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STEERING COMMITTEE

Agenda Report

File #: 2025-4573 **Agenda Date:** 10/22/2025 **Agenda Item No:** 19.

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

SUBJECT:

PROPERTY ACQUISITION FOR 18250 EUCLID STREET, FOUNTAIN VALLEY, CA

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

A. Approve a Standard Offer, Agreement, and Escrow Instructions for Purchase of Real Estate (Purchase Agreement) with Rexford Industrial Realty L.P. for Property at 18250 Euclid Street, Fountain Valley, APN No. 156-171-4, in a form approved by General Counsel, for $26,710,000; and

B. Authorize the General Manager and General 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 parcels 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 Rexford Industrial Realty, L.P;
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) has been actively pursuing opportunities to acquire additional real estate near Plant No. 1 to support future operational needs, specifically additional warehousing space. Recent supply chain issues and increased lead time for critical space parts have resulted in the need for additional warehouse space. In February 2022, OC San staff sent prospecting letters to property owners in the surrounding area-covering properties that were for sale, for lease, or not currently on the market-to gauge interest in potential sales.

Initial negotiations took place with the owner of 10700 Spencer Street; however, those discussions have since concluded. As part of ongoing outreach, OC San inquired about a nearby property that was listed for lease. While that specific lease opportunity was not pursued, the listing broker representing the lease property contacted OC San regarding another nearby parcel. OC San learned that the owners of this third property-referred to here as the subject property-were open to selling due to changes in their portfolio strategy.

OC San staff provided an update during a closed-session Board meeting in August regarding the concluded negotiations for 10700 Spencer Street and requested authorization to initiate negotiations for a new potential property located at 18250 Euclid Street. The Board authorized staff to enter into negotiations with the property owner within a provided not-to-exceed amount.

On September 12, 2025, OC San submitted an unsolicited Letter of Intent (LOI) for the subject property. The owner responded with a counter offer on September 25, 2025. Negotiations have concluded and an agreement has been reached for the purchase of the property for $26,710,000, which is within the not-to-exceed amount authorized by the Board.

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. There is a need for additional space for construction and new treatment process areas to replace end-of-life facilities and provide treatment facilities for new regulatory requirements.

PROPOSED SOLUTION

Approve the acquisition of the property at 18250 Euclid Street, Fountain Valley, CA

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

N/A

PRIOR COMMITTEE/BOARD ACTIONS

August 2025 - Staff presented in closed session at the Steering Committee and Board meetings regarding real property negotiations for 18250 Euclid Street, Fountain Valley, CA - APN No. 156-171-41.

ADDITIONAL INFORMATION

N/A

CEQA

OC San will perform all environmental reviews required under the California Environmental Quality Act before the close of escrow.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance and is within the Board authorization given in August 2025. This item has been budgeted (Budget Update FY 2025-26, Page A-17) and the budget is sufficient for the recommended action.

ATTACHMENT

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

- Letter of Intent
- Draft Purchase and Sale Agreement