



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

7/9/2019 Board Meeting

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7-3

## Subject

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Authorize the granting of a ten-year license agreement to California TrusFrame, LLC (CTF) for temporary storage of roof and floor trusses on Metropolitan fee-owned property in the city of Perris, within the county of Riverside; 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 CTF. The proposed license will allow CTF to continue using Metropolitan's fee-owned property for temporary storage of finished roof and floor trusses in connection with CTF's existing operations in Perris, California. The subject property is located just west of the 215 Freeway and north of the Colorado River Aqueduct (CRA) in the city of Perris, California (**Attachment 1**).

## Details

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Metropolitan acquired the subject property in October 1993, when it was offered for sale, to use as a buffer for the Chemical Unloading Facility, which is located adjacent to the CRA approximately 1,500 feet west of this property. Metropolitan does not have any facilities on the property. Metropolitan has licensed this parcel for short term, secondary purposes in order to maintain the land and generate revenue. The proposed license area is bordered by the existing CTF operations to the north, the 215 Freeway to the east, a vacant Metropolitan-owned parcel to the south, and vacant privately-owned land to the west. The proposed license for outdoor storage will not interfere with Metropolitan's operational needs for the area and the light industrial use is compatible with Metropolitan's desire to minimize residential development in close proximity to the Chemical Unloading Facility. There are additional light industrial operations including a CTF facility located within private property currently located in closer proximity to our Chemical Unloading Facility.

CTF has had a license for this temporary, secondary use on the 3.4 acres of Metropolitan's property since August 1, 2014. Under the existing license CTF, has been responsible for upkeep of the property, including weed abatement and security as well as preventing illegal dumping and trespassing.

The proposed license will have the following key provisions:

- Subject to Metropolitan's paramount right reservation and right to revoke the license.
- Ten-year term with an option to renew for five additional years
- Monthly License Fee of \$3,275
- Annual license fee increases of three percent
- Metropolitan reserves the right to reappraise the license fee every five years
- Licensee responsibility for upkeep of the property, including security, trash removal and weed abatement

Metropolitan will receive license fees consistent with the appraised value. Board authorization to grant this license is required because the term exceeds 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 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 granting of a ten-year license to CTF for temporary storage of finished products.

**Fiscal Impact:** Metropolitan will receive monthly income of at least \$3,275

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

### Option #2

Do not approve the license agreement

**Fiscal Impact:** Metropolitan will forgo monthly revenue of at least \$3,275

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

## Staff Recommendation

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Option #1



Octavia T. Fucker  
Interim Group Manager  
Real Property Group

6/27/2019

Date



Jeffrey Kightlinger  
General Manager

6/27/2019

Date

## Attachment 1 – Exhibit Map

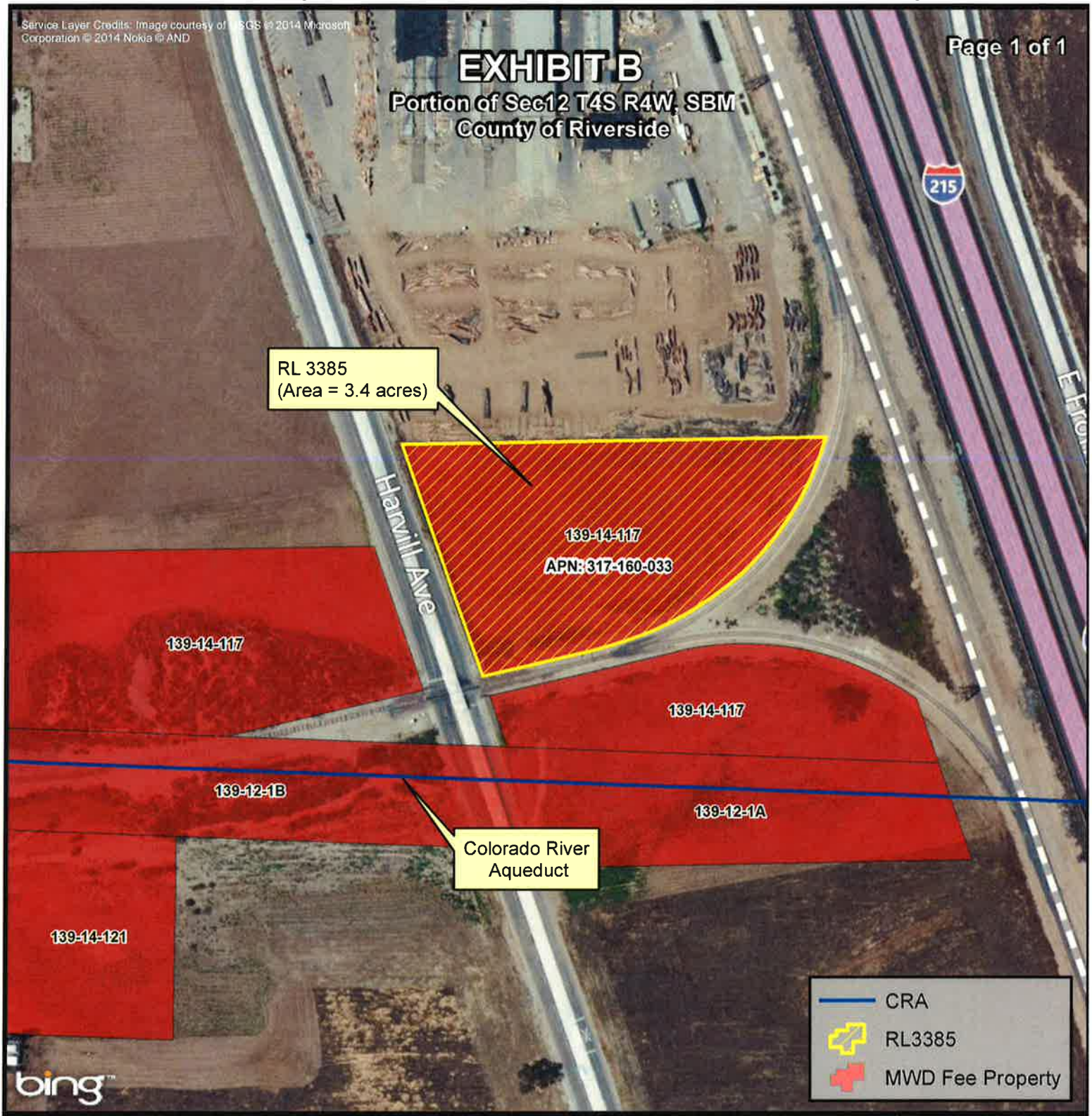
Ref# rpd12671060

Service Layer Credits: Image courtesy of USGS © 2014 Microsoft Corporation © 2014 Nokia © AND

# EXHIBIT B

Portion of Sec12 T4S R4W, SBM  
County of Riverside

RL 3385  
(Area = 3.4 acres)



Colorado River  
Aqueduct

-  CRA
-  RL3385
-  MWD Fee Property



Feet  
0 50 100 200

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COLORADO RIVER AQUEDUCT

## License RL 3385

MWD  
to  
**California TrusFrame LLC**

MWD ROW: 139-14-17 (por.) APN: 317-160-033



The Metropolitan Water District of Southern California  
Engineering Services Group