



STEERING COMMITTEE

Agenda Report

Administration Building
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File #: 2022-2372

Agenda Date: 6/22/2022

Agenda Item No: 5.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

PROPERTY ACQUISITION FOR 1516 BALBOA BOULEVARD WEST, NEWPORT BEACH, CA

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve the Agreement for Purchase and Sale of the Real Property and Escrow Instructions for the purchase of real estate from the City of Newport Beach for 1516 Balboa Boulevard West, Newport Beach, California, County Assessor Parcel Number 047-222-10 in a form approved by Special Counsel, for \$467,629.56; and
- B. Authorize the General Manager and Special Counsel to execute the following:
 - 1. Preliminary Title Report Consistent with the Standard Offer, Agreement, and Escrow Instructions;
 - 2. Title Approval Letter;
 - 3. Deeds and other evidence of title to the parcel of property that are the subject of the Purchase Agreement;
 - 4. Preliminary Change of Ownership Report;
 - 5. Acceptance of the Grant Deed to certain real property from City of Newport Beach;
 - 6. Approved Estimated Closing costs;
 - 7. Seller's Mandatory Disclosure Statement acknowledging receipt of this document;
 - 8. Property Information Sheet acknowledging receipt of this document;
 - 9. Natural Hazard Disclosure Report acknowledging receipt of this document; and
 - 10. Any and all other instruments related to the transaction.

BACKGROUND

The Orange County Sanitation District (OC San) operates the 15th Street Pump Station in Newport Beach. OC San has been looking to purchase a small strip of land once owned by Southern California Edison (SCE) adjacent to the 15th Street Pump Station. The former SCE site was purchased by the City of Newport Beach (City) and the original sale agreement between the City and SCE required the City to hold the property for a number of years before any sale could occur. This time period has now expired.

The property being sought by OC San is already enclosed by the perimeter wall of the 15th Street Pump Station. The wall was constructed by the City when the Marina Park was developed. The space provides critical staging and laydown area for maintenance and other capital improvements, as well as the opportunity for future odor and corrosion control equipment.

RELEVANT STANDARDS

- 1, 5, 20-year planning horizons
- 24/7/365 treatment plant reliability

PROBLEM

OC San is real estate limited in its current and future operations of the 15th Street Pump Station. There is a need for additional space for maintenance staging and future odor and corrosion control equipment.

PROPOSED SOLUTION

Purchasing approximately 1,000 square feet of property will create more flexibility in the short and long term. In the short term, operations and maintenance staff have adequate access to the pump station and its equipment. Additionally, necessary odor and corrosion control equipment can be installed to mitigate odor and corrosion issues. The subject property purchase will solve this problem.

TIMING CONCERNS

The opportunity to purchase the subject property has become available.

RAMIFICATIONS OF NOT TAKING ACTION

Lack of available land will increase short and long-term costs primarily in the execution of maintenance efforts due to a limited working area. There is no other available space to install odor and corrosion control equipment.

PRIOR COMMITTEE/BOARD ACTIONS

July 2021 - Board approved staff to negotiate to the agreed upon price.

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

Staff will allocate funds from the current Capital Improvement Program (CIP).

ATTACHMENT

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

- Agreement for Purchase and Sale of Real Property and Escrow Instructions