



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

7/9/2019 Board Meeting

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7-2

## Subject

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Authorize the granting of a ten-year license agreement to E-Z Storage of Van Nuys, for storage containers and parking purposes on Metropolitan fee-owned property in the Van Nuys area of the city of Los Angeles; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## Executive Summary

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This action authorizes the General Manager to enter into a new, ten-year license agreement with E-Z Storage of Van Nuys (E-Z Storage). The proposed license will allow E-Z Storage to continue using Metropolitan's fee-owned property for storage container units and vehicle parking, as part of its business, which is conducted on adjacent land not owned by Metropolitan. The subject property is located on Peach Avenue between Sepulveda Boulevard and the interstate 405 freeway in the city of Los Angeles (**Attachment 1**).

## Details

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### Background

Metropolitan acquired the subject property in October 1971 for the construction, operation and maintenance of the Sepulveda Feeder Pipeline. Metropolitan's pipeline is a 96-inch-inside-diameter prestressed concrete pipe, with approximately six to eight feet of cover. Metropolitan has two above ground manhole structures on this property. E-Z Storage is required to maintain a 15-foot clearance area around these structures to ensure that there is no interference with Metropolitan operations and maintenance activities. The subject property is approximately 0.30 acres and E-Z Storage has been allowed temporary, revocable use of the property since September 1984. E-Z Storage currently has moveable storage containers on the premises and the proposed license will continue to allow only moveable property and prohibit the installation of permanent structures and fixtures. Additionally, E-Z Storage owns an adjacent 2.42-acre site developed with additional storage facilities, on a portion of which Metropolitan holds a permanent easement for its Sepulveda Feeder pipeline.

The proposed license will have the following key provisions:

- Subject to Metropolitan's paramount right reservation and revocation rights
- A ten-year term with an option to renew for five additional years
- A monthly license fee of \$2,400
- Annual license fee increases of three percent
- Metropolitan reserves the right to reappraise the licensee fee every five years
- Licensee responsibility for the upkeep of the property, including security, trash removal, and weed abatement

Metropolitan will receive income consistent with the appraised value. Board authorization to grant this license is required because the license term will exceed five years.

## Policy

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

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

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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)

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### 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).

### CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Authorize the granting of a ten-year license to E-Z Storage for storage containers and parking purposes

**Fiscal Impact:** Metropolitan will receive a monthly income of at least \$2,400.

**Business Analysis:** This option will allow the compatible, secondary use of Metropolitan's fee-owned parcel to generate income and avoid maintenance costs for weed abatement, trash removal, trespassing, security, and illegal dumping.

### Option #2

Do not approve the license

**Fiscal Impact:** Metropolitan will forgo monthly income of at least \$2,400

**Business Analysis:** This option would forgo an opportunity to generate income and increase Metropolitan's maintenance costs.

## Staff Recommendation


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Option # 1

  
 \_\_\_\_\_  
 Octavia T. Tucker  
 Interim Group Manager  
 Real Property Group

6/25/2019

Date

  
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 Jeffrey Nightlinger  
 General Manager

6/26/2019

Date

## Attachment 1 – Site Map

Ref# rpd12667580

Site Map

