



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

10/11/2022 Board Meeting

7-7

Subject

Declare 41 parcels, totaling approximately 636 acres, as surplus land that is no longer required for Metropolitan's current and foreseeable needs and authorize staff to dispose of the parcels; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Under the California Surplus Land Act (Government Code Section 54220, et seq.) and the Metropolitan Administrative Code, the sale or lease of excess land requires a board declaration that the land is "surplus land" as supported by written findings before Metropolitan disposes of such land consistent with Metropolitan's policies and procedures.

Metropolitan owns 441 fee-owned parcels, totaling 636 acres, located in the counties of Riverside, San Bernardino, Mojave, and San Diego (**Attachment 1 and Attachment 2**) that were deemed by staff to be excess and no longer required for Metropolitan's current or foreseeable future needs. Staff recommends that the Board declare the parcels to be surplus land as described herein and direct staff to take necessary actions to dispose of the property.

Details

Background

Metropolitan owns over 211,636 acres of right-of-way comprised of approximately 175,569 acres of fee property and approximately 36,067 acres of utility and fallowing easement across twelve counties in California. Metropolitan retains properties for current and future uses related to the conveyance, storage, and treatment of water, for environmental mitigation and water conservation purposes. The manner in which Metropolitan achieves its mission of providing adequate and reliable supplies of high-quality water evolves over time. Metropolitan's land needs adjust in tandem with the evolution of Metropolitan's operations and uses.

Under the land management provisions of the California Surplus Land Act and the Metropolitan Administrative Code, excess land that is owned in fee simple may be disposed of after the Board takes formal action in a public meeting declaring the land as surplus and not necessary for Metropolitan's use. To support this process, Metropolitan's Real Property Group (RPG) performs a periodic evaluation of fee-owned real property pursuant to Metropolitan Administrative Code Section 8240 for the purpose of determining which properties may have become excess to Metropolitan's current and foreseeable operational requirements and other needs.

Since 2018, RPG regularly convenes with the Property Review Council (PRC), who are members of staff and represent their respective department interests. Together, they develop procedures and criteria to evaluate real property asset availability for disposal by way of surplus lease or sale. The PRC considers several factors when reviewing property holdings to determine surplus eligibility, including but not limited to:

- Parcels with existing or proposed operational facilities.
- Parcels needed as buffer land around an existing facility.
- Parcels retained for possible future projects.
- Existing ecosystem/environmental reserve lands and possible future reserve/mitigation land uses.

- Parcels used for access to operational and mitigation areas.
- Parcels used for dewatering or emergency water discharges.
- Parcels used for water conservation purposes.

The PRC's determination is then presented to the Board of Directors as a recommendation under the Surplus Land Act and the surplus land disposal provisions of Metropolitan's Administrative Code for land determination. The Board makes the final determination as to whether the recommended property is surplus to Metropolitan's needs. The PRC has completed the 2022 property review process and recommends to surplus the parcels listed in **Attachment 1** and shown on the map in **Attachment 2**.

Basis for Findings that Parcels are Surplus Land

Forty-five parcels were acquired as part of Metropolitan's land acquisitions for the construction of the Colorado River Aqueduct and the Val Verde Tunnel; and with the completion of these construction projects, various parcels became project remnants. Metropolitan also purchased one parcel as a site for the future San Diego 6 tunnel portal that is no longer needed as additional local supplies are available.

With regards to the listed parcels originally acquired in connection with the Val Verde Tunnel, which is over 200 hundred feet below ground, the surface of these incontiguous parcels is not used by Metropolitan and are no longer needed. Pursuant to the PRC's evaluation, staff considers the Val Verde parcels to be excess and recommends that the fee interest in the land be made available for disposal, subject to Metropolitan's retention of underground easements reservations. This request is consistent with previous surplus dispositions in the 1980s, where several parcels along the Val Verde Tunnel were similarly declared surplus and sold with the retention of a tunnel easement to Metropolitan. Any property that has a tunnel access shaft will be retained in fee for future tunnel maintenance, repair, or rehabilitation.

Benefits of declaring the land surplus and disposal of the subject parcels includes the elimination of trespassing and nuisance abatement issues, reduction of maintenance and security costs associated with preventing unlawful activities on the Val Verde Tunnel alignment, and revenue generated from land disposals.

Appraised Value of Parcels

The property will be appraised in conformance with Metropolitan's Administrative Code Section 8231: Appraisal of Real Property Interests.

Disposition Process

Pursuant to the Surplus Land Act and the Metropolitan Administrative Code, after a board declaration that land is surplus, staff may dispose of the property only following the transmission of a written notice of availability of the land to the California Housing and Community Development Department and certain designated entities in the areas of affordable housing, open space, and other uses. An eligible entity that desires to purchase or lease such land must notify Metropolitan in writing and is entitled to a period of good faith negotiations.

After this process, the Metropolitan Administrative Code allows the disposal of property by auction, open listing, and other means that accrue the highest sale price. Staff requests authority to satisfy all requirements related to the disposal of surplus land and to dispose or convey the land in the event the Board declares the land to be surplus land.

Requested Surplus Determination and Authorization to Dispose

Staff recommends declaring the subject 41 parcels to be surplus land pursuant to the Surplus Land Act and the Metropolitan Administrative Code and authorize the disposal of the 41 parcels according to current policies and procedures.

Policy

Metropolitan Water District Administrative Code §§ 8240-8258 (Disposal of Real Property)

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 declaring that the subject property is surplus to Metropolitan's needs and may be disposed of in accordance with applicable law is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378 (b)(2) of the State CEQA Guidelines). Additionally, the proposed action consists of the sale of surplus government property with no statewide, regional, or areawide importance and will not have a significant effect on the environment; therefore, the proposed action qualifies for a Class 12 Categorical Exemption (Section 15312 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Declare that the 41 parcels are surplus land and not necessary for Metropolitan's use based on the written grounds set forth in the staff board letter and authorize their disposal according to Metropolitan's surplus land disposal policies and procedures.

Fiscal Impact: No fiscal impact at this time. Once parcels are disposed of, Metropolitan may receive revenue less disposition expenses at the close of escrow.

Business Analysis: The parcels are surplus to Metropolitan's needs.

Option #2

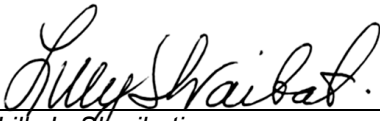
Do not declare the 41 parcels surplus to Metropolitan's needs

Fiscal Impact: Continued ownership expenses associated with property management, maintenance, and security

Business Analysis: Metropolitan continues its fee ownership of the parcels and remains exposed to nuisance abatement and trespassing issues and land protection and maintenance expenses.

Staff Recommendation

Option #1



Lilly L. Shraibati
Manager, Real Property

9/23/2022
Date



Adel Hagekhalil
General Manager

9/28/2022
Date

Attachment 1 – Excess Parcels**Attachment 2 – Vicinity Map**

Ref# rpd12681589

**Property Evaluation
2021/2022
EXCESS PARCELS**

Number	Map ID	APN	County	Acres	Comments
1	SD 6	109-280-02	San Diego	14.48	No longer viable for San Diego 6 alignment
2	CRA	0650-171-04	San Bernardino	78	Were potential intake points for Colorado River Aqueduct
3	CRA	0650-141-04	San Bernardino	160	
4	CRA	0650-261-02	San Bernardino	250	
5	CRA	0650-381-05	San Bernardino	41	
6	CRA	216-17-004	Mohave	67	
7	CRA	517-101-001	Riverside	0.25	Excess adjacent parcels to Colorado River Aqueduct
8	CRA	517-101-002	Riverside	0.25	
9	CRA	517-101-003	Riverside	0.3	
10	CRA	517-101-004	Riverside	0.27	
11	CRA	517-101-005	Riverside	0.25	
12	Valverde Tunnels	317-080-030	Riverside	2.84	No ability to access facility from the surface, retain tunnel easements
13	Valverde Tunnels	321-120-011	Riverside	2.51	
14	Valverde Tunnels	321-120-016	Riverside	1.04	
15	Valverde Tunnels	319-073-036	Riverside	0.25	
16	Valverde Tunnels	319-073-036	Riverside	0.09	
17	Valverde Tunnels	319-073-036	Riverside	0.53	
18	Valverde Tunnels	319-073-036	Riverside	0.14	
19	Valverde Tunnels	319-073-036	Riverside	1.69	
20	Valverde Tunnels	319-122-031	Riverside	0.36	
21	Valverde Tunnels	319-122-031	Riverside	0.33	
22	Valverde Tunnels	319-122-031	Riverside	0.34	
23	Valverde Tunnels	319-122-031	Riverside	0.35	
24	Valverde Tunnels	319-122-031	Riverside	0.36	
25	Valverde Tunnels	319-122-031	Riverside	0.37	
26	Valverde Tunnels	319-122-057	Riverside	0.35	
27	Valverde Tunnels	319-122-057	Riverside	0.28	
28	Valverde Tunnels	319-122-057	Riverside	0.1	
29	Valverde Tunnels	319-132-046	Riverside	0.16	
30	Valverde Tunnels	319-132-020	Riverside	0.09	
31	Valverde Tunnels	319-182-051	Riverside	0.09	
32	Valverde Tunnels	319-182-051	Riverside	1.02	
33	Valverde Tunnels	319-182-051	Riverside	0.15	
34	Valverde Tunnels	319-182-051	Riverside	0.12	
35	Valverde Tunnels	319-171-045	Riverside	0.12	
36	Valverde Tunnels	319-171-045	Riverside	0.27	
37	Valverde Tunnels	319-182-046	Riverside	0.19	
38	Valverde Tunnels	317-080-030	Riverside	2.53	
39	Valverde Tunnels	317-080-030	Riverside	2.21	
40	Valverde Tunnels	317-060-042	Riverside	4.54	
41	Valverde Tunnels	317-080-030	Riverside	1.13	

Total 636.35

