



COUNTY OF HUMBOLDT

For the meeting of: 3/11/2025

File #: 25-248

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Authorization to Negotiate Terms and Conditions for the Purchase of Real Property Located at 4325 Broadway, Eureka, California

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve and authorize the Humboldt County Public Works Director, and designees thereof, to negotiate terms and conditions for the purchase of real property located at 4325 Broadway in Eureka, California with McNellis Partners Inc., and any duly authorized agents thereof; and
2. Direct the Clerk of the Board to provide the Real Property Division of the Department of Public Works with one (1) fully executed certified copy of the Board order related to this item.

STRATEGIC PLAN:

The recommended actions support the following areas of the Board of Supervisors' Strategic Plan:

Area of Focus: Workforce & Operational Excellence

Strategic Plan Category: 3002 - Invest in county facilities

DISCUSSION:

The real property located at 4325 Broadway, Eureka, California was previously developed as a K-Mart store in 1988. The site is approximately eight (8) acres in size, includes approximately 237 parking stalls, and is located within the City of Eureka. There is a single building on site which is a single story, concrete masonry unit and steel framed structure with over sixty thousand (60,000) square feet of usable interior space. Limited improvements were made to the interior of the building for the processing of cannabis products by the previous owner/tenant, but beyond this the building is largely in the original condition of a big box retail store.

The previous owner/tenant ceased operations and the property was officially placed on the market for sale last year. An updated appraisal supports the listing price of Five Million Nine Hundred Fifty Thousand Dollars (\$5,950,000.00). There are multiple other parties interested in the property and the owner is actively negotiating with these parties.

The County of Humboldt previously entered into negotiations for the purchase of this property in 2017, but the acquisition was not completed. This site and building meet a great deal of the programmatic requirements of the One Stop Permitting Center that has been identified as the top priority of the 2020 Facilities Master Plan, and as a result this acquisition is once again worth considering.

Accordingly, staff recommends that the Board authorize the Public Works Director, and designees thereof, to negotiate terms and conditions for the purchase of the real property located at 4325 Broadway, Eureka, California with McNellis Partners, Inc. and any duly authorized agents thereof. These terms will consist of an offer price, conditions of sale, an escrow period, and be written into a Conditional Offer to Purchase Letter.

SOURCE OF FUNDING:

Amended 2020 Finance Plan

FINANCIAL IMPACT:

The total cost of the real property located at 4325 Broadway, Eureka, California is unknown at this time. An updated appraisal from November 25, 2024 gave a value of Five Million Nine Hundred Fifty Thousand Dollars (\$5,950,000.00) for property. Finance Plan funding is available to fund the acquisition. To occupy the facility, significant building improvements would be necessary, but those are beyond the scope of this agenda item and would be identified further in the acquisition process.

STAFFING IMPACT:

The staffing impacts related to the acquisition of the real property located at 4325 Broadway, Eureka, California is unknown at this time and is dependent on the scope of the proposed improvements and the entitlement and project delivery processes related to them. This impact will need to be considered against the additional initiatives and projects being managed by staff.

OTHER AGENCY INVOLVEMENT:

City of Eureka

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose not to authorize the Public Works Director, and designees thereof, to negotiate the terms and conditions for the purchase of the real property located at 4325 Broadway, Eureka, California. There is considerable interest in this property from other parties, and if the Board wishes to explore the possibility of completing the One Stop Permitting Project, staff recommends pursuing this opportunity further.

ATTACHMENTS:

1. Appraisal Report dated November 25, 2024

PREVIOUS ACTION/REFERRAL:

Meeting of: None

File No.: None