



ADMINISTRATION COMMITTEE

Agenda Report

Headquarters
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File #: 2025-4320

Agenda Date: 7/9/2025

Agenda Item No: 3.

FROM: Robert Thompson, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

ABANDONED SEWER EASEMENT QUITCLAIM DEED

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve the Easement Quitclaim Deed authorizing the relinquishment of an Easement with the City of Huntington Beach for abandoned sewer easement to SLF- HB Magnolia, LLC, a Delaware limited liability company, in a form approved by General Counsel; and
- B. Direct the Clerk of the Board to record the Easement Quitclaim Deed with the Orange County Clerk-Recorder's Office.

BACKGROUND

OC San previously owned and operated approximately 1,216 linear feet of 21-inch sewer pipeline running through the project site, which was located within a 20-foot-wide easement. On October 21, 2013, OC San transferred ownership of manhole MLR0025-0005, and 21.1 linear feet of sewer line (MLR0025-0005: MLR0025-0000) to the City of Huntington Beach. The remaining portion of this sewer line (MLR0025-0010: MLR0025-0005) was subsequently abandoned in place in 2015 as part of project FE11-02.

On October 21, 2024, OC San received a request from Fuscoe Engineering, consultant for Shopoff Realty Investments, L.P., for OC San to relinquish its rights to the abandoned sewer line easement and to quitclaim it to the developer. The request was submitted to support the developers' plans to construct new townhomes within the easement area.

The sewer line is abandoned, and staff believe there is no longer need for the easement for any purpose in the foreseeable future.

RELEVANT STANDARDS

- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities
- Protect OC San assets
- Ensure the public's money is wisely spent

PROBLEM

OC San reserves ownership of easement for abandoned sewer MLR0025-0010: MLR0025-0005 unless a Quitclaim Deed is recorded.

PROPOSED SOLUTION

Approve a Quitclaim Deed to relinquish easement rights of the abandoned sewer facilities to the SLF-HB Magnolia, LLC, a Delaware limited liability company.

TIMING CONCERNS

The SLF - HB Magnolia, LLC, a Delaware limited liability company is planning a mixed used residential and commercial development in the City of Huntington Beach under the development name Magnolia Tank Farm.

RAMIFICATIONS OF NOT TAKING ACTION

The Magnolia Tank Farms may incur delays to the project.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Quitclaim Deed
- Exhibits A and B