



● **Board of Directors**
Real Property and Asset Management Committee

5/8/2018 Board Meeting

7-4

Subject

Adopt CEQA determination and authorize granting a License Agreement to Los Angeles SMSA Limited Partnership, a California limited partnership, d/b/a Verizon Wireless for vehicular access on Metropolitan's fee-owned property located in the city of Claremont

Executive Summary

This action authorizes the General Manager to grant a license agreement on an existing Metropolitan access road to Verizon Wireless for the purpose of establishing access rights to their new offsite telecommunications facility located on an adjacent property. Board authorization to grant a license agreement is required because the term of the real property interest to be conveyed exceeds five years.

Metropolitan currently uses the existing paved road, located along the Rialto Feeder pipeline, for routine patrolling and maintenance purposes. Verizon Wireless will make a one-time payment towards Metropolitan's standard processing fees and an annual license fee payment based on the appraised fair market value.

Details

Background

Verizon Wireless is requesting a license agreement to traverse Metropolitan property to access an adjoining property owned by Three Valleys Municipal Water District (**Attachment 1**), where Verizon Wireless currently holds a lease and is constructing a new telecommunication facility. Verizon Wireless requests the use of Metropolitan's road in order to construct the new communication tower on the adjacent property and for routine maintenance purposes thereafter. Metropolitan's primary use of the approximate 0.55 acres of the paved access road is for patrolling and maintenance of the Rialto Feeder pipeline.

The license agreement will have the following key provisions:

- This conveyance is subject to Metropolitan's paramount rights reservation.
- The fair market value of the license is \$6,000 per year.
- The rent is adjusted four percent annually.
- Metropolitan will receive a one-time \$5,500 processing fee.
- The license term is 25 years, coterminous with the Three Valleys Municipal Water District lease.

Should Metropolitan need to perform construction activities on the Rialto Feeder pipeline and interrupt Verizon Wireless's use of the road as permitted under the license, Verizon Wireless would be able to use a secondary access route located on adjacent Three Valley's Municipal Water District property, where Verizon Wireless currently holds a lease agreement for their telecommunications facilities.

Policy

Metropolitan Water District Administrative Code Section 8230: Grants of Real Property Interests

Metropolitan Water District Administrative Code Section 8232: Terms and Conditions of Management

Metropolitan Water District Administrative Code Section 8231: Appraisal of Real Property Interest

By minute Item 48766, dated August 16, 2011, the Board adopted the proposed policy principles for managing Metropolitan's real property assets.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action consists of the leasing, licensing, maintenance, and operating of existing equipment and facilities with negligible or no expansion of use beyond that existing at the time of the lead agency's determination. In addition, it will not have a significant effect on the environment. Accordingly, this proposed action qualifies as a Class 1 Categorical Exemption (Section 15301 of the State CEQA Guidelines).

The CEQA determination is: Determine that pursuant to CEQA, the proposed action qualifies under a Categorical Exemption (Class 1, Section 15301 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action is categorically exempt, and
 Authorize granting a 25-year license to Verizon Wireless for access.

Fiscal Impact: Metropolitan will receive an annual license fee of \$6,000 with a rent increase of four percent per year.

Business Analysis: This option will offset Metropolitan's maintenance cost of the shared access road.

Option #2

Do not approve the license agreement

Fiscal Impact: Metropolitan will not receive \$6,000 in annual revenue to offset maintenance costs.

Business Analysis: Metropolitan will continue to have sole responsibility for access road maintenance costs.

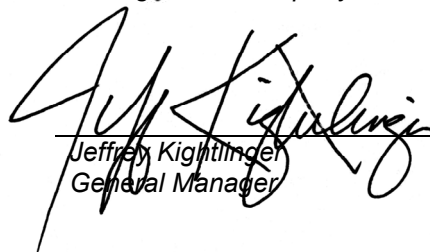
Staff Recommendation

Option # 1



Lilly L. Shraibati
 Manager, Real Property

4/16/2018
 Date



Jeffrey Kightlinger
 General Manager

4/19/2018
 Date

Attachment 1 – Location and Site Maps

Location and Site Maps

