



- Board of Directors
Real Property and Asset Management Committee

5/10/2022 Board Meeting

7-8

Subject

Authorize granting a new five-year license agreement to West Air Gases and Equipment, Inc., for vehicle parking on Metropolitan fee-owned property in the city of Anaheim, identified as Orange County Assessor Parcel No. 344-221-01; 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 enter into a five-year license agreement with two five-year renewal options for West Air Gases and Equipment, Inc., to provide supplemental parking for its employees. The proposed 0.27-acres lease area located over Metropolitan's Second Lower Feeder Pipeline at 3001 East Miraloma Avenue in the city of Anaheim (**Attachment 1**).

Details

Background

Metropolitan acquired the subject property in 1967 for the construction, operation, and maintenance of the Second Lower Feeder Pipeline. The pipeline is an 85-inch inside-diameter steel pipe with approximately 8 to 10 feet of cover.

The proposed license agreement would allow West Air Gases and Equipment, Inc. to install pavement and fencing on 0.27 acres of Metropolitan's currently unimproved property for parking purposes. A portion of Metropolitan's property in this vicinity was previously leased for the same use. The use of the subject property will not interfere with Metropolitan's operations.

The proposed license agreement will have the following key provisions:

- Subject to Metropolitan's paramount rights reservation.
- Five-year base term with two five-year options to renew.
- Annual license fee of \$20,400 per appraised market rates.
- Fixed license fee increases of three percent annually.
- Reappraisal of the license fee to occur in 2027.
- Licensee is responsible for trash removal and weed abatement.
- One-time processing fees of \$8,500.

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 public or private structures, facilities, and equipment with negligible or no expansion of use beyond that existing at the time of the lead agency's determination. In addition, the proposed action includes minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes. Accordingly, the proposed action qualifies under Class 1 and Class 4 Categorical Exemptions (Sections 15301 and 15304 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize granting a five-year license agreement to West Air Gases and Equipment, Inc. for employee vehicle parking.

Fiscal Impact: Metropolitan will receive a one-time processing fee of \$8,500 and annual revenue of \$20,400.

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 license agreement.

Fiscal Impact: Forgo the opportunity to generate revenue

Business Analysis: Metropolitan would be responsible for ongoing costs associated with weed abatement, trash removal, trespassing, security issues, and illegal dumping.

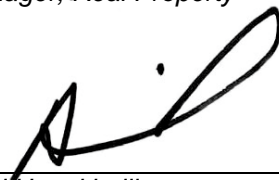
Staff Recommendation

Option # 1



Lilly L. Shraibati
Manager, Real Property

4/25/2022
Date

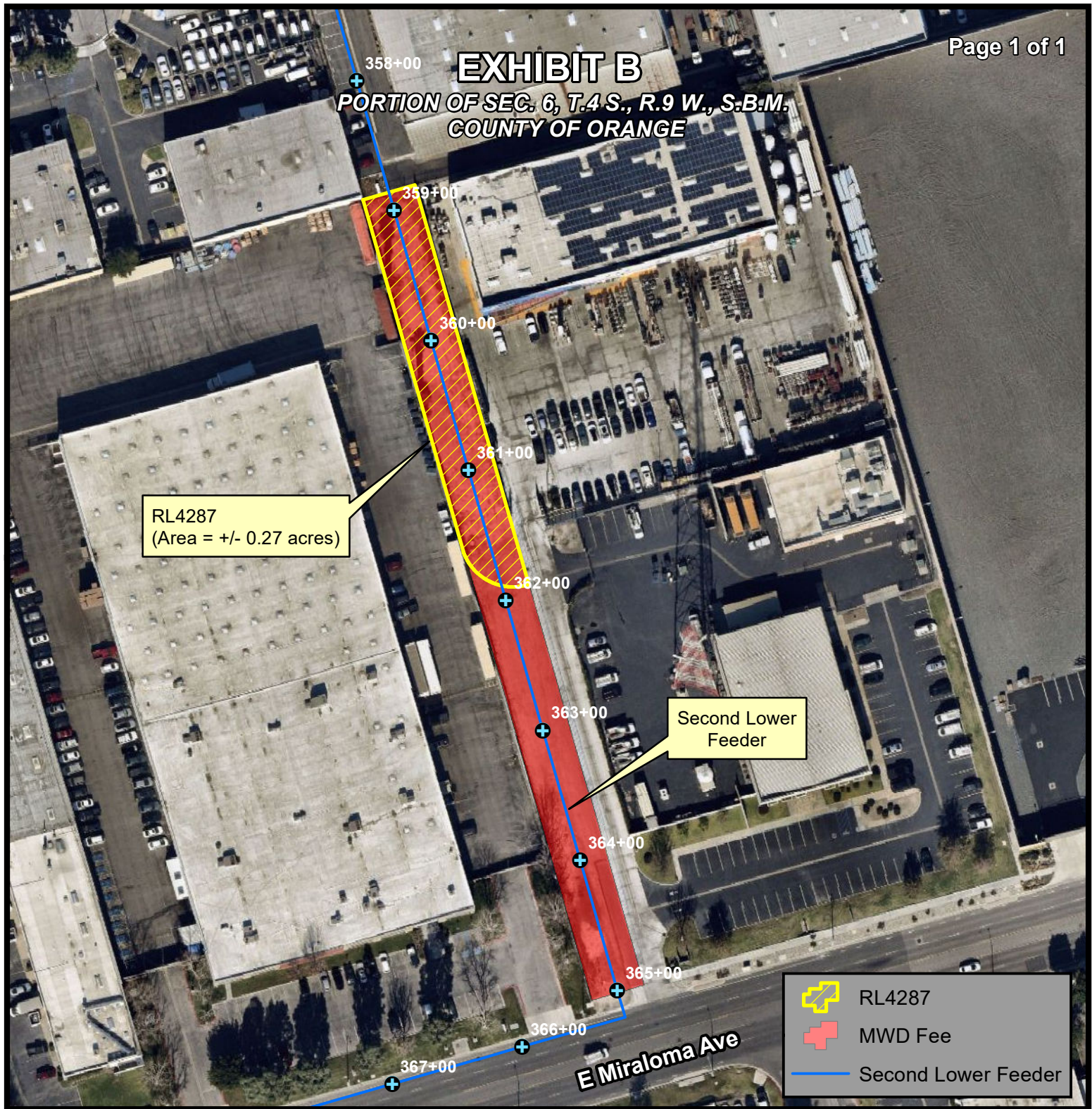


Adel Hagekhalil
General Manager

4/27/2022
Date

Attachment 1 – Site Map

Ref# rpd12680865



Feet

0 25 50 100

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The Metropolitan Water District of Southern California
 Engineering Services Group

SECOND LOWER FEEDER

License
RL 4287

MWD
to
WestAir Gases and Equipment, Inc.

MWD ROW: 1434-9-5
 APN: 344-221-01