



- **Board of Directors**

Finance, Affordability, Asset Management, and Efficiency Committee

6/10/2025 Board Meeting

7-8

Subject

Authorize the amendment of an existing license agreement with Duke Realty Corporation to adjust the license fee and extend the term for up to twenty additional years, thereby allowing continued ingress and egress rights across Metropolitan's Colorado River Aqueduct right of way in Perris, California; the General Manager has determined that the 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 Duke Realty Corporation to adjust the license fee and maintain an existing 50-foot driveway for ingress and egress purposes across Metropolitan's fee-owned Colorado River Aqueduct (CRA) right of way in Perris, California (**Attachment 1**). Metropolitan entered into the license agreement for a crossing over the Colorado River Aqueduct in order to accommodate a non-code-required 50-foot driveway serving an industrial development located both north and south of the CRA near Indian Avenue in the City of Perris. Board authorization to grant this license extension is required as the total term of the real property interest to be conveyed, including both the base license term and its extensions, exceeds five years.

Proposed Actions/Recommendations and Options

Staff Recommendation: Option #1

Option #1

Authorize the amendment of an existing license agreement with Duke Realty Corporation to adjust the license fee and extend the term for up to twenty additional years, thereby allowing continued ingress and egress rights across Metropolitan's Colorado River Aqueduct right of way in Perris, California.

Fiscal Impact: Metropolitan will receive license fee payments of \$12,000 per year, subject to a four percent annual escalator and a right to reappraise and reset the base license fee every five years.

Business Analysis: Metropolitan will not be responsible for costs associated with annual maintenance, weed abatement, security, illegal dumping, and trespassing for the described portion of Metropolitan's right of way.

Option #2

Do not approve the license amendment.

Fiscal Impact: Metropolitan will forgo annual license fee revenue.

Business Analysis: Metropolitan will be responsible for costs associated with annual maintenance, weed abatement, security, illegal dumping, and trespassing.

Applicable Policy

Metropolitan Water District Administrative Code Section 8201: Authorization to General Manager

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 11104: Delegation of Responsibilities

By Minute Item 48766, dated August 16, 2011, the Board adopted fair market value policies for managing Metropolitan's real property assets.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action to grant a license amendment is exempt from CEQA because it involves the operation, maintenance, licensing, and minor alteration of existing public structures or facilities involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. (State CEQA Guidelines Section 15301.)

CEQA determination for Option #2:

None required

Details and Background

Background

Duke Realty Corporation is requesting to extend the existing license agreement in order to continue the use and maintenance of an existing 50-foot driveway for ingress and egress purposes across Metropolitan's Colorado River Aqueduct (CRA) right of way in Perris, California. The non-code required 50-foot driveway was constructed to accommodate an industrial development which is located both to the north and to the south of the CRA near Indian Avenue in the City of Perris.

The CRA conveys water from the Colorado River to Lake Mathews and is a cut-and-cover conduit in this area. A protective slab over the CRA was constructed to accommodate the proposed crossing. The portion of the CRA right of way that is the subject of this license agreement totals .29 acres, and the licensee is currently using the surface of the property for ingress and egress to access their fee-owned properties on both sides of the aqueduct. The current license fee is \$10,265, and the licensee is responsible for upkeep of the surface of the property, including annual maintenance costs at its sole cost and expense.

The license amendment will have the following key provisions:

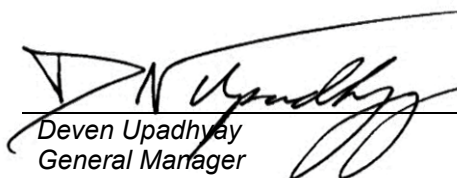
- Subject to Metropolitan's paramount rights reservation
- Four five-year options to extend, providing up to twenty additional years to the term of the license agreement.
- Annual license fee of \$12,000
- Four percent annual fee increases
- Right to reappraise the license fee every five years
- Either party can terminate the agreement with 90 days' advance written notice

The new license fee was established pursuant to an appraisal completed by our appraisal team.



Elizabeth Crosson
Chief Sustainability, Resilience and
Innovation Officer

5/28/2025

Date

Deven Upadhyay
General Manager

5/28/2025

Date**Attachment 1 – Location Map**

Ref# sri12701535

Location Map

