



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

1/11/2022 Board Meeting

7-5

Subject

Authorize the execution of an amendment to a license agreement with Fountains La Verne MHP Associates, L.P. for recreational vehicle parking on Metropolitan fee-owned property in the City of La Verne; the General Manager has determined that this proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action authorizes the General Manager to amend an existing license agreement with Fountains La Verne MHP Associates, L.P. The proposed amendment to the existing license will allow Fountains La Verne MHP Associates, L.P. to expand the license area by 0.46 acre for additional recreational vehicle parking on Metropolitan's fee-owned property with a corresponding increase in the annual license fee. The subject property is located west of the Weymouth Treatment Plant (**Attachment 1**).

Details

Background

Metropolitan acquired the subject property in 1968 for the construction, operation and maintenance of Metropolitan's Foothill Feeder La Verne Pipeline. The pipeline is a 150-inch inside-diameter pre-stressed concrete pipeline with approximately 8 to 10 feet of cover.

The current board-authorized license allows Fountains La Verne MHP Associates, L.P (licensee) to operate their mobile home and recreational vehicle parking business at this subject location as they had prior to Metropolitan's acquisition of the fee property. The license term for the use of 2.25 acres started on January 1, 2020, and expires December 31, 2029, and includes an option to extend through December 31, 2034. The licensee maintains landscaping and uses the property for visitor parking and recreational vehicle parking purposes. The proposed license requests the expansion area of 0.46 acre for the same purposes. The license will encompass a new total of 2.71 acres and an expiration date of December 31, 2029. The use of the subject property has not interfered with Metropolitan's operations.

The proposed amendment to the existing license agreement will have the following key provisions:

- Revocable license right and subject to Metropolitan's paramount rights reservation.
- The license area will be expanded by 0.46 acres for a total of 2.71 acres, as reflected in updated License Exhibits.
- Annual license fee to increase by \$3,715 for a total annual amount of \$15,364.
- License term expires December 31, 2029, and includes an option to extend to December 31, 2034.
- Annual license fee is subject to annual three percent increases, and the license fee will be reappraised in 2025 and 2030.
- All of the other terms of the license agreement to remain unchanged.

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

Policy

Metropolitan Water District Administrative Code Section 8230: Grants 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)

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

Option #1

Authorize the execution of an amendment to the existing license with Fountains La Verne MHP Associates, L.P. for additional recreational vehicle parking.

Fiscal Impact: Metropolitan will receive a one-time processing fee of \$7,500 and additional annual revenue of \$3,715.

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

Option #2

Do not authorize the amendment to the license.

Fiscal Impact: Metropolitan will forgo additional annual revenue of \$3,715.

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

Staff Recommendation

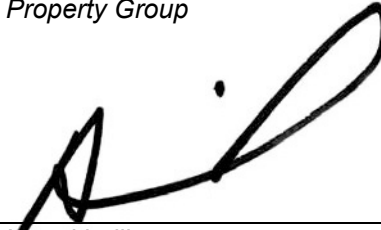
Option # 1



Lilly L. Shreibati
Group Manager
Real Property Group

12/17/2021

Date



Adel Hagekhalil
General Manager

12/21/2021

Date

Attachment 1 – Site Map

Ref# rpdm12687105

Site Map

