMENT RECORDING DATE	FEE/RENT	FREQUENCY
Riverside, City of (RL 3324)	21.07 acres	Grant Deed	Permanent	Sale of a portion of the Box Springs Feeder right of way in the City of Riverside	4/10/2013	\$300,000	One Time
Riverside, County of (RL 3087)	63.48 acres	Grant Deed	Permanent	Sale of a portion of the Box Springs Feeder right of way in the County of Riverside	4/11/2013	\$300,000	One Time
Santa Clarita, City of (RL 3262)	0.096 acre	Easement	Permanent	Allows ingress and egress along a 16-foot wide access road in conjunction with adjacent development along Metropolitan's Foothill Feeder/Saugus Pipeline near San Fernando Road and Oak Ridge Drive	5/8/2013	\$10,255	One Time
Santa Clarita, City of (RL 2936)	0.080 acre	Easement	Permanent	Allows for access, construction and maintenance of a public storm drain in conjunction with adjacent development along Metropolitan's Foothill Feeder/Saugus Pipeline near San Fernando Road and Oak Ridge Drive	5/8/2013	\$8,545	One Time
Temecula, City of (RL 3085)	0.766 acre	Easement	Permanent	Allows construction and maintenance of street improvements, utilities and landscaping along a portion of Metropolitan's San Diego Pipeline Nos. 4 and 5 rights of way in conjunction with the city's Western Bypass Project	4/18/2013	\$4,430	One Time

**TBD = To be Determined**

**n/a = Not Applicable**