

DDR DB Mendocino LP

3300 Enterprise Parkway
Beachwood, Ohio 44122

VIA E-Mail to wrhearing@waterboards.ca.gov

Division of Water Rights
State Water Resources Control Board
Division of Water Rights
Attn: Ernest Mona
1001 I Street, 2nd Floor
Sacramento, CA 95814

Re: MILLVIEW PROPOSED REVOCATION HEARING
Proposed Revocation of License 5763 (Application 15679) (the "License")
Millview County Water District ("Millview CWD")

Members of the Board:

This letter is being submitted to you on behalf of DDR DB Mendocino LP ("DDR") in support of Millview CWD keeping the above referenced License. DDR urges that you not revoke the License, and allow Millview CWD additional time to engage an environmental consultant to evaluate the potential impacts of Millview CWD's water right petition and present its findings to this Board.

DDR currently owns approximately 66 acres on the former Masonite property in Mendocino County, California (the "DDR Property"). In December of 2012, DDR sold approximately 10 acres to Mendocino Industrial Park, LLC ("Factory Pipe"), an entity controlled by Mr. Ross Liberty (the "Factory Pipe Property"). The DDR Property and the Factory Pipe Property are both located on the site of the former Masonite Plant bounded between US-101, North State Street and the east side of the railroad property. Both properties would be severely affected if the License is revoked.

As you may know, new jobs are moving to the Factory Pipe Property. Factory Pipe has started a multi-million dollar redevelopment of the 140,000 sq. ft. building on the Factory Pipe Property. This is a great industrial use for the area and it will be a catalyst for other redevelopment on the DDR property. DDR is still working on development options in connection with the DDR Property, all options will require that these critical water rights be maintained for Millview CWD.

When operating, the Masonite Plant was a significant economic asset to the area's economy and relied upon the License in order to have the required water to operate the plant. When the plant closed, Masonite diligently sought a way to preserve that asset by ensuring that the License would remain available. This resulted in the transfer of the License to Millview CWD. There has been no lack of diligence by Millview CWD in seeking to put the water under the License to use. The water rights under this License are critically important to the economic future of Mendocino County and to the DDR Property.

Unfortunately for DDR, Millview CWD and the community, the ongoing political disputes over whether, and how, the Ukiah Valley should be allowed to grow in the future slowed the development process. This included the controversial Ukiah Valley Area Plan ("UVAP"). Of course, definitive development plans for the DDR Property have been stymied as a result of the uncertainties related to

these ongoing political disputes. By the time the UVAP was adopted by the Mendocino County, this revocation proceeding had already commenced, which further hindered the development of the DDR Property.

The License, as modified according to Masonite Corporation's petition for changes in purpose and place of use pending before you, would allow the area (including the DDR Property and the Factory Pipe Property) to grow and support the economy and communities of Mendocino County. As this Board is aware, the critical element for the community's economic growth is water. Revocation of the License will reduce the value of the DDR Property and will thwart economic and job growth in this region.


The revocation of the License, and the resulting loss of water rights, would have dire economic implications on the Mendocino County and DDR's ability to develop the DDR Property for any use – industrial, commercial, residential. We've made some progress on the planning side and environmental side and we now feel as though the DDR Property is ripe for development again, however, the revocation of water rights from Millview CWD may be insurmountable for DDR to overcome and would likely render the DDR Property undevelopable. Such prospects would be a terribly sad condition for Mendocino County and the Ukiah area, as all parties involved know the economic importance of the DDR Property for the future of the County.

We urge this Board not to revoke the License, and to grant Millview CWD additional time to evaluate the potential impacts of Millview's water right petition and present its findings to this Board. Public interest will best be served if this Board can consider all of the factors relevant to the use of water – including the impact on the local community and the future of Mendocino County.

Respectfully submitted,

DDR DB MENDOCINO LP

By: DDR Mendocino Holdings LLC,
Its General Partner

By: 
Jeff Martin,
Vice President of Development

cc: Mr. James Farrell (via e-mail)
Mr. Chris Erb (via e-mail)
Mr. Ross Liberty (via e-mail)