AGENDA
IRVINE RANCH WATER DISTRICT
ASSET MANAGEMENT COMMITTEE
THURSDAY, FEBRUARY 18, 2016

CALL TO ORDER 12:00 p.m., Committee Room, Second Floor District Office
15600 Sand Canyon Avenue, Irvine, California

ATTENDANCE Committee Chair: John Withers ____ Committee Member: Peer Swan ____

ALSO PRESENT				
	Paul Cook	____	Tanja Fournier	____
	Rob Jacobson	____	____	____
	Cheryl Clary	____	____	____
	____	____	____	____

COMMUNICATIONS

1. Notes: Jacobson
2. Public Comments.
3. Determine the need to discuss and/or take action on item(s) introduced that came to the attention of the District subsequent to the agenda being posted.
4. Determine which items may be approved without discussion.

INFORMATION

5. 2015 ANNUAL REPORT RESIDENTIAL INVESTMENT PROPERTY PERFORMANCE – JACOBSON/CLARY

   Recommendation: Receive and file.

6. SAND CANYON PROFESSIONAL CENTER – PHASE II DEVELOPMENT REVIEW OF LANDSCAPE DESIGN AND REVISED BUILDING CONCEPTS – JACOBSON/CLARY

   Recommendation: Receive and file.

ACTION CALENDAR

7. REAL ESTATE QUARTERLY PERFORMANCE AND COMMERCIAL BROKER UPDATE – DECEMBER 2015 – DAVIS/FOURNIER/JACOBSON/CLARY

   Recommendation: That the Board authorize staff to 1) enter into a listing agreement with Mike Hartel and Colliers International for a 12-month period for commercial leasing services related to the 230 Commerce and the Waterworks Business Park properties, and 2) enter into a joint listing agreement with Colliers International and Cushman & Wakefield for a six-month period for the Sand Canyon Business Park future office property, with terms consistent with the existing Voit Commercial listing agreements.

OTHER BUSINESS

8. Directors' Comments:

9. Adjourn

* *

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Irvine Ranch Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance of the Committee Room of the District Office. The Irvine Ranch Water District Committee Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.) please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

February 18, 2016
Prepared by: Rob Jacobson
Submitted by: Cheryl Clary
Approved by: Paul A. Cook

ASSET MANAGEMENT COMMITTEE

2015 ANNUAL REPORT
RESIDENTIAL INVESTMENT PROPERTY PERFORMANCE

SUMMARY:

Staff and the District's apartment property consultant, Ms. Susan Sirota of Market-THINK, will present the annual performance report for the Sycamore Canyon and Wood Canyon Villa apartment properties for the calendar year ended December 31, 2015. The report will include property management and capital improvement plans for calendar year 2016, as well as an update on expectations for Orange County's apartment market for the year.

BACKGROUND:

Staff has completed its analysis of the 2015 financial statements (calendar year), and final 2016 operating and capital budgets for the Sycamore Canyon and Wood Canyon Villa apartment properties as submitted by the District's apartment property manager, Western National Properties. Staff and Ms. Sirota will present the following:

- A detailed report of the 2015 financial performance for the District's residential investment properties including an overview of completed capital projects;
- A review of budget highlights and planned capital projects for 2016, including slope planting and irrigation renovations, replacement of two roofs (Sycamore Canyon), copper re-piping of approximately 170 units (Wood Canyon Villas) and painting wood building trim; and,
- A forecast of Orange County apartment market activity for 2016, including new apartment construction projects, rental rate and occupancy projections and perspectives on the 2016 apartment leasing market from industry economists.

The Sycamore Canyon and Wood Canyon Villa calendar year 2016 budgets are attached as Exhibits "A" and "B", respectively. Presentation books will also be distributed at the meeting.

FISCAL IMPACTS:

For calendar year 2015, the net operating income (NOI) from the Sycamore Canyon Apartments property was $7.4 million versus a budget of $7.1 million. The District's preferred return income from the Wood Canyon Villa property was $540,000. For calendar year 2016, NOI from the Sycamore Canyon Apartments property is projected at $7.7 million. The District's preferred return income from the Wood Canyon Villa property is projected to be $540,000.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act (CEQA), Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Sycamore Canyon 2016 Operating and Capital Budget Summaries
Exhibit "B" – Wood Canyon Villa 2016 Operating and Capital Budget Summaries

Exhibit "A"

iN.Budget REPORT

2016 BUDGET EXECUTIVE SUMMARY

2253 SYCAMORE CANYON 450 UNITS (WNP)

	2015 BUDGET	2015 ACTUAL	VAR %	2016 BUDGET	CHG %	PER UNIT
SYCCNYN MARKET RENT	10,070,556	10,635,233	5.60%	10,807,427	1.61%	24,017
SCHEDULED RENT	9,711,597	9,916,803	2.11%	10,313,402	3.99%	22,919
SYCCNYN GAIN TO OLD LEASE	(358,959)	(718,430)	100.14%	(494,025)	-31.23%	(1,098)
SYCCNYN VACANCY	(437,253)	(434,179)	-0.70%	(444,066)	2.27%	(987)
SYCCNYN EMPLOYEE ALLOWANCE	(8,670)	(6,482)	-25.23%	(6,972)	7.55%	(15)
SYCCNYN MODEL	(22,140)	(22,140)	0.00%	(24,480)	10.56%	(54)
SYCCNYN DELINQUENT WRITE - OFF	(21,450)	(7,736)	-63.93%	(10,850)	40.25%	(24)
SYCCNYN PRIOR WRITE-OFF'S COLLECTED	3,550	5,000	40.84%	5,100	2.00%	11
SYCCNYN DEPOSIT FORFEIT RENT	1,475	900	-38.98%	950	5.55%	2
SYCCNYN IMPROPER NOTICE	14,450	22,555	56.08%	24,050	6.62%	53
SYCCNYN TERMINATION FEES	80,000	76,302	-4.62%	77,000	0.91%	171
TOTAL FOR INCOME RENT	**9,321,559**	**9,551,023**	**2.46%**	**9,934,133**	**4.01%**	**22,076**
SYCCNYN RENT - FURNITURE	36	120	233.33%	120	0.00%	0
SYCCNYN OTHER SERVICES	1,800	1,700	-5.55%	1,720	1.17%	4
SYCCNYN LATE CHARGES	8,600	8,700	1.16%	8,750	0.57%	19
SYCCNYN MTM FEES	54,000	36,260	-32.85%	36,600	0.93%	81
SYCCNYN NSF FEES	850	625	-26.47%	625	0.00%	1
SYCCNYN CLUBHOUSE RENTAL	1,250	2,300	84.00%	2,400	4.34%	5
SYCCNYN PARKING FEES	4,500	4,718	4.84%	4,500	-4.62%	10
SYCCNYN RENT APPLIED TO OTHER CHARGES	1,000	600	-40.00%	725	20.83%	2
SYCCNYN APPLICATION FEE INCOME	20,835	16,355	-21.50%	17,550	7.30%	39
SYCCNYN PET INCOME	38,760	39,392	1.63%	39,270	-0.30%	87
SYCCNYN CABLE T.V.	0	91,797	0.00%	35,700	-61.10%	79
SYCCNYN OTHER WRITE OFFS	(7,425)	(8,296)	11.73%	(8,455)	1.91%	(19)
SYCCNYN LAUNDRY SERVICES	16,300	14,595	-10.46%	15,300	4.83%	34
SYCCNYN UTILITY REIMBURSEMENT	183,036	177,393	-3.08%	182,736	3.01%	406
SYCCNYN LEGAL REIMBURSEMENT	5,750	2,200	-61.73%	2,250	2.27%	5
SYCCNYN INTEREST INCOME	230	150	-34.78%	180	20.00%	0
SYCCNYN SECURITY DEPOSIT RETENTION	64,500	61,299	-4.96%	64,500	5.22%	143
TOTAL FOR INCOME OTHER RENT	**394,022**	**449,908**	**14.18%**	**404,471**	**-10.10%**	**899**
TOTAL FOR GROSS RENTAL INCOME	**9,715,581**	**10,000,931**	**2.94%**	**10,338,604**	**3.38%**	**22,975**
TOTAL FOR TOTAL INCOME	**9,715,581**	**10,000,931**	**2.94%**	**10,338,604**	**3.38%**	**22,975**
SYCCNYN PROFESSIONAL MANAGEMENT	242,890	250,467	3.11%	258,465	3.19%	574
SYCCNYN PR- PAYROLL MANAGER	50,436	50,225	-0.41%	52,962	5.44%	118
SYCCNYN PR-ASSISTANT MANAGER	50,261	46,552	-7.37%	50,916	9.37%	113
SYCCNYN PR- LEASING CONSULTANT	103,389	89,526	-13.40%	103,825	15.97%	231
SYCCNYN PR-PRICING MANAGER	1,344	1,135	-15.55%	1,384	21.93%	3
SYCCNYN APT ALLOWANCE	25,164	25,266	0.40%	26,508	4.91%	59
SYCCNYN BONUS AND INCENT	81,948	86,972	6.13%	94,724	8.91%	210
SYCCNYN OVERTIME	6,123	10,001	63.33%	6,231	-37.69%	14
SYCCNYN TAXES / W.C.	139,850	138,868	-0.70%	147,025	5.87%	327
SYCCNYN HEALTH INSURANCE	53,568	52,093	-2.75%	57,888	11.12%	129
TOTAL FOR MANAGEMENT/ADMIN	**754,973**	**751,105**	**-0.51%**	**799,928**	**6.50%**	**1,778**
SYCCNYN OFFICE	7,372	6,403	-13.14%	8,822	37.77%	20
SYCCNYN OFFICE TELEPHONE	15,660	18,667	19.20%	20,880	11.85%	46
SYCCNYN FORMS & SUPPLIES	10,100	8,005	-20.74%	7,900	-1.31%	18
SYCCNYN TRAINING & SERVICES	2,920	3,094	5.95%	2,830	-8.53%	6
SYCCNYN APPLICATION FEES	8,034	8,114	0.99%	7,980	-1.65%	18
SYCCNYN LEGAL ACCOUNTING	585	1,858	217.60%	2,100	13.02%	5
SYCCNYN UNLAWFUL DETAIN	8,246	5,685	-31.05%	5,841	2.73%	13
SYCCNYN LICENSE	9,847	11,874	20.58%	11,452	-3.55%	25
TOTAL FOR GENERAL OFFICE	**62,764**	**63,700**	**1.49%**	**67,805**	**6.44%**	**151**
SYCCNYN MEDIA ADVERTISING	48,924	51,386	5.03%	46,520	-9.46%	103

	2015 BUDGET	2015 ACTUAL	VAR %	2016 BUDGET	CHG %	PER UNIT
SYCCNYN PROMOTION	400	0	-100.00%	0	100.00%	0
SYCCNYN PROMOTION - REFERRAL	2,800	1,400	-50.00%	1,200	-14.28%	3
SYCCNYN COLLATERAL MATERIALS	3,110	3,464	11.38%	6,800	96.30%	15
SYCCNYN RESIDENT RELATIONS	13,165	11,111	-15.60%	14,225	28.02%	32
TOTAL FOR ADVERTISING/PROMO	**68,399**	**67,361**	**-1.52%**	**68,745**	**2.05%**	**153**
SYCCNYN RENTUP CLEANING - CR	16,715	16,005	-4.24%	16,135	0.81%	36
SYCCNYN CARPET CLEANING	8,490	8,305	-2.18%	8,428	1.47%	19
SYCCNYN CARPET DYE & REPAIR	4,788	8,465	76.79%	8,587	1.44%	19
SYCCNYN RENTUP PAINTING	44,324	55,125	24.36%	55,255	0.23%	123
SYCCNYN SUPPLIES - PAINTING	8,900	7,319	-17.76%	7,400	1.10%	16
TOTAL FOR RENTUP EXPENSE	**83,218**	**95,219**	**14.42%**	**95,805**	**0.61%**	**213**
SYCCNYN MAINTENANCE MANAGER	77,136	77,382	0.31%	79,076	2.18%	176
SYCCNYN MAINTENANCE ASST MANAGER	114,723	112,520	-1.92%	119,821	6.48%	266
SYCCNYN MAINTENANCE PORTER	77,713	73,929	-4.86%	84,740	14.62%	188
SYCCNYN BONUS AND INCENT	22,568	14,152	-37.29%	22,736	60.65%	51
SYCCNYN OVERTIME	8,087	19,039	135.42%	8,508	-55.31%	19
SYCCNYN MAINT. HEATING, COOLING & HVAC	13,100	8,001	-38.92%	10,650	33.10%	24
SYCCNYN MAINT - FIRE/LIFE/SAFETY	13,600	14,425	6.06%	6,165	-57.26%	14
SYCCNYN MAINT. ELECTRICAL	8,780	11,321	28.94%	11,325	0.03%	25
SYCCNYN MAINT. APPLIANCE PARTS & REPAIRS	6,320	6,770	7.12%	6,860	1.32%	15
SYCCNYN MAINT. OTHER MAINT. SUPPLIES	26,795	25,080	-6.40%	27,220	8.53%	60
SYCCNYN MAINT. OTHER MAINT SERVICES	53,292	42,654	-19.96%	43,432	1.82%	97
SYCCNYN MAINT. ROOF	26,608	30,716	15.43%	32,858	6.97%	73
SYCCNYN MAINTENANCE COUNTERTOP & CABINET	13,200	13,480	2.12%	13,600	0.89%	30
SYCCNYN MAINTENANCE PLUMBING	19,200	31,820	65.72%	31,680	-0.43%	70
SYCCNYN PLUMBING - SLAB LEAK	16,200	17,364	7.18%	18,000	3.66%	40
SYCCNYN COURTESY PATROL	9,600	9,120	-5.00%	9,300	1.97%	21
SYCCNYN MAINTENANCE PEST CONTROL	9,420	8,903	-5.48%	8,792	-1.24%	20
TOTAL FOR MAINT BUILDINGS	**516,342**	**516,676**	**0.06%**	**534,763**	**3.50%**	**1,188**
SYCCNYN LANDSCAPE - CONTRACT	113,580	113,580	0.00%	117,000	3.01%	260
SYCCNYN LANDSCAPE IRRIGATION	4,200	3,501	-16.64%	3,720	6.25%	8
SYCCNYN LANDSCAPE - PLANT REPLACEMENT	11,282	11,318	0.31%	11,532	1.89%	26
SYCCNYN LANDSCAPE - INTERIOR PLANT MAINT	4,200	4,200	0.00%	3,300	-21.42%	7
SYCCNYN LANDSCAPE - TREE TRIM	39,234	35,075	-10.60%	31,985	-8.80%	71
SYCCNYN POOLS & STREAM - CONTRACT	10,500	11,025	5.00%	12,000	8.84%	27
SYCCNYN POOLS & STREAM - REPAIRS & SUPPL	2,340	6,013	156.96%	3,510	-41.62%	8
TOTAL FOR MAINT GROUNDS	**185,336**	**184,712**	**-0.34%**	**183,047**	**-0.90%**	**407**
SYCCNYN SEWER & SANITATION	509	509	0.11%	524	2.87%	1
SYCCNYN TRASH	3,502	4,480	27.92%	4,614	2.99%	10
SYCCNYN GAS - COMMON	23,125	22,339	-3.39%	23,040	3.13%	51
SYCCNYN GAS - VACANT	2,631	2,034	-22.68%	2,074	1.96%	5
SYCCNYN WATER - COMMON	117,052	108,816	-7.03%	112,082	3.00%	249
SYCCNYN ELECTRICITY - COMMON	70,995	66,089	-6.91%	68,072	3.00%	151
SYCCNYN ELECTRICITY - VACANT	8,301	7,607	-8.35%	7,764	2.05%	17
TOTAL FOR UTILITIES	**226,115**	**211,874**	**-6.30%**	**218,170**	**2.97%**	**485**
SYCCNYN INSURANCE	92,076	78,722	-14.50%	78,762	0.05%	175
SYCCNYN PROPERTY TAXES	602,970	602,972	0.00%	604,656	0.27%	1,344
TOTAL FOR INSURANCE/TAXES	**695,046**	**681,694**	**-1.92%**	**683,418**	**0.25%**	**1,519**
TOTAL FOR TOTAL OPERATING EXPENSE	**2,592,192**	**2,572,341**	**-0.77%**	**2,651,680**	**3.08%**	**5,893**
TOTAL FOR NET OPERATING INCOME	**7,123,389**	**7,428,590**	**4.28%**	**7,686,924**	**3.48%**	**17,082**
SYCCNYN EXTERIOR PAINTING	145,000	251,945	73.75%	118,320	-53.03%	263
SYCCNYN ASPHALT	82,814	77,265	-6.70%	0	-100.00%	0
SYCCNYN POOL, STREAMS & FOUNTAINS	58,737	86,058	46.51%	7,550	-91.22%	17

	2015 BUDGET	2015 ACTUAL	VAR %	2016 BUDGET	CHG %	PER UNIT
SYCCNYN COMMON FACILITY ENHANCEMENT	117,231	129,041	10.07%	1,100	-99.14%	2
SYCAMORE CANYON APPLIANCE REPLACEMENT/PURCHASE	6,227	21,787	249.87%	23,655	8.57%	53
SYCCNYN LANDSCAPE ENHANCEMENT/REMEDIAL	173,373	33,975	-80.40%	124,446	266.28%	277
SYCCNYN HEATING & A/C	39,475	91,196	131.02%	80,000	-12.27%	178
SYCCNYN SIGNAGE & DIRECTIONALS	30,000	30,875	2.91%	30,000	-2.83%	67
SYCCNYN EXTERIOR / INTERIOR LIGHTING	0	0	0.00%	44,750	100.00%	99
SYCCNYN RAILING & FENCING	6,000	0	-100.00%	10,000	100.00%	22
SYCCNYN CONCRETE & SIDEWALKS	2,500	3,545	41.80%	2,500	-29.47%	6
SYCCNYN MAINTENANCE - VEHICLE	0	0	0.00%	6,000	100.00%	13
SYCCNYN MAJOR PLUMBING	12,312	15,377	24.89%	15,903	3.42%	35
SYCCNYN DECKS & BALCONIES	82,370	48,566	-41.03%	10,000	-79.40%	22
SYCCNYN ENVIRONMENTAL REMEDIATION	0	1,425	0.00%	0	-100.00%	0
SYCCNYN WOOD REPLACEMENT	134,158	77,785	-42.01%	65,000	-16.43%	144
SYCCNYN ADA ACCESSIBILITY	13,500	39,140	189.92%	0	-100.00%	0
SYCCNYN UNINSURED LOSS	0	26,438	0.00%	0	-100.00%	0
SYCCNYN INSURANCE RECOVERIES	0	(18,749)	0.00%	0	-100.00%	0
SYCCNYN COMMON AREA ROOF	0	0	0.00%	221,000	100.00%	491
TOTAL FOR NON-RECURRING	**903,697**	**915,669**	**1.32%**	**760,224**	**-16.98%**	**1,689**
SYCCNYN NEW CARPET	116,955	91,187	-22.03%	120,458	32.10%	268
SYCCNYN NEW LINOLEUM	21,392	21,178	-1.00%	31,728	49.81%	71
TOTAL FOR CAPITAL	**138,347**	**112,364**	**-18.78%**	**152,186**	**35.44%**	**338**
SYCCNYN PARTNER WITHDRAWL	6,000,000	6,762,000	12.70%	6,000,000	-11.26%	13,333
TOTAL FOR PARTNER ACTIVITY	**6,000,000**	**6,762,000**	**12.70%**	**6,000,000**	**-11.27%**	**13,333**
SYCCNYN CASH-DISBURSEMENT TRUST - CNB	0	71,076	0.00%	0	-100.00%	0
SYCCNYN PAYROLL ADVANCE	0	1,059	0.00%	0	-100.00%	0
TOTAL FOR CHANGE IN ASSET/LIABILITY	**0**	**72,134**	**0.00%**	**0**	**-100.00%**	**0**
SYCCNYN ACCOUNTS PAYABLE RESIDENT REFUND	0	(171)	0.00%	0	-100.00%	0
TOTAL FOR SECURITY DEPOSITS	**0**	**(171)**	**0.00%**	**0**	**-100.00%**	**0**
SYCCNYN ACCRUED PROPERTY TAXES	0	(202,980)	0.00%	0	-100.00%	0
TOTAL FOR CHANGE IN ASSET/LIABILITY	**0**	**(202,980)**	**0.00%**	**0**	**-100.00%**	**0**
TOTAL FOR TOTAL OTHER ITEMS	**7,042,044**	**7,659,016**	**8.76%**	**6,912,410**	**-9.75%**	**15,361**
TOTAL FOR CASH FLOW	**81,345**	**(230,426)**	**-383.27%**	**774,514**	**-436.12%**	**1,721**
CASH FLOW LESS DEPRECIATION	81,345	(230,426)	-383.27%	774,514	-436.12%	1,721

Exhibit "B"

iN.Budget REPORT

2016 BUDGET EXECUTIVE SUMMARY — 2340 WOOD CANYON 230 UNITS (WNP)

	2015 BUDGET	2015 ACTUAL	VAR %	2016 BUDGET	CHG %	PER UNIT
WDCNYN MARKET RENT	4,587,828	4,611,953	0.52%	4,803,851	4.16%	20,886
SCHEDULED RENT	4,481,179	4,444,271	-0.82%	4,582,930	3.11%	19,926
WDCNYN GAIN TO OLD LEASE	(106,649)	(167,682)	57.22%	(220,921)	31.74%	(961)
WDCNYN VACANCY	(201,653)	(223,414)	10.79%	(320,805)	43.59%	(1,395)
WDCNYN MOVE IN DISCOUNTS	(2,500)	(1,647)	-34.12%	(1,500)	-8.92%	(7)
WDCNYN EMPLOYEE ALLOWANCE	(6,336)	(1,797)	-71.63%	0	-100.00%	0
WDCNYN DELINQUENT WRITE - OFF	(2,850)	(7,474)	162.24%	(4,950)	-33.77%	(22)
WDCNYN PRIOR WRITE-OFF'S COLLECTED	1,000	728	-27.20%	800	9.89%	3
WDCNYN DEPOSIT FORFEIT RENT	1,100	700	-36.36%	1,100	57.14%	5
WDCNYN IMPROPER NOTICE	1,850	13,400	624.32%	4,000	-70.14%	17
WDCNYN TERMINATION FEES	22,000	26,438	20.17%	22,000	-16.78%	96
TOTAL FOR INCOME RENT	**4,293,790**	**4,251,205**	**-0.99%**	**4,283,575**	**0.76%**	**18,624**
WDCNYN RENT - FURNITURE	204	429	110.51%	420	-2.20%	2
WDCNYN OTHER SERVICES	794	835	5.18%	792	-5.17%	3
WDCNYN LATE CHARGES	6,000	8,000	33.33%	7,050	-11.87%	31
WDCNYN MTM FEES	4,200	8,850	110.71%	6,800	-23.16%	30
WDCNYN NSF FEES	475	375	-21.05%	350	-6.66%	2
WDCNYN VENDING INCOM	59	69	17.22%	72	4.10%	0
WDCNYN PARKING FEES	4,500	3,875	-13.88%	4,500	16.12%	20
WDCNYN RENT APPLIED TO OTHER CHARGES	178	435	144.38%	288	-33.79%	1
WDCNYN APPLICATION FEE INCOME	7,740	7,025	-9.23%	7,290	3.77%	32
WDCNYN PET INCOME	41,240	37,185	-9.83%	38,845	4.46%	169
WDCNYN CABLE T.V.	11,090	18,491	66.73%	18,540	0.26%	81
WDCNYN OTHER WRITE OFFS	(5,045)	(2,019)	-59.98%	(5,040)	149.67%	(22)
WDCNYN LAUNDRY SERVICES	7,780	9,040	16.19%	9,060	0.22%	39
WDCNYN UTILITY REIMBURSEMENT	40,813	48,535	18.92%	48,600	0.13%	211
WDCNYN LEGAL REIMBURSEMENT	625	3,860	517.60%	3,900	1.03%	17
WDCNYN INTEREST INCOME	630	874	38.76%	702	-19.70%	3
WDCNYN SECURITY DEPOSIT RETENTION	23,442	27,469	17.17%	26,244	-4.45%	114
TOTAL FOR INCOME OTHER RENT	**144,725**	**173,329**	**19.76%**	**168,413**	**-2.84%**	**732**
TOTAL FOR GROSS RENTAL INCOME	**4,438,515**	**4,424,534**	**-0.31%**	**4,451,988**	**0.62%**	**19,356**
TOTAL FOR TOTAL INCOME	**4,438,515**	**4,424,534**	**-0.31%**	**4,451,988**	**0.62%**	**19,356**
WDCNYN PROFESSIONAL MANAGEMENT	177,541	178,041	0.28%	178,080	0.02%	774
WDCNYN PR- PAYROLL MANAGER	54,636	51,974	-4.87%	60,549	16.49%	263
WDCNYN PR-ASSISTANT MANAGER	38,568	24,038	-37.67%	39,720	65.23%	173
WDCNYN PR- LEASING CONSULTANT	31,200	30,828	-1.19%	32,136	4.24%	140
WDCNYN PR-PRICING MANAGER	1,224	1,153	-5.76%	1,261	9.32%	5
WDCNYN APT ALLOWANCE	22,290	16,583	-25.60%	0	-100.00%	0
WDCNYN BONUS AND INCENT	43,050	41,440	-3.73%	59,340	43.19%	258
WDCNYN OVERTIME	3,732	8,525	128.42%	3,972	-53.40%	17
WDCNYN TAXES / W.C.	79,862	72,101	-9.71%	84,684	17.45%	368
WDCNYN HEALTH INSURANCE	35,712	22,790	-36.18%	38,592	69.33%	168
TOTAL FOR MANAGEMENT/ADMIN	**487,814**	**447,473**	**-8.27%**	**498,333**	**11.37%**	**2,167**
WDCNYN OFFICE	6,030	8,137	34.94%	8,385	3.04%	36
WDCNYN OFFICE TELEPHONE	12,002	13,122	9.32%	13,410	2.19%	58
WDCNYN FORMS & SUPPLIES	3,560	2,188	-38.52%	3,300	50.78%	14
WDCNYN TRAINING & SERVICES	7,588	6,932	-8.64%	10,417	50.27%	45
WDCNYN APPLICATION FEES	4,472	4,464	-0.18%	5,100	14.25%	22
WDCNYN LEGAL ACCOUNTING	21,600	20,217	-6.40%	20,215	0.00%	88
WDCNYN UNLAWFUL DETAIN	1,085	3,763	246.82%	3,780	0.45%	16
WDCNYN LICENSE	5,666	4,712	-16.83%	4,897	3.92%	21
TOTAL FOR GENERAL OFFICE	**62,003**	**63,535**	**2.47%**	**69,504**	**9.40%**	**302**
WDCNYN MEDIA ADVERTISING	20,064	22,713	13.20%	21,096	-7.11%	92

	2015 BUDGET	2015 ACTUAL	VAR %	2016 BUDGET	CHG %	PER UNIT
WDCNYN PROMOTION	1,960	2,300	17.32%	2,170	-5.63%	9
WDCNYN PROMOTION - REFERRAL	1,158	200	-82.72%	200	0.00%	1
WDCNYN COLLATERAL MATERIALS	485	241	-50.30%	905	275.51%	4
WDCNYN RESIDENT RELATIONS	6,975	6,912	-0.90%	7,075	2.36%	31
TOTAL FOR ADVERTISING/PROMO	**30,642**	**32,365**	**5.62%**	**31,446**	**-2.84%**	**137**
WDCNYN RENTUP CLEANING - CR	6,400	8,785	37.27%	8,642	-1.62%	38
WDCNYN CARPET CLEANING	2,131	2,010	-5.66%	2,076	3.29%	9
WDCNYN CARPET DYE & REPAIR	3,425	3,641	6.30%	3,752	3.04%	16
WDCNYN SUPPLIES-CLEANING	1,770	707	-60.05%	728	2.97%	3
WDCNYN RENTUP PAINTING	17,046	25,180	47.71%	25,953	3.07%	113
WDCNYN SUPPLIES - PAINTING	4,250	2,772	-34.78%	2,800	1.01%	12
TOTAL FOR RENTUP EXPENSE	**35,021**	**43,095**	**23.05%**	**43,952**	**1.99%**	**191**
WDCNYN MAINTENANCE MANAGER	36,420	27,287	-25.07%	45,760	67.69%	199
WDCNYN MAINTENANCE ASST MANAGER	69,228	67,769	-2.10%	70,613	4.19%	307
WDCNYN MAINTENANCE PORTER	26,004	21,128	-18.75%	25,459	20.49%	111
WDCNYN APT ALLOWANCE	21,558	15,044	-30.21%	23,214	54.30%	101
WDCNYN BONUS AND INCENT	10,700	9,287	-13.20%	10,808	16.37%	47
WDCNYN OVERTIME	3,949	5,358	35.67%	4,257	-20.54%	19
WDCNYN MAINT. HEATING, COOLING & HVAC	7,600	6,830	-10.13%	11,700	71.30%	51
WDCNYN MAINT. ELECTRICAL	3,450	3,800	10.14%	3,655	-3.81%	16
WDCNYN MAINT. APPLIANCE PARTS & REPAIRS	950	606	-36.21%	620	2.31%	3
WDCNYN MAINT. OTHER MAINT. SUPPLIES	14,200	14,729	3.72%	16,500	12.02%	72
WDCNYN MAINT. OTHER MAINT SERVICES	17,052	20,901	22.57%	21,544	3.07%	94
WDCNYN MAINT. ROOF	21,194	23,836	12.46%	21,513	-9.74%	94
WDCNYN MAINTENANCE COUNTERTOP & CABINET	12,850	16,290	26.77%	16,750	2.82%	73
WDCNYN MAINTENANCE PLUMBING	38,400	48,641	26.66%	43,900	-9.74%	191
WDCNYN PLUMBING - SLAB LEAK	24,210	12,428	-48.66%	12,780	2.83%	56
WDCNYN COURTESY PATROL	3,720	3,960	6.45%	3,720	-6.06%	16
TOTAL FOR MAINT BUILDINGS	**311,485**	**297,894**	**-4.36%**	**332,793**	**11.72%**	**1,447**
WDCNYN MAINT - FIRE/LIFE/SAFETY	7,908	9,475	19.81%	9,020	-4.80%	39
TOTAL FOR REPAIR/MAINTENANCE	**7,908**	**9,475**	**19.81%**	**9,020**	**-4.80%**	**39**
WDCNYN MAINTENANCE PEST CONTROL	4,284	3,691	-13.84%	4,725	28.01%	21
TOTAL FOR MAINT BUILDINGS	**4,284**	**3,691**	**-13.84%**	**4,725**	**28.01%**	**21**
WDCNYN LANDSCAPE - CONTRACT	52,248	52,248	0.00%	57,468	9.99%	250
WDCNYN LANDSCAPE IRRIGATION	7,200	9,117	26.62%	9,000	-1.28%	39
WDCNYN LANDSCAPE - PLANT REPLACEMENT	6,982	5,039	-27.82%	10,360	105.59%	45
WDCNYN LANDSCAPE - TREE TRIM	17,736	17,736	0.00%	17,736	0.00%	77
WDCNYN POOLS & STREAM - CONTRACT	4,800	4,800	0.00%	4,800	0.00%	21
WDCNYN POOLS & STREAM - REPAIRS & SUPPLY	2,160	3,038	40.64%	3,060	0.72%	13
TOTAL FOR MAINT GROUNDS	**91,126**	**91,978**	**0.93%**	**102,424**	**11.36%**	**445**
WDCNYN SEWER & SANITATION	2,412	3,503	45.23%	3,574	2.01%	16
WDCNYN TRASH	52,716	51,665	-1.99%	52,698	1.99%	229
WDCNYN GAS - COMMON	14,889	12,780	-14.16%	13,164	3.00%	57
WDCNYN GAS - VACANT	1,390	1,411	1.51%	1,439	1.98%	6
WDCNYN WATER - COMMON	16,984	15,725	-7.41%	16,197	3.00%	70
WDCNYN WATER - VACANT	2,136	2,105	-1.45%	2,142	1.75%	9
WDCNYN ELECTRICITY - COMMON	30,324	29,420	-2.98%	30,303	3.00%	132
WDCNYN ELECTRICITY - VACANT	1,957	1,692	-13.54%	1,726	2.00%	8
TOTAL FOR UTILITIES	**122,808**	**118,301**	**-3.67%**	**121,243**	**2.49%**	**527**
WDCNYN COMMON AREA MAINTENANCE	32,900	34,349	4.40%	35,679	3.87%	155
TOTAL FOR OTHER EXPENSE	**32,900**	**34,349**	**4.40%**	**35,679**	**3.87%**	**155**
WDCNYN INSURANCE	78,144	72,779	-6.86%	74,650	2.57%	325
WDCNYN PROPERTY TAXES	333,024	333,119	0.02%	339,312	1.85%	1,475
TOTAL FOR INSURANCE/TAXES	**411,168**	**405,898**	**-1.28%**	**413,962**	**1.99%**	**1,800**

	2015 BUDGET	2015 ACTUAL	VAR %	2016 BUDGET	CHG %	PER UNIT
TOTAL FOR TOTAL OPERATING EXPENSE	**1,597,160**	**1,548,053**	**-3.07%**	**1,663,081**	**7.43%**	**7,231**
TOTAL FOR NET OPERATING INCOME	**2,841,355**	**2,876,481**	**1.24%**	**2,788,907**	**-3.04%**	**12,126**
WDCNYN ASPHALT	48,228	48,228	0.00%	0	-100.00%	0
WDCNYN POOL, STREAMS & FOUNTAINS	23,468	16,036	-31.66%	0	-100.00%	0
WDCNYN COMMON FACILITY ENHANCEMENT	21,644	28,477	31.56%	12,152	-57.32%	53
WOOD CANYON APPLIANCE REPLACEMENT/PURCHASE	10,728	6,106	-43.08%	10,512	72.15%	46
WDCNYN LANDSCAPE ENHANCEMENT/REMEDIAL	17,658	28,612	62.03%	7,115	-75.13%	31
WDCNYN HEATING & A/C	17,398	20,381	17.14%	44,704	119.34%	194
WOOD CANYON CARPORT ROOF	26,000	6,894	-73.48%	0	-100.00%	0
WDCNYN CONCRETE & SIDEWALKS	0	2,525	0.00%	3,000	18.81%	13
WDCNYN MAJOR PLUMBING	61,340	140,179	128.52%	2,434,180	1,636.47%	10,583
WDCNYN DECKS & BALCONIES	54,871	54,871	0.00%	0	-100.00%	0
WDCNYN ENVIRONMENTAL REMEDIATION	0	42,012	0.00%	0	-100.00%	0
WDCNYN WOOD REPLACEMENT	0	1,285	0.00%	0	-100.00%	0
WDCNYN ADA ACCESSIBILITY	15,690	79,097	404.12%	0	-100.00%	0
WDCNYN UNINSURED LOSS	0	12,940	0.00%	0	-100.00%	0
TOTAL FOR NON-RECURRING	**297,025**	**487,643**	**64.18%**	**2,511,663**	**415.06%**	**10,920**
WDCNYN PREPAID INSURANCE	0	10,872	0.00%	0	-100.00%	0
TOTAL FOR CHANGE IN ASSET/LIABILITY	**0**	**10,872**	**0.00%**	**0**	**-100.00%**	**0**
WDCNYN NEW CARPET	64,446	59,122	-8.26%	66,378	12.27%	289
WDCNYN NEW LINOLEUM	17,024	28,714	68.66%	24,640	-14.18%	107
TOTAL FOR CAPITAL	**81,470**	**87,836**	**7.81%**	**91,018**	**3.62%**	**396**
WDCNYN 1ST LOAN PRINCIPAL	527,085	90,328	-82.86%	0	-100.00%	0
WDCNYN FTB/LLC FEE	800	807	0.87%	800	-0.86%	3
WDCNYN 1ST LOAN - INTEREST	320,004	60,121	-81.21%	302,674	403.44%	1,316
WDCNYN LETTER OF CREDIT	131,233	131,889	0.49%	129,126	-2.09%	561
WDCNYN ADMINISTRATION FEES	3,000	2,700	-10.00%	3,000	11.11%	13
WDCNYN RE-MARKETING FEES	20,000	20,000	0.00%	20,000	0.00%	87
WDCNYN ISSUER FEE	20,004	20,004	0.00%	20,004	0.00%	87
WDCNYN PROGRAM ADMIN	3,000	3,000	0.00%	3,000	0.00%	13
WDCNYN FINANCING LEGAL	0	1,875	0.00%	0	-100.00%	0
TOTAL FOR DEBT RELATED	**1,025,126**	**330,723**	**-67.74%**	**478,604**	**44.71%**	**2,081**
WDCNYN ESCROW DEPOSITS FROM RESIDENTS	0	10,133	0.00%	0	-100.00%	0
TOTAL FOR SECURITY DEPOSITS	**0**	**10,133**	**0.00%**	**0**	**-100.00%**	**0**
WDCNYN PARTNER WITHDRAWL	540,002	540,002	0.00%	540,001	0.00%	2,348
WDCNYN PARTNER DISTRAIBUTION	410,724	1,116,802	171.91%	97,830	-91.24%	425
TOTAL FOR PARTNER ACTIVITY	**950,726**	**1,656,804**	**74.27%**	**637,831**	**-61.50%**	**2,773**
WDCNYN ACCRUED PROPERTY TAXES	0	(112,108)	0.00%	0	-100.00%	0
WDCNYN PAYROLL ADVANCE	0	(4,444)	0.00%	0	-100.00%	0
WDCNYN CASH-DISBURSEMENT TRUST - CNB	0	(796,550)	0.00%	0	-100.00%	0
WDCNYN CASH-DOLPHIN PARTNERS	0	123,932	0.00%	0	-100.00%	0
WDCNYN INSURANCE IMPOUND	0	(6,062)	0.00%	0	-100.00%	0
WDCNYN CAP RATE RESERVE	11,196	11,199	0.02%	0	-100.00%	0
WDCNYN PRINCIPAL RESERVE	0	436,762	0.00%	563,761	29.07%	2,451
TOTAL FOR CHANGE IN ASSET/LIABILITY	**11,196**	**(347,271)**	**-3,201.74%**	**563,761**	**-262.34%**	**2,451**
TOTAL FOR TOTAL OTHER ITEMS	**2,365,543**	**2,236,740**	**-5.44%**	**4,282,877**	**91.48%**	**18,621**
TOTAL FOR CASH FLOW	**475,812**	**639,741**	**34.45%**	**(1,493,970)**	**-333.53%**	**(6,496)**
CASH FLOW LESS DEPRECIATION	475,812	639,741	34.45%	(1,493,970)	-333.52%	(6,496)

February 18, 2016
Prepared by: Rob Jacobson RJ
Submitted by: Cheryl Clary CC
Approved by: Paul Cook

ASSET MANAGEMENT COMMITTEE

SAND CANYON PROFESSIONAL CENTER – PHASE II DEVELOPMENT
REVIEW OF LANDSCAPE DESIGN AND REVISED BUILDING CONCEPTS

SUMMARY:

Staff, the District's architect for the Sand Canyon Professional Center Phase II development, Ware Malcomb, and the project's landscape architect, Conceptual Design & Planning Company (CDPC), will provide initial landscape design plans and revised building plans for the Committee's review and comment prior to plan submittal to the City of Irvine. The Phase II project includes construction of a 71,000 square foot for-lease professional office building and central outdoor courtyard/meeting area. Completed and approved building plans are expected to significantly improve the marketability of the future office property by reducing the project completion schedule by approximately six to nine months.

BACKGROUND:

In February 2008, the Board approved Phase I of the Sand Canyon Office Project on land adjacent to the Sand Canyon headquarters site. Phase I included construction of a 16,400 square foot medical office building, a community meeting room and the reconfiguration of the majority of the existing employee parking area. Phase I was completed in early 2012 and the medical office building is fully leased through April 2022.

Phase II of the approved campus master plan includes construction of an approximate 71,000 square foot professional office building on the remaining vacant land. The medical and professional office combination was originally recommended in a land use study, and the resulting tenant diversification has been further supported by other local real estate professionals based on the site's zoning, trip allocation constraints and market data for the area.

In October 2015, the Board approved the retention of Ware Malcomb to provide architectural services related to design of the Phase II building and site work. Conceptual Design & Planning Company was retained by Ware Malcomb to provide landscape architectural services for the project.

Conceptual Building and Landscape Design Review:

Staff and representatives from Ware Malcomb and CDPC will provide landscape design concepts and revised building design concepts for the Sand Canyon Professional Center Phase II project for Committee review and feedback prior to initial submittal of complete project plans to the City of Irvine. The conceptual design plans will include elements based on feedback from previous Committee meetings including the addition of a multi-functional space in the courtyard area for potential food service or outdoor covered meeting needs and modifying the planned roof patio area to maximize space and enhance the view of local mountains.

In conformance with the Special Land Use Requirements (SLURs) for the property, initial building design concepts were also recently submitted to the Irvine Company for its design review. An initial response to the submittal is expected within 3-4 weeks.

FISCAL IMPACTS:

Projected design, planning and construction costs for the Sand Canyon Professional Center Phase II project of $17.6 million are included in the FY 2015-16 Capital Budget (EPMS No. 11885/Oracle No. 6210).

Stabilized net operating income for the Phase II property in Year 3 is estimated at $1,790,000/year, or a Return on Costs (including land) of approximately 8.7%, assuming an initial lease rate of $2.00/square foot (NNN) and annual rent increases of 2.5%.

ENVIRONMENTAL COMPLIANCE:

A Final Environmental Impact Report has been prepared, certified and the project approved by the County of Orange Environmental Management Agency in compliance with the California Environmental Quality Act (CEQA) of 1970 (as amended), codified at California Public Resources Code Sections 21000 et. seq., and the State CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

None.

February 18, 2016
Prepared by: J. Davis/T. Fournier
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook P. Cook

ASSET MANAGEMENT COMMITTEE

REAL ESTATE QUARTERLY PERFORMANCE AND COMMERCIAL BROKER UPDATE – DECEMBER 2015

SUMMARY:

Staff will provide the Committee with an update on the financial performance of IRWD's real estate investments and other revenue-generating properties for the quarter ended December 31, 2015, and on recent firm changes by the District's commercial property leasing brokerage team. Staff recommends the Board authorize staff to enter into a new listing agreement with Colliers International (Mike Hartel) for commercial leasing services related to the 230 Commerce and the Waterworks Business Park properties and to enter into a joint listing agreement with Colliers International and Cushman & Wakefield for the Sand Canyon Business Park future office property.

BACKGROUND:

For the quarter ended December 31, 2015, the District's residential and commercial real estate investments provided net operating income (NOI) of $2.35 million, which represents a 12.92% return for the period. For the fiscal year (FY) to date, NOI is $4.69 million for an average return of 12.88%. Land lease income from the Strawberry Farms Golf was $132,075 and $268,970 for the quarter-end and FY periods, respectively. Lease revenue from the District's five cell sites was $40,256 for the quarter, and is $86,520 year to date. A report detailing the NOI and returns for the District's real estate investment properties, golf course and cell sites is attached as Exhibit "A". Staff will provide additional updated property information at the meeting.

Residential Investment Properties:

The NOI for the Sycamore Canyon Apartments property for the quarter ended December 31, 2015, was $1.81 million and year-to-date NOI is $3.66 million, which were favorable to budget by approximately $80,800 and $110,800, respectively. The quarter-end and FY variances are primarily due to lower-than-anticipated vacancies, higher lease rates and timing of budgeted expenses. The District's limited partnership investment in the Wood Canyon Villa property earned a preferred return of 9.00%, providing income of $136,110 for the quarter and $272,220 for the FY to date. The net return for Wood Canyon was 8.54% for the quarter-end and FY periods.

Commercial Investment Properties:

The NOI for the quarter ended December 31, 2015 at the Irvine Market Place (230 Commerce) property was $107,254, which was unfavorable to budget by $39,960. The variance was primarily due to one suite not leased as expected and higher-than-anticipated building repairs and maintenance expenses. For the FY to date, NOI at the property is $174,370, which is unfavorable to budget by $44,910, also due to vacancy and maintenance expenses. The building is now fully leased.

The NOI for the Waterworks Way Business Park property for the quarter ended December 31, 2015 was $113,205, which was unfavorable to budget by $2,045, primarily due to an unbudgeted rent concession. For the FY period ended December 31, 2015, the property's NOI is $224,319, which is in line with the budget. The property is currently 100% occupied.

For the Sand Canyon Professional Center medical office property, the NOI was $183,499 for the quarter ended December 31, 2015, which was favorable to budget by $2,115, primarily due to lower-than-anticipated maintenance expenses. For the FY period to date, the NOI at the property is $359,150, which is in line with the budget. The property is currently 100% occupied.

Strawberry Farms Golf Course and Cell Site Leases:

Land lease income for Strawberry Farms Golf Course for the quarter ended December 31, 2015 was $132,075, which was $5,825 favorable to budget, due to higher-than-anticipated revenue from green fees. The quarterly income represents an increase of 10.6% from the same period last year. Income for the FY to date is $268,970, representing an increase of 8.56% compared to the same period last year. Lease revenue from the District's five cell sites was $40,256 and $86,520 for the quarter-end and FY periods, respectively, which is in line with the budget.

Commercial Real Estate Brokers:

The District's commercial real estate brokers responsible for leasing its current office investment properties have each moved from Voit Commercial to separate brokerage firms, the most recent change occurring this month. Mike Hartel moved to Colliers International and Kevin Turner moved to Cushman & Wakefield. Each of these firms has an excellent reputation for providing a broad range of commercial brokerage services in Orange County. The District's current listing agreement with Voit Commercial has expired and is considered to be in effect on a month-to-month basis.

While the District's three office properties are currently 100% leased, there will be significant leasing activity in mid- to late-2016. Expected activity includes the vacancy of four suites totaling 19,000 square feet at the 230 Commerce property and two units totaling 8,000 square feet at the Waterworks property. The earliest lease to expire at the Sand Canyon medical office property is in April 2022.

Staff believes it would be more efficient to retain one brokerage firm to represent the District and provide leasing services for its current office properties. As a team, the brokers have done an exceptional job for the District. Mr. Hartel's recent move to Colliers included the Voit administrative and marketing team familiar with the District's properties, leasing documentation and tenant requirements. Staff has worked with this team extensively and they provided significant support, especially during periods of increased activity.

Staff recommends the District enter into a new listing agreement with Mike Hartel and Colliers International for a 12-month period for ongoing leasing activities related to the 230 Commerce and Waterworks Business Park properties. Staff also recommends the District enter into a joint listing agreement with Colliers and Cushman & Wakefield for a six-month period for services related to the initial lease-up of the Sand Canyon Business Park's future 70,000 square foot office development. Both listing agreements would include the same terms and commission structure currently in place with Voit Commercial.

FISCAL IMPACTS:

For the quarter and fiscal year-to-date periods ended December 31, 2015, the District's commercial and residential real estate investments provided net operating income of $2.35 million and $4.69 million, respectively. Strawberry Farms Golf Course land lease revenue was $132,075 for the quarter and $268,970 for the FY to date. District cell site revenue was $40,256 for the quarter and the FY to date is $86,520.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act (CEQA), Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

That the Board authorize staff to 1) enter into a listing agreement with Colliers International for a 12-month period for commercial leasing services related to the 230 Commerce and the Waterworks Business Park properties, and 2) enter into a joint listing agreement with Colliers International and Cushman & Wakefield for a six-month period for the Sand Canyon Business Park future office property, with terms consistent with the existing Voit Commercial listing agreements.

LIST OF EXHIBITS:

Exhibit "A" – Real Estate Performance Report

Exhibit "A"

Irvine Ranch Water District
Real Estate Investment Performance Report
as of December 31, 2015

INCOME PROPERTIES			FY 2015-16					FY 2015-16 RATE OF RETURN			3 Year Average Rate of Return	5 Year Average Rate of Return
Property Description	Capital Investment	Investment Inception	Oct-15	Nov-15	Dec-15	FY Q2	FY 2015-16 TOTAL	FY Q1	FY Q2	Average Fiscal YTD	FY 13/14 - 15/16	FY 11/12 - 15/16
Sycamore Canyon Apartments	$43,550,810	Dec-92	$ 587,103	$ 631,210	$ 592,871	$ 1,811,184	$ 3,658,766	16.97%	16.64%	16.80%	16.21%	15.02%
Wood Canyon Villa Apartments	$6,000,000	Jun-91	$ 45,863	$ 44,384	$ 45,863	$ 136,110	$ 272,220	8.53%	8.54%	8.54%	8.52%	8.45%
Irvine Market Place Office	$5,739,845	Jul-03	$ 33,979	$ 32,226	$ 41,049	$ 107,254	$ 174,370	4.68%	7.47%	6.08%	6.36%	7.17%
Waterworks Way Business Park	$8,630,577	Nov-08	$ 37,206	$ 39,709	$ 36,290	$ 113,205	$ 224,319	5.15%	5.25%	5.20%	4.68%	4.24%
Sand Canyon Professional Center	$8,648,594	Jul-12	$ 62,076	$ 60,590	$ 60,833	$ 183,499	$ 359,150	8.12%	8.49%	8.31%	8.03%	
TOTALS	$72,569,826		$ 766,227	$808,119	$776,906	$2,351,252	$ 4,688,825	12.84%	12.92%	12.88%	12.45%	10.78%

Notes/Assumptions:

- Wood Canyon cash flows represent partnership cash distributions from Western National Group.

- The 9.00% Preferred Return for Wood Canyon accrues on the original $6 million investment amount along with any accrued preferred return. The current total monthly accrual is approximately $45,000/month.

- Capital Investment does not include depreciation; Sycamore Canyon 2007-08 renovation costs included in Capital Investment total.

- Irvine Market Place capital investment amount includes land cost of $871,396; Waterworks Business Park capital investment includes land cost of $2,420,213.

Irvine Ranch Water District
Real Estate Investment Performance Report
Strawberry Farms Golf Course & Cell Site Income
as of December 31, 2015

Property Description	2015-16 NET INCOME								
	Oct-15		Nov-15		Dec-15		FY Q2		NET INCOME 2015-2016
Strawberry Farms Golf Course	$	41,426	$	46,208	$	44,442	$	132,075	$268,970
TOTALS	$	41,426	$	46,208	$	44,442	$	132,075	$268,970
Change From Prior Year Period							$	12,691	$ 21,219
								10.63%	8.56%

Property Description	2015-16 NET INCOME								
	Oct-15		Nov-15		Dec-15		FY Q2		NET INCOME 2015-2016
Cell Sites	$	11,222	$	18,234	$	10,800	$	40,256	$86,520
TOTALS	$	11,222	$	18,234	$	10,800	$	40,256	$86,520
Change From Prior Year Period							$	(10,862)	$ (11,107)
								-21.25%	-11.38%

Irvine Ranch Water District
Real Estate Investment Performance Report
Cell Site Terms
as of December 31, 2015

Location:	Rattlesnake (Portola) Reservoir 4883 Portola Parkway, Irvine	Central Zone 1 Reservoir 13826 Sand Canyon Avenue, Irvine	Santiago Canyon Head Quarters 7431 Santiago Road, Santiago Canyon
	712223	**712224**	**712221**
Licensee/Lessee	Crown Castle (839428)	Crown Castle (839459)	AT&T Wireless
	Site# 321620	Site# 321757	LA3212
Type:	Master Lease	Master Lease	Lease
Date:	1/14/02	11/22/99, #1 1/14/02	11/22/04
Contract Monthly Rent:	Greater of $1,500 + 3% annual escalation or 40% of gross rents (March)	Greater of $1,500 + 3% annual escalation or 40% of gross rents (July)	3% annual escalation(July)
Current Monthly Rent:	$2,203	$2,203	$2,492
Annually	$72,148	$46,081	$29,899
	10276818 10276843	10276843 10276818	(Faux Tree)
Contract Term & notice	15 yrs+; Termination upon 1 yr notice	15 yrs+; Termination upon 1 yr notice	5 yrs + 4 5 yr extensions

Location:	Lake Forest Zone II West Reservoir 26001 Dimension, Lake Forest		
	712228	**712227**	**712222**
Licensee/Lessee	T- Mobile	Sprint PCS	AT&T
	LA02308A	0G03XC113	R086/FoothillCorridor1
Type:	License	License	License
Date:	12/16/96	9/8/97	9/9/98, #1 9/5/01
Contract Monthly Rent:	$1,500 No escalation	$1,500 No escalation	$1,500 3% annual escalation (October)
Current Monthly Rent:	$1,500	$1,500	$2,337
Annually	$18,000	$18,000 (Antennas on Tank)	$28,043
Contract Term & notice	Termination upon 6 months notice	Termination upon 6 months notice	Termination upon 6 months notice

Location:	Lake Forest Zone II East Reservoir 20696 Regency Lane, Lake Forest
	712230
Licensee/Lessee	Verizon
	SCAL North Lake Forest
Type:	License
Date:	10/11/95
Contract Monthly Rent:	$1,500 No escalation
Current Monthly Rent:	$1,500
Annually	$18,000
Contract Term & notice	Termination upon 6 months notice