

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

Certified copy of portion of proceedings, Meeting of April 4, 2023

RESOLUTION NO. 23-50

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT APPROVING HARBOR DISTRICT'S ASSUMPTION OF THE COUNTY'S \$2,320,000.00 BCRLF LOAN TO THE SAMOA PACIFIC GROUP (SPG), AND AUTHORIZING THE PLANNING AND BUILDING DIRECTOR TO EXECUTE ON BEHALF OF THE COUNTY ALL DOCUMENTS NECESSARY TO IMPLEMENT AND CARRY OUT THE LOAN ASSUMPTION AGREEMENT

WHEREAS, the County and Harbor District have been working cooperatively for decades to revitalize the Samoa Peninsula and the other Coastal Dependent Industrial properties around Humboldt Bay for the benefit of the community; and

WHEREAS, these long term multi-pronged cooperative efforts of the Board of Supervisors, the County Planning & Building Department, County Economic Development, and County Administration Department(s) and the District have resulted in attracting world class indoor recirculating aquaculture, offshore wind developers, and other industries that intend to or have made significant investments into the Samoa Peninsula; and

WHEREAS, as part of these efforts, the County Board of Supervisors adopted the Samoa Peninsula Enhanced Infrastructure Finance District (EFID) which, over its life, is projected to collect approximately \$52,000,000 of property tax increment from these investments, allowing EFID to allocate the increased revenues to a variety of projects that will benefit the community and surrounding areas; and

WHEREAS, reference is made to that certain Humboldt Bay Offshore Wind & Heavy Lift Terminal Conceptual Master Plan dated May 7, 2022 (the "Master Plan"). As set forth in the Master Plan, the District is in the planning phase of a heavy lift terminal development project on the Samoa Peninsula to support the offshore wind energy generation program managed by the Bureau of Ocean Energy Management (BOEM) (the "Port Development"); and

WHEREAS, as part of the Port Development, the subject real property will require environmental remediation, as preliminarily identified in that Phase I Environmental Site Assessment dated April 22, 2022, and which remediation needs will be further studied as part of a Phase II Environmental Site Assessment to be conducted under the management of the U.S. Environmental Protection Agency (EPA). As a condition of the development of the Port Project, the regulatory agencies (including the County and the North Coast Regional Water Quality Control Board) will require certain environmental remediation work be completed as part of the Port Project; and

WHEREAS, the District and the County desire to partner together to help facilitate these important community investments by, among other things, facilitating the remediation of the subject properties, work force development and training, and other community benefits as part of the revitalization of the Samoa Peninsula; and

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WHEREAS, beginning on May 6, 2014, the County, as lender, entered into three written County of Humboldt Brownfields Cleanup Revolving Loan Fund Loan Agreements with the Samoa Pacific Group LLC, a California limited liability company, as borrower, by which SPG received Brownfields Cleanup Revolving Loan Funds ("BCRLF") from the County in the amount of two million three hundred twenty thousand dollars (\$2,320,000.00), and executed Promissory Notes securing those agreements; and

WHEREAS, pursuant to the BCRLF Loan Agreements SPG was obligated to use the borrowed funds to perform certain remediation work (the "Remediation Work") on the certain real property owned by SPG, as more particularly set forth in the BCRLF Loan Agreement, and to complete the Remediation Work on or before June 20, 2023; and

WHEREAS, pursuant to the BCRLF Loan Agreement, the Debt bears interest at the rate of zero percent (0%), until March 31, 2024, on which date SPG is obligated to pay to the County all outstanding and unpaid principal and interest; and

WHEREAS, by way of a written Agreement for the Purchase of and Sale of Real Property dated May, 2022 ("Purchase Agreement"), by and between SPG and the District, the District agreed to purchase and SPG agreed to sell an approximate 35-acre parcel of real property on the Samoa Peninsula, commonly referred to as Humboldt County Assessor Parcel No. 401-031-083 and more particularly described in the Purchase Agreement (the "Port Property"), for the price of the million dollars (\$3,000,000.00); and

WHEREAS, by way of a written Addendum to Agreement for the Purchase and Sale of Real Property, SPG and the District agreed that, subject to the County's approval, the District is given the option to assume SPG's obligation to repay the Debt to the County in exchange for a credit against the purchase price equal to the Debt it assumes; provided, however, that (i) SPG is relieved from any obligation to pay back any portion of the Debt assumed by the District; (ii) the County releases and reconveys back to SPG the security interest created by the Deed of Trust; and (iii) that the District is not obligated to assume and SPG shall not be released from any unfulfilled obligations under the BCRLF Loan Agreement relating to the Remediation Work or any liabilities arising therefrom, except repayment of the assumed Debt; and

WHEREAS, SPG and the District have opened an escrow with Humboldt Land Title Company (Escrow No. FHBT-0022200597-RC) (the "Escrow") to facilitate the acquisition of the Port Property by the District; and

WHEREAS, by way of the attached Assumption Agreement, subject to input and editing from County staff and the Office of County Counsel, the County and the District desire to set forth the terms and conditions upon which the County will permit the District to assume the obligation to repay the Debt.

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NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Humboldt County Board of Supervisors as follows:

1. Approves the transfer to the Harbor District of SPG's obligation to repay the \$2,320,000.00 BCRLF loan to the County in exchange for a credit against the purchase price of Assessor's Parcel Number (APN) 401-031-083 equal to the debt the Harbor District assumes with the following conditions:
 - a. Samoa Pacific Group remains responsible for the lead abatement in the historic homes in Samoa. This shall be memorialized in a separate agreement. The process of clearing the homes in Samoa for Lead Abatement be continued prior to transfer of the property to the new owner. The current agreement requires this work to be completed by June 2023.
 - b. The full loan must be repaid, there is no opportunity to convert a portion of the loan to a grant.
 - c. The Assignment of rents shall apply to the Nordic site, the Redwood Marine Terminal and to all property leased by Crowley.
 - d. The loan term remains 2024.
2. Authorizes the Director of the Planning and Building Department, of the County of Humboldt, to execute, in the name of the County of Humboldt the Loan Assumption Agreement (Exhibit A), as modified by the Board of Supervisors, and after subsequent review and editing by the Office of County Counsel, and all other documents required by the Title Company or Environmental Protection Administration (EPA) for transfer of the BCRLF loan to the Harbor District upon review and approval of County Counsel and Risk Management.

Dated: April 4, 2023



Steve Madrone, Chair
Humboldt County Board of Supervisors

Adopted on motion by Supervisor Bohn, seconded by Supervisor Wilson, and the following vote:

AYES:	Supervisors	Wilson, Bushnell, Bohn, Madrone
NAYS:	Supervisors	--
ABSENT:	Supervisors	Arroyo
ABSTAIN:	Supervisors	--

STATE OF CALIFORNIA)
County of Humboldt)

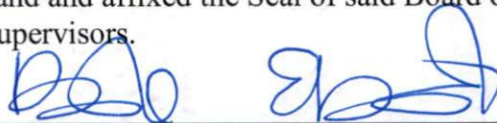
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I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be a full, true, and correct copy of the original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California as the same now appears of record in my Office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.



By Brooke Eberhardt
Deputy Clerk of the Board of Supervisors of the
County of Humboldt, State of California