

AGENDA  
PROPERTY MANAGEMENT COMMITTEE MEETING  
WITH BOARD OF DIRECTORS \*  
ORANGE COUNTY WATER DISTRICT  
18700 Ward Street, Fountain Valley CA 92708  
**Friday, May 17, 2024, 12:00 p.m. Conference Room C-2**

\*The OCWD Property Management Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of strict compliance with the Brown Act and it provides an opportunity for all Directors to hear presentations and participate in discussions. Directors receive no additional compensation or stipend as a result of simultaneously convening this meeting. Items recommended for approval at this meeting will be placed on **June 5, 2024**, Board meeting Agenda for approval.

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

**Computer Audio: You can join the Zoom meeting by clicking on the following link:**  
<https://ocwd.zoom.us/j/81364630427>

**Meeting ID: 813 6463 0427**

**Telephone Audio: (213) 338 8477**

Teleconference Sites:  
10382 Bonnie Drive, Garden Grove  
20 Civic Center, Santa Ana  
6148 E. Baja Drive, Anaheim  
19 Cannery, Buena Park

\* Members of the public may attend and participate at all locations.

## **ROLL CALL**

## **ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

RECOMMENDATION: Adopt resolution determining need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda (requires two-thirds vote of the Board members present, or, if less than two-thirds of the members are present, a unanimous vote of those members present.)

## **VISITOR PARTICIPATION**

Time has been reserved at this point in the agenda for persons wishing to comment for up to three minutes to the Board of Directors on any item that is not listed on the agenda, but within the subject matter jurisdiction of the District. By law, the Board of Directors is prohibited from taking action on such public comments. As appropriate, matters raised in these public comments will be referred to District staff or placed on the agenda of an upcoming Board meeting.

At this time, members of the public may also offer public comment for up to three minutes on any item on the Consent Calendar. While members of the public may not remove an item from the Consent Calendar for separate discussion, a Director may do so at the request of a member of the public.

## **CONSENT CALENDAR (ITEM NO. 1)**

All matters on the Consent Calendar are to be approved by one motion, without separate discussion on these items, unless a Board member or District staff request that specific items be removed from the Consent Calendar for separate consideration.

1. MINUTES OF PROPERTY MANAGEMENT COMMITTEE MEETING HELD APRIL 26, 2024

RECOMMENDATION: Approve minutes as presented

### **MATTER FOR CONSIDERATION**

2. CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) PROPERTY AT BURRIS BASIN AND NSM GOLF, INC. D.B.A. THE ISLANDS GOLF CENTER LEASEHOLD

RECOMMENDATION: Agendize for June 5 Board meeting:

- 1) Authorize General Manager to negotiate and execute a one-year lease agreement with Caltrans at a monthly rent of \$1,141 and remit all applicable lease review fees, not to exceed \$2,500;
- 2) Authorize General Manager to negotiate and execute amendment six with NSM Golf to comply with the application requirements for a sublease policy exception; and
- 3) Authorize staff to apply for the policy exception to sublease Caltrans property and remit all applicable processing fees, not to exceed \$2,500

### **INFORMATIONAL ITEM**

3. STATUS UPDATE ON THE DISTRICT'S IMPERIAL HIGHWAY PROPERTY

**CHAIR DIRECTION AS TO ITEMS TO AGENDIZE AS MATTERS FOR CONSIDERATION AT THE JUNE 5 BOARD MEETING**

**DIRECTORS' COMMENTS/REPORTS**

**GENERAL MANAGER'S COMMENTS/REPORTS**

**ADJOURNMENT**

## PROPERTY MANAGEMENT COMMITTEE

### Committee Members

Steve Sheldon - Chair  
Natalie Meeks - Vice Chair  
Denis Bilodeau  
Bruce Whitaker  
Roger Yoh

### Alternates

Valerie Amezcua - Alternate 1  
Dina Nguyen - Alternate 2  
Van Tran - Alternate 3  
Erik Weigand - Alternate 4  
Cathy Green - Alternate 5

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted at the guard shack entrance and in the main lobby of the Orange County Water District, 18700 Ward Street, Fountain Valley, CA and on the OCWD website not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the District Secretary. Backup material for the Agenda is available at the District offices for public review and can be viewed online at the District's website: [www.ocwd.com](http://www.ocwd.com)

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the District Secretary at (714) 378-3234, by email at [cfuller@ocwd.com](mailto:cfuller@ocwd.com), by fax at (714) 378-3373. Notification 24 hours prior to the meeting will enable District staff to make reasonable arrangements to assure accessibility to the meeting.

As a general rule, agenda reports or other written documentation has been prepared or organized with respect to each item of business listed on the agenda, and can be reviewed at [www.ocwd.com](http://www.ocwd.com). Copies of these materials and other disclosable public records distributed to all or a majority of the members of the Board of Directors in connection with an open session agenda item are also on file with and available for inspection at the Office of the District Secretary, 18700 Ward Street, Fountain Valley, California, during regular business hours, 8:00 am to 5:00 pm, Monday through Friday. If such writings are distributed to members of the Board of Directors on the day of a Board meeting, the writings will be available at the entrance to the Board of Directors meeting room at the Orange County Water District office.



MINUTES OF THE PROPERTY MANAGEMENT COMMITTEE MEETING  
WITH BOARD OF DIRECTORS  
ORANGE COUNTY WATER DISTRICT  
April 26, 2024 @ 12:00 p.m.

Director Sheldon called the Property Management Committee meeting to order in Conference Room C-2. Members of the public also participated via Zoom. The Secretary called the roll and reported a quorum as follows:

Committee

Steve Sheldon  
Natalie Meeks  
Denis Bilodeau  
Bruce Whitaker  
Roger Yoh

OCWD Staff

John Kennedy, General Manager  
Bruce Dosier, Director of IS/Property Management  
Jeremy Jungreis, General Counsel  
Daniel Park, Property Manager  
Dave Mark, Principal Hydrogeologist  
Christina Fuller, District Secretary

Alternates

Valerie Amezcua (absent)  
Dina Nguyen (absent)  
Van Tran  
Erik Weigand (absent)  
Cathy Green

**CONSENT CALENDAR (ITEMS NO. 1 – 4)**

The Consent Calendar was approved upon motion by Director Bilodeau, seconded by Director Whitaker, and carried [5-0] as follows:

***Ayes: Sheldon, Meeks, Bilodeau, Whitaker, Yoh***

1. Meeting Minutes

**The Minutes of the Property Management Committee meeting held March 22, 2024 were approved as presented.**

2. Amendment to Duck Hunting Lease with Elaine Raahauge D.B.A. Mike Raahauge's Shooting Enterprises

**Recommended for approval at May 15 Board meeting: Approve and authorize execution of Amendment Twenty-Three to Lease with MRSE to extend the lease for a duck hunting concession on District property at Prado Basin for the 2024/25 duck hunting season with a new expiration date of June 30, 2025.**

3. Amendment to Duck Hunting Lease with Prado Basin Duck Club

**Recommended for approval at May 15 Board meeting: Approve and authorize execution of Amendment Nineteen to Lease with PBDC to extend the lease for a duck hunting concession on District property at Prado Basin for the 2024/25 duck hunting season with a new expiration date of June 30, 2025.**

4. Appraisal Services for the Mid-Basin Injection Site Rental Adjustment

**Recommended for approval at May 15 Board meeting: Authorize execution of contract with CBRE for Appraisal Services for the appraisal of the Mid-Basin Injection Well Site in accordance with the Lease with Orange County Flood Control District.**

## MATTERS FOR CONSIDERATION

5. Corona Recreation, Inc. Request to Expand Radio Control Electric Car Track at Warner Basin

Property Manager Daniel Park recalled that in February 2021, the District authorized Corona Recreation to construct and operate a radio control electric car dirt track (RC Track) on the Leased Premises, located at the front entrance on La Palma Avenue. He advised that Corona Recreation has requested the RC Track be expanded to include a removable asphalt track on the empty grass area adjacent to the existing RC Track. He reported that Mr. Elliott estimates a total investment cost of \$125,450, which includes materials, construction labor, lighting, timing sensors, computer software, cameras, driver's platform, two storage Tuff Sheds, tents for the pit area, and tables/chairs for the pit area. He advised that Mr. Elliott estimates the two track venues combined will bring in a total annual gross income of \$250,000, of which the District will receive 5%. Mr. Park advised that staff has no objection to Mr. Elliott's request and recommends an amendment to the Lease to expand the RC Track to include the proposed removable asphalt track.

**Upon motion by Director Whitaker, seconded by Director Yoh and carried [5-0], the Committee recommended that the Board at its May 15 Board meeting: Approve and authorize execution of Amendment Ten to Lease with Corona Recreation to expand the RC Track to include a removable asphalt track.**

**Ayes: Sheldon, Meeks, Bilodeau, Whitaker, Yoh**

6. Planning Remediation of Former Prado Shooting Areas – In-Place Remediation Alternative Comparison

Senior Planner Kevin O'Toole recalled that the District is working with the Department of Toxic Substances Control (DTSC) to address soil contamination at former shooting areas at Pigeon Hill and the Former Clay Target Range in Prado Basin. He advised that OCWD's current Corrective Action Management Unit (CAMU) approach involves hauling material across Prado Basin and consolidating contaminated soils from both sites into a containment structure at Pigeon Hill. He noted that at the March 2024 Property Committee Meeting, staff provided an overview of the necessary permits and approvals needed from outside regulatory agencies and the Army Corps to allow for the two necessary river crossings. He stated that staff also informed the Committee of newly identified constraints on the remediation schedule including flood season, bird nesting season, duck hunting season, and dove hunting season. He recalled that the Committee noted that most of the permits, approvals and schedule constraints are related to the haul route and river crossings. He advised that in response, staff suggested an in-place remediation alternative that would potentially be more cost effective with less permit restraints. Mr. O'Toole stated that in-place remediation has fewer permitting requirements, less access limitations, and is more cost effective. He advised that eliminating the haul route removes key project challenges, reduces risks and is only dependent on nesting birds. He presented the remediation cost differences and O&M comparison and advised that \$800,000 would be saved with in-place remediation. He reported that the in-place remediation alternative would achieve nearly identical remediation goals as the CAMU consolidation approach, except for potential land use restrictions for approximately 1-acre at Former Clay Target Range. He advised that by remediating in-place many of the permits and agreements associated with the two river crossings can be avoided, which will greatly expedite the planning process and save the District substantial time and money. He advised that remediating in-place also has the benefit of not requiring use of US Army Corps of Engineers (USACE) property, removing the need to obtain a written exclusivity agreement from the USACE and coordinating with lessees. Mr. O'Toole stated that AECOM has provided OCWD with a verbal estimate that consultant support to obtain the 401, 404, 408 and 1600 permits would cost approximately \$50,000, which does not include the permit fees, staff time, or potential schedule delays that will increase costs to the planning portion of the project with the current approach.

**Upon motion by Director Bilodeau, seconded by Director Whitaker and carried [5-0], the Committee recommended that the Board at its May 15 Board meeting: 1) Direct staff to discontinue pursuing remediation through consolidation, and 2) Direct staff to analyze in-place remediation option with support from AECOM.  
Ayes: Sheldon, Meeks, Bilodeau, Whitaker, Yoh**

## **INFORMATIONAL ITEMS**

### **7. Status Update on the City of Anaheim's Proposed OC River Walk Project**

City of Anaheim Parks Manager JJ Jimenez provided an update on the OC River Walk project that would be adjacent to and within the Santa Ana River between approximately Ball Road and Orangewood Avenue. Mr. Jimenez provided an overview of project goals, project funding, partners and a land/lease update. Staff was directed to work with the City in negotiating a Memorandum of Understanding (MOU).

### **8. Status Update Regarding the District's Imperial Highway Property**

Director of Property Management Bruce Dosier reported that on April 3, 2024, staff met with Caltrans staff to discuss the access concepts to the property previously outlined in the January 4 letter. He stated that the discussion regarded two potential options: an "intersection" and a "roundabout", which Caltrans staff expressed reservations about both options. He reported that Caltrans advised that neither the "intersection" nor "roundabout" options were favorable and suggested that OCWD explore an alternative option that did not include Imperial Highway, such as a bridge over the Santa Ana River. Mr. Dosier informed the Committee that subsequent to the meeting with Caltrans, Adam Streeter facilitated a meeting with a traffic engineer involved in ongoing projects in the City of Anaheim who is familiar with the Imperial Highway property and its access issues. He reported that the engineer confirmed what Caltrans had discussed with staff, however, advised that at this point it is not a traffic engineering issue, but rather a use issue, and, depending on the proposed use, deviation from highway design standards could potentially be justified. Mr. Dosier advised that Adam Streeter will finalize the site development analysis and staff will return to the Committee for direction on moving forward.

### **9. Quarterly Report on Leases and Permits/Licenses for the Period Ending March 31, 2024**

Property Manager Daniel Park reported that the year over year increase in the 1st quarter was primarily due to the early recordation of the April 2024 rent payment from Mike Rahaauage Shooting Enterprises along with the late recordation of the December 2023 rent from Sandwood Enterprises. He stated that the lease with Prado Basin Duck Club expires on June 30, 2024 and the Lease with Raahauge Shooting Enterprises, Duck Hunting Lease, expires on June 30, 2024. Mr. Park advised that all Lessees and Permittees/Licensees are in full compliance with the terms of their lease/permit/license, and all are current with their rent.

## **CHAIR DIRECTION AS TO ITEMS TO AGENDIZE AS MATTERS FOR CONSIDERATION AT THE MAY 15 BOARD MEETING**

It was agreed to place Items No. 2-6 on the on the Consent Calendar at the May 15 Board meeting.

## **ADJOURNMENT**

There being no further business to come before the Committee, the meeting was adjourned at 1:20 p.m.

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Steve Sheldon, Chair



## AGENDA ITEM SUBMITTAL

**Meeting Date:** May 17, 2024

**To:** Property Management Committee  
Board of Directors

**From:** John Kennedy

**Staff Contact:** B. Dosier/D. Park

**Budgeted:** N/A

**Budget Amount:** N/A

**Cost Estimate:** Annual rent of \$13,692  
Fees not to exceed \$5,000

**Funding Source:** N/A

**Program/Line Item No.** N/A

**General Counsel Approval:** Yes

**Engineers/Feasibility Report Approved:** N/A

**CEQA Compliance:** N/A

**SUBJECT: CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS)  
PROPERTY AT BURRIS BASIN AND NSM GOLF, INC. D.B.A. THE  
ISLANDS GOLF CENTER LEASEHOLD**

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### SUMMARY

NSM Golf, LLC DBA The Islands Golf Center (NSM Golf) operates a golf driving range under a lease agreement with OCWD at the southerly portion of Burris Basin which includes approximately 1.3 acres of land owned by the California Department of Transportation (Caltrans) that is rented to the District as the District pursues decertification for potential acquisition. The original six-month Airspace Rental Agreement expired on January 31, 2020, and is now considered "month-to-month" by Caltrans. Despite initial agreement on a new 3-year lease, Caltrans has declined to execute it due to policy changes in their leasing program.

#### Attachment(s):

- Aerial Depiction of Caltrans 1.3 Acres at Burris Basin
- Aerial Depiction of Caltrans decertification area at Burris Basin
- Email (New Sublease Requirements) from Caltrans dated May 2, 2024

### RECOMMENDATION

Agendize for June 5 Board meeting:

1. Authorize General Manager to negotiate and execute a one-year lease agreement with Caltrans at a monthly rent of \$1,141 and remit all applicable lease review fees, not to exceed \$2,500;
2. Authorize General Manager to negotiate and execute amendment six with NSM Golf to comply with the application requirements for a sublease policy exception; and
3. Authorize staff to apply for the policy exception to sublease Caltrans property and remit all applicable processing fees, not to exceed \$2,500.

### BACKGROUND/ANALYSIS

The District has a lease with NSM Golf, formerly Gentry Golf, to operate a golf driving range at the southerly basin at Burris Basin, located at 14893 Ball Road, Anaheim. The lease was assigned from Gentry Golf Inc. DBA, The Islands Golf to NSM Golf in 2020.

Upon staff's review of the District's property boundaries of the lease, staff noted that the current leased premises and a portion of land extending into the District's southerly portion of Burris Basin include approximately 1.3 acres of land that is identified on County parcel maps as being part of a larger parcel owned by Caltrans for freeway purposes.

At its April 4, 2018 meeting, the Board authorized initiating the decertification process with Caltrans to pursue acquiring the land. Since the Board's approval, the District has entered into four six-month Airspace Rental Agreements, from August 1, 2018 to January 31, 2020, while concurrently pursuing the decertification with Caltrans for permanent land acquisition and has been month-to-month since February 1, 2020, per the "Holding Over" provision of the agreement, at a rate of \$810. The District has made monthly payments of \$810 since February 2020.

In June 2023, Caltrans proposed a new 3-year Directly Negotiated Lease Agreement (Lease) with a monthly rate of \$1,141 and a 5% annual rental adjustment, while concurrently proceeding with the decertification process. The Board subsequently authorized the General Manager to negotiate and execute the Lease with Caltrans at a rent of \$1,141 with a 5% annual increase. Upon legal counsel review and approval of the Lease, District staff sent the signed Lease to Caltrans for final execution. However, Caltrans has recently advised that due to a recent fire in a Caltrans lease area, under the Interstate 10 freeway overpass in Los Angeles, the Lease would not be executed under the proposed terms as Caltrans has made policy changes to their leasing program. Subsequently, staff was advised that Caltrans would only issue a lease with a one-year term, that subleases would be independently reviewed and approved by Caltrans as a policy exception through an application process, and that the sublease must be coterminous with the primary Lease. Additionally, should the District charge a sublessee more than the Fair Market Lease Rate (FMLR) for the portion of land that is subleased, the District must pay Caltrans 50% of any amount over FMLR, in addition to the rent.

Staff has advised NSM Golf of the new sublease requirements and is recommending authorizing the General Manager to negotiate and execute a one-year lease agreement with Caltrans at a monthly rent of \$1,141 and to remit all applicable lease review fees, not to exceed \$2,500; and to negotiate and execute amendment six to the lease with NSM Golf to comply with the application requirements for a sublease policy exception. Upon execution of amendment six with NSM Golf, staff requests authorization to proceed and apply for the policy exception to sublease Caltrans property and remit all applicable processing fees, not to exceed \$2,500.

#### **PRIOR RELEVANT BOARD ACTION(S)**

9/6/2023, R23-9-118, Authorize the General Manager to negotiate and execute a new Three-year Directly Negotiated Lease Agreement with Caltrans at a rent of \$1,141 per month with 5% annual increase for the 1.3-acre property, subject to approval by legal counsel.

3/18/2020, R20-3-28, Authorize the General Manager to execute a new six-month Airspace Rental Agreement with Caltrans at a rent of \$736 per month for the 1.3-acre property, subject to General Counsel review.

2/5/2020, R20-2-15, Approve consent to assignment of Gentry Golf, DBA The Islands Golf Center Lease to NSM Golf, LLC for the remainder of the Lease term.

7/17/2019, R19-7-101, Authorize a temporary month-to-month lease agreement with Caltrans for the continued use of a 1.3-acre portion of land owned by Caltrans, while the staff continues to pursue decertification for permanent land acquisition.

2/6/2019, R19-2-13, Authorize a temporary month-to-month lease agreement with Caltrans for the continued use of a 1.3-acre portion of land owned by Caltrans, while the staff continues to pursue decertification for permanent land acquisition.

11/7/2018, R18-11-160, Authorize amendment two to lease agreement with Gentry Golf, Inc. D.B.A. The Island Golf Center at Burris Basin extending the lease through September 30, 2019.

7/18/18, M18-7-78, Authorize a temporary month-to-month lease agreement with Caltrans for the continued use of a 1.3-acre portion of land owned by Caltrans, while the staff continues to pursue decertification for permanent land acquisition.

4/4/18, M18-45, Authorize the General Manager to initiate the decertification process with Caltrans for the 1.3 acres at Burris Basin; approve initial deposit of \$35,000 to initiate the decertification; and approve additional funds of \$10,000 for additional professional services for the decertification.

4/4/18, M18-44, Staff is directed to negotiate a one-year lease extension with Gentry Golf, Inc. to commence when current lease expires on September 30, 2018.

3/7/18, R18-3-19, Authorized issuance of Amendment One to Lease Agreement with Gentry Golf, Inc., providing additional General Liability insurance coverage, and consent to a Sublease with DH and LO, Inc. d.b.a. Olympus Golf Pro and Gentry Golf, Inc.

2/7/18, R18-2-9, Execution of a temporary month-to-month lease agreement with Caltrans for use of the property while staff continues to negotiate a short-term lease with Caltrans for the continued use of the 1.3 acres; and issuance of a Purchase Order to Fidelity National Title for a preliminary title report on such land; and issuance of a work order in an amount not to exceed \$6,000 to Paragon Partners for the appraisal of the 1.3-acre property;

3/16/16, M16-41, Discussion of the request for rent relief for the Islands Golf Center deferred for 60 days to allow The Islands Golf Center to prepare requested documentation

4/3/13, R13-4-28, Approving Gentry Golf Consent to Sublease to S & W Golf;

4/3/13, R13-4-29, Approving Gentry Golf Consent to Sublease to Golf for Life Skills;

9/7/11, R11-9-124, Approving Gentry Golf Consent to Sublease to Golf on the Edge at Burris Basin;

7/20/11, R11-07-112, Approve Consent to Sublease with Gentry Golf d.b.a. The Islands Golf Center to sublease to Golf on the Edge, for a term of 5 days;

8/6/08, R08-8-107, Authorizing amended and restated lease agreement with Gentry Golf, Inc. d.b.a. The Island Golf Center at Burris Basin;

10/20/04, R04-10-128, Consent to Sublease to Worldwide Golf Enterprises, Inc. d.b.a. Roger Dunn Golf Shop for operation of a golf pro shop;

08/06/08, R08-08-107, Approved and Authorized Execution of Lease to Gentry Golf, Inc. d.b.a. The Island Golf Center for Golf Facility at Burris Pit;

9/17/03, R03-9-139, Authorized Amendment Five to Lease to extend the Expiration Date of Lease to October 22, 2003;

10/15/03, R03-10-150, Approve and authorize Amendment Six to Lease to Extend the term of the Lease to September 30, 2008, a new option to extend the lease for 5 years, change the percentage rent to 12% of Gross Receipts for 2 years with a 1% increase in the percentage rent thereafter, Minimum rent set at \$6,000/mo. and after two years increase it by equal amounts to \$7,000/mo. and other minor changes;

7/21/99, M99-135, Approve Waiver of Rent at the Island Golf Center for One Evening for the Anaheim Fire Department Swift Water Rescue Team Water Rescue Demonstration;

4/21/99, R99-4-50, Approving and Authorizing Execution of Consent to Sublease by Gentry Golf of the Islands Golf Center to David Graf for Operation of Restaurant/Bar;

4/16/97, R97-4-55, Approving and Authorizing Amendment Four to Gentry Golf, Inc. Lease for Burris Pit Golf Concession;

3/19/97, R97-3-39, Approving and Authorizing Execution of Gentry Golf, Inc. Consent to Assignment of Lease and Consent to Subleases;

3/19/97, R97-3-39A, Consent to Assignment of 50% interest in Gentry Golf, Inc. to Peacock Trading, LTD, a Hong Kong corporation

1/15/97, R97-1-7, Instructing Staff to Issue Notices to Gentry Golf to Pay Delinquent Rent and Cure Lease Violations;

4/20/94, R94-4-65, Approving and Authorizing Execution of Amendment Three to Gentry Golf Lease at Burris Pit adds rent for Chipping Green and sets pro shop rent at \$2,000 per month;

1/19/94, R94-1-8, Provides for Issuance of License Agreements;

7/7/93, R93-7-120, Receiving and Filing Affidavit of Publication of Notice Inviting bids and rejecting all bids for Contract No. SAR -93-2, Islands Golf Center Site Improvements; and Approving and Authorizing execution of Amendment No. 2 to Gentry Golf, Inc. Lease providing for Purchase Lease Back Agreement;

2/17/93, R93-2-27, Approved and Authorized Execution of Amendment One to Gentry Golf Lease and transfer of funds;

12/18/91, R91-12-284, Approved and Authorized Execution of Lease to Gentry Golf, Inc. for Golf Facility at Burris Pit.

# Location Map





Path: I:\SS\Leamant\Burris\Caltrans.mxd



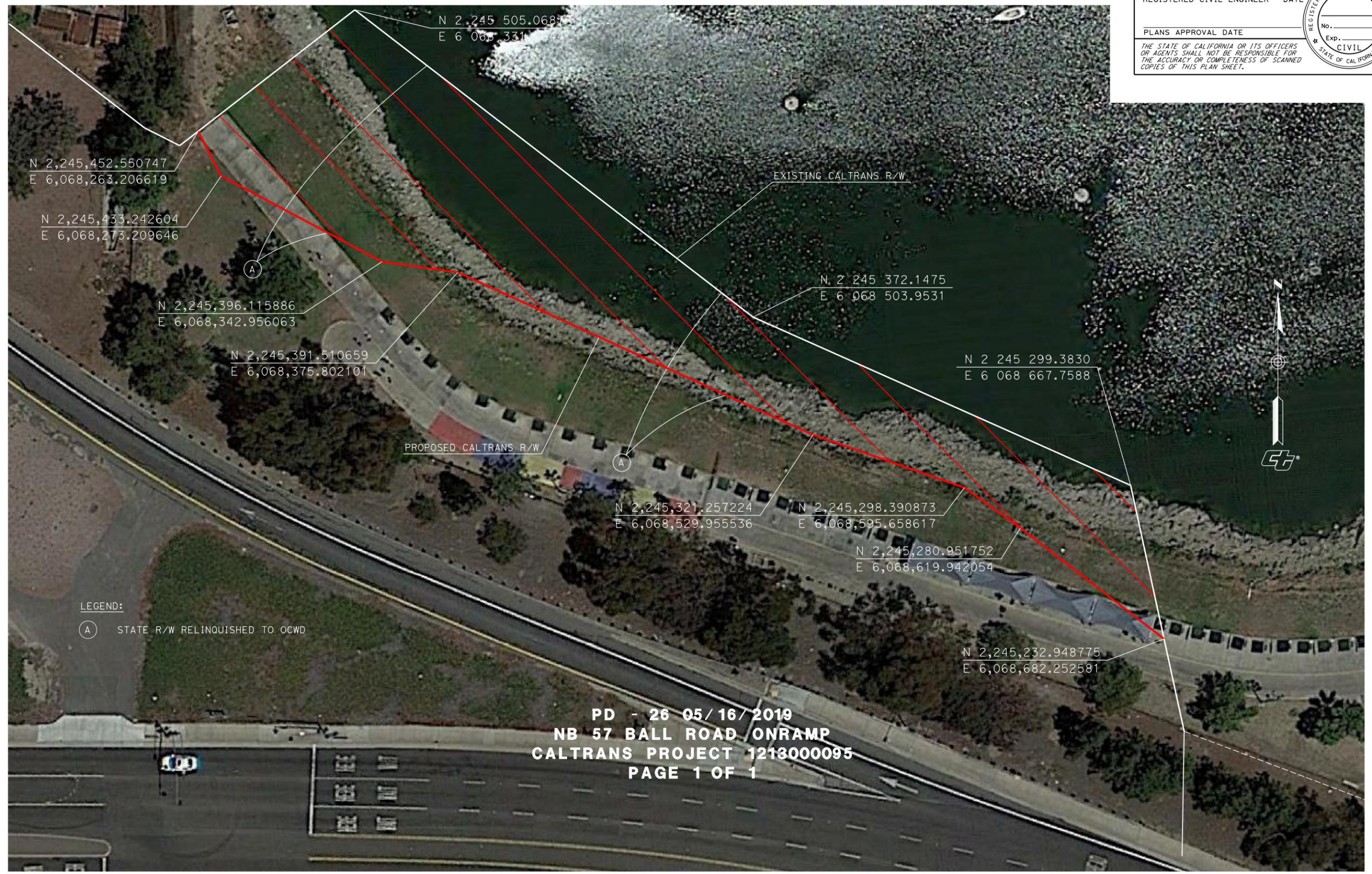
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Aerial Depiction of Caltrans 1.3 Acres at Burris Basin

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION  
**Caltrans**  
 FUNCTIONAL SUPERVISOR  
 CALCULATED-DESIGNED BY  
 CHECKED BY  
 REVISOR BY  
 DATE REVISED

DIST	COUNTY	ROUTE	POST MILES TOTAL PROJECT	SHEET No.	TOTAL SHEETS

REGISTERED CIVIL ENGINEER DATE \_\_\_\_\_  
 PLANS APPROVAL DATE \_\_\_\_\_  
 THE STATE OF CALIFORNIA OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF SCANNED COPIES OF THIS PLAN SHEET.

**From:** [Thornburg, James@DOT](mailto:Thornburg.James@DOT)  
**To:** [Dosier, Bruce](#)  
**Cc:** [Park, Daniel](#); [Irizarry, Erika D@DOT](mailto:Irizarry.Erika.D@DOT)  
**Subject:** New Subleasing Requirements; OCWD 12-ORA-057-001-04  
**Date:** Thursday, May 2, 2024 10:13:03 AM  
**Attachments:** [image001.gif](#)  
[image002.png](#)

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Hi Bruce,

As we discussed in our meeting, below are the new subleasing requirements. Keep in mind that this is our current information and given the dynamic environment of this situation things may change rapidly and with little notification. At this time OCWD is only approved for a 1-year lease at a time.

### **Subleasing Information/Requirements**

Subleasing must now be handled as a policy exception.

- The following information is needed:
  - history of the lease
  - description of the proposed use
  - description of any limitations of the property (e.g. odd shape, topography, etc.)
  - description of why subleasing is in the best interest of the State
  - description of tenants
  - description of sub-lessee
  - discussion of the pros & cons for sub-leasing
  
- If tenant charges a sub-lessee more than the Fair Market Lease Rate (FMLR), then tenant must pay the State 50% of any amount over FMLR.
  
- Subleases must be approved independently of lessee.
  - Applications are required for tenant and sub-lessee.
  - Credit Report/Financial Statements are required.
    - Tenant/sub-lessee may choose any of the three main credit reporting agencies
    - Applications shall be rejected for any unlawful detainers or bankruptcies within the past 10 years.
  - Corporate Business Reports
    - Should only be requested on corporate and limited liability companies (LLC) that have been in existence for at least one year.
    - The Articles of Incorporation will indicate the date of incorporation.
  - FHWA approval is required if proposal is on an interstate.
  - A copy of the sublease is required.
  
- Sublease must be coterminous with State's primary lease.

- Tenant must remit processing fee.

James (Jim) Thornburg, Associate Right of Way Agent   
Department of Transportation, District 12  
Right of Way Utility Relocations/Airspace  
1750 E. 4<sup>th</sup> St.  
Santa Ana, CA 92705  
Tel: (657) 328-6347  
Email: [James.Thornburg@dot.ca.gov](mailto:James.Thornburg@dot.ca.gov)



## AGENDA ITEM SUBMITTAL

**Meeting Date:** May 17, 2024

**To:** Property Management Committee  
Board of Directors

**From:** John Kennedy

**Staff Contact:** B. Dosier/D. Park

**Budgeted:** No

**Budget Amount:** \$0

**Cost Estimate:** \$0

**Funding Source:** N/A

**Program/Line Item No.:** N/A

**General Counsel Approval:** N/A

**Engineers/Feasibility Report:** N/A

**CEQA Compliance:** N/A

**Subject: STATUS UPDATE ON THE DISTRICT'S IMPERIAL HIGHWAY PROPERTY**

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### SUMMARY

The District owns a vacant 19-acre land parcel in the city of Anaheim, west of Imperial Highway and south of the Santa Ana River. At its May 17, 2023 meeting, the Board of Directors authorized staff to engage Adams Streeter Engineering to provide conceptual cost estimates for road access options and to develop key information relevant to the property that may be required to issue a Request for Quote/ Request for Proposals (RFQ/RFP) for potential development of the property. Staff will update the Committee.

### RECOMMENDATION

Informational

### DISCUSSION/ANALYSIS

The District owns a 19-acre land parcel in the city of Anaheim (APN 358-291-01) located west of Imperial Highway and south of the Santa Ana River (Property). The Property has access through a gate entrance on the southbound side of Imperial Highway, which passes over a portion of the Santa Ana River Trail. This trail and gate are maintained by the County of Orange, and the District has limited access to the Property for maintenance purposes, as outlined in a Grant Deed transfer in 1973 that conveyed portions of District land to Caltrans. Staff has contacted Caltrans regarding site access and the approval process for a potential tenant to obtain access rights from Imperial Highway to the Property, however this has been inconclusive.

The Property was previously leased by Sunny Slope to operate a wholesale container tree nursery and is currently vacant. At its November 16, 2022 meeting, the Board authorized staff to engage the services of Voit for six months to market the Property and seek other tenants as appropriate. Voit had a number of inquiries on the Property, however site was and continues to be an issue for most potential tenants and their intended use. Although the agreement with Voit terminated on May 31, 2023, as of recent communication with Mike Hefner, Voit Executive Vice President, Voit continues to receive inquiries for the site.

At its May 17, 2023 meeting, the Board authorized an agreement with Adams Streeter Engineering to prepare a Site Development Analysis of the District's Imperial Highway property to include 1) development of key information about the Property to explore issuing an RFQ/RFP for potential future development (this information includes analyzing the property

boundary, plotting existing easements, researching storm drains, sewer, water, and utilities, preparing grading, drainage, and water quality plans), and 2) development of high-level conceptual access options to the Property, meet with Caltrans and City of Anaheim staff to review and solicit feedback regarding the Property access concepts.

On April 3, 2024, staff met with Caltrans staff to discuss property access concepts, primarily “intersection” and “roundabout” options. Caltrans staff expressed concerns stemming from the access controlled nature of Imperial Highway, and that an intersection or roundabout could potentially degrade traffic circulation, cause delays, and would necessitate specific justification for any alterations to the existing standards; and suggested that OCWD staff explore an alternative option that did not include Imperial Highway, such as a bridge over the Santa Ana River. Subsequent to the Caltrans meeting, staff met with Adams Streeter and a traffic engineer familiar with projects in the City of Anaheim, who confirmed Caltrans’ concerns.

At the April 26 meeting, the Committee advised staff to review an option to develop a roundabout that might incorporate the westbound on-ramp to the 91 freeway and the District’s property. Staff is working with Adams Streeter to develop that concept and finalize the Site Development Analysis.

Staff will update the Committee.

## Summary of Prior Steps Taken:

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October 2022	Sunnyslope Trees notifies the District that it will vacate property December 1, 2022
November	Voit hired to market the property for lease
December	Sunnyslope vacated the property
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May 2023	Agreement approved with Adams Streeter for Site Development analysis. Agreement with Voit terminated May 31
June	Adams Streeter began work on boundaries and aerial survey of the property.
July	Adams Streeter continues working on boundaries – seeking clarification from Title Company
October	Title Company revises Preliminary Title Report (PTR) – provides update to boundary and ownership
November	Adams Streeter revising aerial survey of property Title Company revises Preliminary Title Report (PTR) – provide another update to boundary and ownership (clarified overlapping boundaries) Meeting with City of Anaheim staff to discuss potential access options
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January 2024	Letter sent to Interim Caltrans Director requesting meeting to discuss Property access.
February 2024	Reached out to Assemblyperson Chen and State Senator Chin’s offices for assistance in meeting with Caltrans.
March 2024	Letter received from Caltrans Director Lan Zhou
April 2024	Staff met with Caltrans to discuss letter received from Caltrans Director Lan Zhou and specifically about conceptual ideas for accessing the property

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## PRIOR RELEVANT BOARD ACTION(S)

5/17/2023, R23-05-61: Authorize the General Manager to negotiate and execute an agreement with Adams Streeter to prepare a Site Development Analysis of the District’s Imperial Highway property to include 1) development of key information about the Property, and 2) development of high-level conceptual access options to the Property, meet with Caltrans and City of Anaheim staff to review and solicit feedback regarding the Property access concepts; at a cost not to exceed \$73,550

3/15/2023, M23-33: Authorize staff to engage an engineering firm to provide conceptual cost estimates for the access options and to develop key information about the Property

11/16/2022, M22-116: Authorize staff to engage the services of Voit Real Estate Services to market the property being vacated by Sunny Slope Tree Farm for Lease

# LOCATION MAP



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-  OCWD Owned Parcel (APN 358-291-01)
-  Sunny Slope Tree Farm Leased Area

Sunny Slope Tree Farm Co.  
OCWD Lease APN 358-291-01

SOURCE: OCWD (05/2022); OCPW (2021)