



● Real Property Development and Management Quarterly Report

Summary and Accomplishments

This report provides an update on real estate activities for the period July through September 2013.

During this reporting period:

- Fifteen transactions were executed, including compatible secondary use requests; filming and parking permits; office lease; and access permits.
- The High Speed Rail Authority, through the State of California Department of General Services, was granted a four-year office lease on the third floor low rise at the Metropolitan Headquarters Building.
- Space planning efforts are underway to relocate the Real Property Development and Management Group (RPDM) and Inspection Trips staff to other areas in the Headquarters Building to accommodate leasing of the remainder of the third floor low rise.
- The option agreement with Holy Hill Community Church for the sale of the Sunset Garage located at Alpine Street in the city of Los Angeles was extended to December 31, 2013.
- RPDM staff retained the consultant firm of Keyser Marston Associates to perform an economic strategy and market demand report for Metropolitan's excess land holdings at DVL. The proposed scope of work includes a real estate market analysis, renewable energy evaluation, highest and best use analysis, access and infrastructure evaluation, recommended lease versus sale scenarios, and recommended timing and strategy for disposition.
- 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 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 Delta Habitat Conservation and Conveyance Plan conveyance program.

Through September 2013, expenses for the RPDM Group are 5 percent under budget and revenues are 15 percent over projection.

Purpose

Metropolitan Water District Administrative Code Section 2720: General Manager's Quarterly Reports
Metropolitan Water District Administrative Code Section 8257: Quarterly Reports

Board Report (Real Property Development and Management Quarterly Report ending September 30, 2013)

Attachments

- 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
- 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 seven agreements that were accepted. An easement was acquired from Eastern Municipal Water District to allow for Service Connection EM-24 on Metropolitan's Perris Valley Pipeline. An Environmental Health Permit was acquired from Long Beach Bureau of Environmental Health to allow geotechnical boring for environmental site assessments in association with the Second Lower Feeder Repair project. A permit was obtained from Long Beach Public Works to allow closure of Del Mar Avenue, a public street, for construction lay down in association with the Second Lower Feeder Repair project. An easement from Orange County Transportation Authority was acquired which restored access to Metropolitan's OC-28 Service Connection located on the East Orange County Feeder. A Member Term Agreement was acquired from Real Office Center II, LLC, to provide office space for Metropolitan's External Affairs staff in San Diego. In support of Metropolitan's two-way radio upgrade capital project, an antenna site agreement was acquired for SBA Structures, LLC, which allows for telecommunication equipment located at Christmas Tree Pass near Laughlin, Nevada.

Leases and Permits Granted

Seven 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 amendments, two entry permits, two entry permit amendments, and one consent to access, all of which conform to Administrative Code provisions established by Metropolitan's Board.

Staff executed one short-term permit for parking at the Metropolitan Headquarters Building in conjunction with an event taking place at the Union Station terminal.

An existing lease with C & C Mountaingate for access near the Sepulveda Pressure Control Structure was amended to extend the term and update the terms and conditions, including an increase in rent.

The State of California, Department of General Services (for High Speed Rail Authority) was granted a four-year office lease on a portion of the third floor low rise at the Metropolitan Headquarters Building.

Eastern Municipal Water District (EMWD) was issued a Consent To Access property near Diamond Valley Lake to repair a fence located along the property line between EMWD and Metropolitan.

A 2-day film permit was issued to Electric Sky Production to film a Discovery Channel documentary titled "*How Cities Work*". Facilities accessed and/or filmed included Metropolitan's F. E. Weymouth Water Quality Lab, Lake Mathews, Lake Skinner, Robert A. Skinner Water Treatment Plant and Colorado River Aqueduct facilities.

An existing entry permit to the Southern California Gas Company was amended to extend the term to install an underground PIG (Pipeline Inspection Gadget) valve at the Joseph Jensen Water Treatment Plant.

**Board Report (Real Property Development and Management
Quarterly Report ending September 30, 2013)**

A lease amendment with the Western Center Community Foundation was granted to extend the term for 2 years to allow use of four classrooms in the Diamond Valley Lake Visitor Center for public charter school classroom purposes.

Deeds Granted to Others

Attachment 3 lists one agreement during this reporting period. Southern California Edison was granted an easement to allow construction, use and maintenance of an electrical substation which provide more reliable service to the F. E. Weymouth Water Treatment Plant.

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 1st Quarter of FY 2013/14
July 1, 2013 through September 30, 2013**

GRANTOR	ACREAGE	TYPE	TERM	USE	RECORDING DATE	COSTS
Eastern Municipal Water District	0.310 acre	Easement	Permanent	Allows for Service Connection EM-24 on Metropolitan's Perris Valley Pipeline	4/11/2013	\$0 ⁽¹⁾
Long Beach Bureau of Environmental Health	n/a	Environmental Health Permit	1 week	Required permit to allow geotechnical boring within city of Long Beach property for environmental site assessments in association with the Second Lower Feeder Repair project	n/a ⁽²⁾	\$760
Long Beach Public Works	2 acres	Public Works Permit	5 months	Required permit to allow closure of public street, Del Mar Avenue, for construction laydown in association with the Second Lower Feeder Repair project	n/a ⁽²⁾	\$0 ⁽³⁾
Orange County Transportation Authority (OCTA)	0.69 acre	Easement	Permanent	Restores access to Metropolitan's OC-28 Service Connection located on the East Orange County Feeder ⁽⁴⁾	7/15/2013	\$0 ⁽¹⁾
Real Office Centers II, LLC	n/a ⁽⁵⁾	Member Term Agreement	1 year	Provides private/open-source office space and services for External Affairs staff in San Diego	n/a ⁽²⁾	\$1,267 ⁽⁶⁾
SBA Structures, LLC	n/a	Antenna Site Agreement	25 years ⁽⁷⁾	Allows for installation, modification, and maintenance of telecommunication equipment located at Christmas Tree Pass near Laughlin, Nevada. This is part of Metropolitan's two-way radio upgrade capital project.	n/a ⁽²⁾	\$2,400 ⁽⁸⁾
Valencia-Northbridge Homeowners Association (RL 1966)	0.12 acre	Amendment No. 2 to Lease	1 year	Provides Metropolitan's tenant, Crown Castle, access to its telecommunications site near the Santa Clarita Rejection Tower	n/a ⁽²⁾	\$2,511

TBD = To be Determined

n/a = Not Applicable

⁽¹⁾ No charge, the easement grant was required by the service connection agreement

⁽²⁾ Recording not required

⁽³⁾ Standard no fee permit for request to work in a street

⁽⁴⁾ OCTA's Tustin-Rose Grade Separation Project blocked Metropolitan's existing access from Tustin Avenue

⁽⁵⁾ The "Member Term Agreement" allows use of private office space in an open-source work environment

⁽⁶⁾ Monthly rent and basic service package of phone, internet, copy services, and conference room use. Additional fees may be charged monthly; i.e. materials and/or administrative services

⁽⁷⁾ Initial term is five years with four five-year options to renew; total 25 years

⁽⁸⁾ \$2,400 per month with a 4% annual escalator

**Leases and Permits Issued
During 1st Quarter of FY 2013/14
July 1, 2013 through September 30, 2013**

LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
AltaMed Health Services Corporation (RL 3311)	Non-Profit ⁽¹⁾	n/a ⁽²⁾	Entry Permit	2 days	Allows use of the courtyard patio and parking areas at 700 N. Alameda Street for an event at the Union Station train terminal's south patio and Metropolitan Headquarters Building courtyard patio area	\$4,944 ⁽³⁾	One Time
C & C Mountaingate (RL 977)	Private	17.916 acres	Amendment No. 1 to Entry Permit	Year to Year	Amends the term and increases the rent of an existing access permit on property located near the Sepulveda Pressure Control Structure	\$500 ⁽⁴⁾	Annual
California, State of, Department of General Services (High Speed Rail) (RL 3339)	Public	2,459 RSF ⁽⁵⁾	Lease	4 years	Allows use of office space on the third floor low rise at Metropolitan Headquarters Building	\$5,287	Monthly
Eastern Municipal Water District (EMWD) (RL 3335)	Public	4.5 acres	Consent to Access	2 weeks	Allows access to repair fence located along the property line between EMWD and Metropolitan near Diamond Valley Lake	\$0 ⁽⁶⁾	n/a
Electric Sky Production (RL 3329)	Private	n/a ⁽⁷⁾	Entry Permit	2 days	Allows for filming a Discovery Channel documentary titled "How Cities Work"	\$0 ⁽⁸⁾	n/a
Southern California Gas Company (RL 2605)	Private	0.13 acre	Amendment No. 1 to Entry Permit	7 months ⁽⁹⁾	Amends the term to install an underground PIG launcher valve at Joseph Jensen Water Treatment Plant ⁽¹⁰⁾	\$500 ⁽¹¹⁾	Monthly
Western Center Community Foundation dba Western Science Center (RL 3109)	Non-Profit ⁽¹⁾	4,718 sq. ft.	Amendment No. 3 to Lease	2 years	Extends the term and increases the rent for use of four offices at the Diamond Valley Lake Visitor Center for public charter school classroom purposes	\$4,245	Monthly

TBD = To be Determined

n/a = Not Applicable

⁽¹⁾ Non-profit organization pursuant to IRS Code Section 501

⁽²⁾ Temporary use of courtyard patio area, 75 parking spaces (first day) and 462 parking spaces (second day) at Metropolitan Headquarters Building

⁽³⁾ An additional \$500 refundable security deposit was collected and deposited towards additional parking fees

⁽⁴⁾ Term includes 3% annual increase

⁽⁵⁾ RSF = Rentable Square Feet

⁽⁶⁾ 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

⁽⁷⁾ No fee charged due to mutual benefit to both property owners to have fence repaired

⁽⁸⁾ Facilities accessed and/or filmed included Metropolitan's F. E. Weymouth Water Quality Lab, Lake Mathews, Lake Skinner, Robert A Skinner Water Treatment Plant, and Colorado River Aqueduct facilities

⁽⁹⁾ No fee charged due to mutual benefits derived from the public health and water education exposure on a national cable program

⁽¹⁰⁾ Initial extension is for one month, with six options to extend

⁽¹¹⁾ A pipeline PIG (Pipeline Inspection Gadget) is a device used to clean or inspect the inside of a pipeline. A PIG launcher is an aboveground facility where pipeline PIGs are inserted or retrieved from the pipeline.

⁽¹²⁾ Fee for one month is \$500, each option exercised will be charged an additional \$500 fee

Deeds Granted
During 1st Quarter of FY 2013/14
July 1, 2013 through September 30, 2013

GRANTEE	ACREAGE	TYPE	TERM	USE	DOCUMENT RECORDING DATE	FEE/RENT	FREQUENCY
Southern California Edison (RL 3209)	0.56 acre	Easement	Permanent	Allows construction, use and maintenance of an electrical substation to provide more reliable service to the F. E. Weymouth Water Treatment Plant.	9/20/2013	\$0 ⁽¹⁾	One Time

TBD = To be Determined

n/a = Not Applicable

⁽¹⁾ This project provides electrical service to a Metropolitan facility.