

MINUTES OF THE
PROPERTY MANAGEMENT COMMITTEE MEETING
WITH BOARD OF DIRECTORS
ORANGE COUNTY WATER DISTRICT
October 28, 2016 @ 12:00 p.m.

Committee Chair Sheldon called the Property Management Committee meeting to order at 12:00 p.m. in Conference Room C-2. The Secretary called the roll and reported a quorum as follows.

<u>Committee</u>		<u>OCWD Staff</u>
Steve Sheldon	(present)	Mike Markus - General Manager
Jan Flory	(present)	John Kennedy - Executive Director
Roman Reyna		Bruce Dosier - Director IS/Property
Dina Nguyen	(present)	Judy-Rae Karlsen - Assistant District Secretary
Roger Yoh		Cindy Leinart
Alternates		
Phil Anthony		<u>Others</u>
Denis Bilodeau	(present)	Jason Ayres, Robert Virgil – Dan Copp Crushing
Jordan Brandman	(present)	Pamela Galera – City of Anaheim
Shawn Dewane		Adam Probolsly – Probolsly Research
Cathy Green	(present)	Mike Hefner, Mike Vernick – Voit Real Estate Svcs.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Green, seconded by Director Nguyen and carried, with Director Flory abstaining from the vote due to her absence at the September 23 Property Management Committee meeting. [3-0-1].

Ayes: Sheldon, Nguyen, Green

Abstain: Flory

1. Minutes of the Meeting

The Minutes of the Property Management Committee meeting held September 23, 2016 were approved as presented.

MATTERS FOR CONSIDERATION

Directors Bilodeau and Brandman arrived during the following discussion.

2. Renewal of Lease to Dan Copp Crushing Corporation

Director of IS/Property Bruce Dosier advised that staff was directed to negotiate a lease renewal with Dan Copp Crushing and determine land values with the assistance of Voit Real Estate Services (Voit) . He reported that the Voit broker commission was \$35,000 and will be paid by Dan Copp Crushing following the execution of the lease renewal. Voit representative Mike Hefner reported on the determination made regarding the land evaluation and the lease negotiations and then proposed a lease renewal (Amendment Four) with the following terms:

- Lease term commences April 1, 2017
- Lease term is 120 months
- Fixed term 3% increase
- Base monthly rent of \$64,294 (.18 per square foot)
- Renewal option of two five year terms subject to approval by the Board of Directors
- Lessee shall provide six (6) month notice of termination.

The Committee discussed the proposal as presented by Mr. Hefner and then recommended the Lessee termination clause be increased to one year. Director Bilodeau expressed concerns about the Lessee paying the \$35,000 commission to Voit and he recommended the District consider paying half of the commission fee. The Committee discussed the proposed changes to the terms and conditions of Amendment Four to the Lease and then took the following action.

Upon motion by Director Flory, seconded by Director Bilodeau and carried [5-0], the Committee recommended that the Board at its November 16 Board meeting: 1) Approve and authorize execution of Amendment Four to Lease with Dan Copp Crushing Corporation for an additional ten-year term, with two additional 5 year options to the term of the Lease, monthly rent at \$64,294, and one (1) year notice for termination by Lessor; and 2) Authorize payment of half of the fees paid by Dan Copp Crushing to Voit Real Estate Services for an amount not to exceed \$17,500.

[Ayes-Sheldon, Flory, Nguyen, Bilodeau, Brandman]

INFORMATIONAL ITEMS

3. Status Update on General Plan and Zone Change for Ball Road Basin Property

Mr. Dosier presented a brief update on the ongoing process of changing the General Plan and Zoning from Open Space/Transitional to General Commercial with the City of Anaheim for the Ball Road Basin property.

4. Quarterly Report on Leases and Permits/Licenses

Mr. Dosier reviewed the 3rd Quarter Report on District leases and permits for the period ending September 30, 2016. He briefly discussed leases currently under negotiation and leases that will be expiring. Mr. Dosier advised that Sandwood Inc., d.b.a. Sandbagger and Duck Hunting are current on rent payments.

ITEMS TO AGENDIZE ON THE CONSENT CALENDAR AT THE NOVEMBER 16 BOARD MEETING

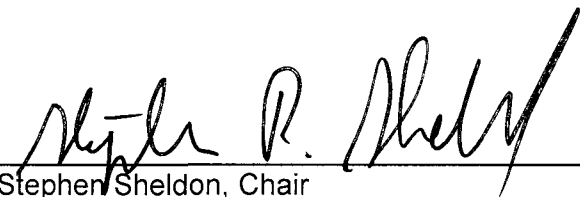
Staff was directed to place Item No. 2, *Renewal of Lease to Dan Copp Crushing Corporation* on the Consent Calendar for the November 16 Board meeting.

DIRECTOR COMMENTS

Director Brandman advised he attend the Fletcher Basin Dedication and the City of Anaheim is interested in developing that area into park space.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:32 p.m.



Stephen Sheldon, Chair