



Surplus Property Report

Summary

This report is an informational update on the periodic evaluation of Metropolitan's fee-owned real property.

Pursuant to Metropolitan Administrative Code Section 8240: Preliminary Requirements, Metropolitan's Real Property Group (RPG) performs a periodic evaluation of Metropolitan's fee-owned real property for the purpose of determining which properties may be excess to Metropolitan's current and foreseeable operational requirements. During the past 12 months, RPG has established a multi-disciplinary team (Team) to develop a procedure for evaluating the real property assets and selection criteria for determining which properties should be deemed excess. The Team has deemed 59 parcels of land amounting to 870 acres excess. Starting in the first quarter of 2020, staff will begin requesting approval from the Board to surplus the various excess properties.

Purpose

The actions reported and contemplated herein are intended to comply with Sections 8240-8258 of the Administrative Code and Sections 54220-54227 of the California Government Code.

Attachments

Attachment 1: Property Evaluation – Excess Parcels

Details

Background

Metropolitan owns over 212,500 acres of right-of-way comprised of approximately 176,000 acres of fee property and approximately 36,500 acres of easement and water rights across 12 counties in California. These properties are used for the conveyance, storage and treatment of water and for current environmental mitigation and water conservation purposes. A number of properties are also for future construction projects and potential environmental mitigation for such projects.

Administrative Code Section 8240 requires the General Manager to establish a procedure for the continuous review of real property owned by the District for the purpose of determining which property is surplus to the District's needs. The Administrative Code authorizes the General Manager to make a determination that excess properties valued at less than \$75,000 can be declared surplus properties and made available for disposition. For excess properties valued at \$75,000 or more, the Board shall declare such properties to be surplus and made available for disposition.

RPG is responsible for establishing procedures for the continuous and periodic review of Metropolitan's real property assets, as well as for disposing of real property that is declared surplus. Water distribution and operational requirements change over time and real estate holdings should adjust in tandem with these periodic changes. The review of Metropolitan's real property assets entails a comprehensive evaluation of key attributes of each property. The recent efforts to evaluate Metropolitan's real property assets, develop procedures and create an implementation plan will be described in this report.

Approach

In October 2018, RPG established a team consisting of staff from major disciplines within Metropolitan to assess Metropolitan's fee-owned real property and compile a list of potentially excess parcels. The Team's institutional knowledge of existing and future facilities, environmental mitigation and water conservation needs was integral to reaching a consensus as to which properties should be deemed excess.

Board Report (Surplus Property Report)

The Team established a process to identify potential excess parcels, and selection criteria to determine which properties could be deemed excess. The list of properties analyzed did not include the Desert Region, due to the major CIP projects currently under construction or being considered for that area.

The evaluation process was structured as follows:

- Identify all Metropolitan’s fee-owned real property
- Establish selection criteria for properties that are not “potentially excess”
- Identify properties that are excess to Metropolitan’s current or foreseeable needs
- Prioritize the excess parcels for potential disposition

Selection of Properties

Subsequent to compiling a list of all of Metropolitan’s fee-owned real properties, the Team established a selection criteria to determine the number of properties that should be further examined and considered excess. The following selection criteria were implemented:

Remove the following properties from the potential-excess list

- Properties with existing or proposed operational facilities
- Properties where there is an excessive amount of land around an existing facility
- Properties owned for possible future projects
- Existing reserve lands and possible reserve/mitigation land
- Properties used for access to operational and mitigation areas
- Buffer properties around facilities
- Properties used for dewatering or emergency water discharges
- Properties used for water conservation purposes

In addition the Team looked at tunnels where retaining a tunnel easement would be sufficient as there is no surface access to the existing facilities which are several hundred feet below ground.

The list of properties was filtered down to 200 potential excess parcels that warranted further analysis. The Team completed a comprehensive analysis of 12,617 acres and reached a consensus on 59 fee-owned parcels for a total 870 acres that were deemed excess to current and future Metropolitan needs.

The results of the analysis are summarized below with a detailed list of the excess properties.

County	Determined Excess		Determined Not Excess	
	Number of Parcels	Total Acres	Number of Parcels	Total Acres
Los Angeles, CA	--	--	14	213
Orange County, CA	--	--	1	28
Riverside County, CA	53	260	126	11,506
San Bernardino, CA	4	529	--	--
Mohave, AZ	1	67	--	--
San Diego, CA	1	14	--	--
Total	59	870	141	11,747

Proposed Implementation Plan

RPG will bundle groups of excess parcels that are either located within or around the same area or of similar type and present them to the Board on a quarterly basis beginning in the first quarter of 2020 for consideration to surplus. The properties will be appraised to determine fair market values prior to presenting them to the Board. Upon Board approval to declare the parcels surplus, RPG will follow the procedures set forth in Administrative Code 8240 through 8258 for disposition.

Date of Report: 12/9/2019

Board Report (Surplus Property Report)

The disposition process entails providing a written notice of availability to the appropriate governmental and non-profit agencies within whose jurisdiction the surplus land is located, in accordance with California Government Code 54222. The notices will be submitted to the statutorily required agencies for the purposes of developing low- and moderate income housing, park services, recreation services, open space preservation, education, enterprise zone development, and infill opportunity zone development. The agencies have 60 days to submit a notification of interest for the purchase or lease of the surplus parcel. In the event letters of intent are not received from the agencies, RPG will create and execute a marketing plan of the surplus parcels targeting the general public through open listings or in-house efforts, exclusive broker listings, auctions, and/or any other means as directed by the Board.

Ref# rpdm12667603

Property Evaluation
2018/19
EXCESS PARCELS

MapID	RowNo	County	Acres	Comments
SD No.1	SDSIX1-07-212	San Diego	14.48	No longer viable for San Diego 6 alignment
RV No.11 - 3	144-1-647	Riverside	10.88	Remnants from Diamond Valley Lake Construction
RV No.11 - 3	144-1-645	Riverside	9.80	
RV No.11 - 3	144-1-677	Riverside	9.06	
RV No.11 - 5	144-1-619	Riverside	74.87	
RV No.11 - 5	144-1-617	Riverside	3.19	
RV No.11 - 5	144-1-611	Riverside	97.47	
RV No.11 - 5	144-1-667	Riverside	1.36	
RV No.11 - 6	144-1-664	Riverside	2.94	
RV No.11 - 6	144-1-663	Riverside	1.45	
RV No.11 - 6	144-1-693	Riverside	3.09	
RV No.11 - 6	144-1-171	Riverside	4.22	
CRA No.1	1-23-1A	San Bernardino	78.00	Was potential intake points for Colorado River Aqueduct
CRA No.1	1-23-29A	San Bernardino	160.00	
CRA No.1	1-30-17A	San Bernardino	250.00	
CRA No.1	1-30-4A	San Bernardino	41.00	
CRA No.1	1-32-115	Mohave	67.00	
CRA No.7	129-7-5	Riverside	0.25	Excess adjacent parcels to Colorado River Aqueduct
CRA No.7	129-7-9	Riverside	0.25	
CRA No.7	129-7-13	Riverside	0.30	
CRA No.7	129-7-17	Riverside	0.27	
CRA No.7	129-7-21	Riverside	0.25	
Valverde	139-11-9B	Riverside	2.84	No ability to access facility from the surface. Retain tunnel easements
Valverde	139-3-1	Riverside	2.51	
Valverde	139-3-1	Riverside	1.04	
Valverde	139-4-1a	Riverside	13.48	
Valverde	139-6-3	Riverside	0.99	
Valverde	139-6-3A	Riverside	0.25	
Valverde	139-6-5	Riverside	0.11	
Valverde	139-6-7	Riverside	0.11	
Valverde	139-6-9	Riverside	0.25	
Valverde	139-6-13	Riverside	0.09	
Valverde	139-6-17	Riverside	0.53	
Valverde	139-6-19	Riverside	0.14	
Valverde	139-6-21	Riverside	1.69	
Valverde	139-7-3A	Riverside	0.36	
Valverde	139-7-3	Riverside	0.33	
Valverde	139-7-5	Riverside	0.34	

MapID	RowNo	County	Acres	Comments
Valverde	139-7-7	Riverside	0.35	<p>(Cont.) No ability to access facility from the surface. Retain tunnel easements</p>
Valverde	139-7-9	Riverside	0.36	
Valverde	139-7-11	Riverside	0.37	
Valverde	139-7-17	Riverside	0.35	
Valverde	139-7-19	Riverside	0.28	
Valverde	139-7-21	Riverside	0.10	
Valverde	139-8-13	Riverside	0.16	
Valverde	139-8-31	Riverside	0.09	
Valverde	139-9-1	Riverside	0.09	
Valverde	139-9-3	Riverside	1.02	
Valverde	139-9-6	Riverside	0.15	
Valverde	139-9-5	Riverside	0.12	
Valverde	139-9-7	Riverside	0.12	
Valverde	139-9-8A	Riverside	0.12	
Valverde	139-9-10	Riverside	0.27	
Valverde	139-9-11	Riverside	0.19	
Valverde	139-11-11B	Riverside	2.53	
Valverde	139-11-13	Riverside	2.21	
Valverde	139-11-1	Riverside	4.54	
Valverde	139-11-5	Riverside	1.13	
Valverde	139-11-7	Riverside	1.13	