



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

9/10/2019 Board Meeting

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**7-3**

**Subject**

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Authorize the granting of a ten-year license agreement with an option to renew for five additional years to Fountains La Verne MHP Associates, LP, for mobile home park-related purposes in the city of La Verne; the General Manager has determined that this 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 an option to renew for five additional years with Fountains La Verne MHP Associates, LP (Fountains). The proposed license will allow Fountains to continue to use Metropolitan's fee-owned property for portions of seven mobile home pads and for landscaping, visitor parking, and recreational vehicle parking purposes. The subject 2.25-acre property is located at 3530 Damien Avenue, west of the Weymouth Treatment Plant, between Foothill Boulevard and Gladstone Street in the city of La Verne. (**Attachment 1**).

**Details**

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**Background**

Metropolitan acquired the subject property in 1968 for the construction, operation, and maintenance of Metropolitan's Foothill Feeder La Verne Pipeline. Metropolitan's pipeline is a 150-inch-inside-diameter prestressed concrete pipeline with approximately eight to ten feet of cover. As part of the acquisition of the subject property, Metropolitan agreed to enter into a 50-year lease with McDay Estates (predecessor-in-interest to Fountains), for public streets, utility, parking, recreation, and/or landscaping purposes and to allow portions of seven existing mobile home trailer pads to remain inside the northern edge of the subject property by up to eight feet. Fountains is currently in compliance with all terms of the original lease. The existing use has not interfered with Metropolitan's operations.

The proposed license will allow continued, revocable use of the land for mobile home park-related purposes and have the following key provisions:

- Subject to Metropolitan's paramount rights reservation;
- Licensed activity of landscaping, visitor parking, recreational vehicle parking and related uses and maintenance of portions of seven mobile home trailer pads, removable at need of Licensor;
- A ten-year term with an option to renew for five additional years;
- A monthly license fee of \$914.41;
- Annual licensee fee increases of three percent;
- Metropolitan reserves the right to reappraise the license fee every five years; and
- Licensee responsibility for 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 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 with an option to renew for five additional years to Fountains La Verne MHP Associates, LP for mobile home park related purposes.

**Fiscal Impact:** Metropolitan will receive monthly income of \$914.41.

**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 authorize the license.

**Fiscal Impact:** Metropolitan will forgo monthly income of \$914.41.

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

**Staff Recommendation**

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Option # 1

  
 \_\_\_\_\_ 8/27/2019  
 Octavia T. Tucker  
 Interim Group Manager  
 Real Property Group  
 Date

  
 \_\_\_\_\_ 8/29/2019  
 Jeffrey Kightlinger  
 General Manager  
 Date



