



# COUNTY OF HUMBOLDT

For the meeting of: 4/23/2024

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File #: 24-319

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**To:** Board of Supervisors

**From:** Public Works

**Agenda Section:** Consent

**Vote Requirement:** Majority

**SUBJECT:**

Resolution Authorizing the Purchase of Real Property Located at 803 4<sup>th</sup> Street, Eureka, California

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Adopt the attached resolution authorizing the purchase of real property located at 803 4<sup>th</sup> Street, Eureka, California 95501, in accordance with Section 25353 of California Government Code;
2. Approve and authorize the Chair of the Board to execute, and have notarized, the attached Certificate of Acceptance (Attachment 6) in accordance with Section 27281 of California Government Code;
3. Find that the proposed acquisition of the real property located at 803 4<sup>th</sup> Street, Eureka, California 95501 is exempt from environmental review pursuant to Sections 15301 of the California Environmental Quality Act (CEQA) Guidelines; and
4. Approve and authorize the Director of Public Works, or a designee thereof, to execute and file the attached CEQA Notice of Exemption (Attachment 7).

**SOURCE OF FUNDING:**

2020 Finance Plan, Capital Projects 3562170

**DISCUSSION:**

The subject property has an area of 0.3 acres and contains one (1) single-story, commercial structure. The structure is currently used for automotive services.

On Sept. 26, 2023, the Humboldt County Board of Supervisors ("Board") authorized the Public Works Director, and designees thereof, to negotiate terms for the purchase of real property located at 803 4<sup>th</sup> Street, Eureka, with the current property owner, Courthouse Union Inc., and any duly authorized agents thereof (Attachment 1). The subject property has been identified as being useful for implementing the Facilities Master Plan. The property is currently located by multiple county properties, neighboring the parcel is the Humboldt County Information Technology Department and adjacent to the parcel is the Humboldt County Courthouse. Currently, staff do not have a specific proposed future use of the subject property. At some point in the future, a planning process for redevelopment of the subject property (and potentially other parcels) will be initiated. Staff envisions using the subject property for some type of municipal facility; however, the footprint, height, configuration and number of parcels involved are unknown at this time. Staff does not envision using the subject parcel for the purpose of providing off-street parking.

On Jan. 24, 2024, staff submitted a letter to the City of Eureka requesting review of the proposed real property acquisition to ensure conformance with the City of Eureka's General Plan, in accordance with California Government Code 65402(b). The letter committed to returning to the City of Eureka once a preliminary development concept is prepared for further consultation (Attachment 2).

On Jan. 30, 2024, the Board met in closed session, with Elishia Hayes, County Administrative Officer and Sean Meehan, Deputy Director Facilities Management, concerning the price and terms of payment for the real property located at 803 4<sup>th</sup> Street, Eureka, California.

On Feb. 27, 2024, the Board approved the Notice of Intention to Purchase Real Property located at 803 4<sup>th</sup> Street, Eureka, California (Attachment 3). Subsequently, the Notice was published in the Times Standard once a week for three (3) successive weeks, on March 3, 2024, March 10, 2024 and March 17, 2024, pursuant to California Government Code Section 6063.

On March 13, 2024, the City of Eureka Planning Commission reviewed the county’s letter of Jan. 24, 2024, at a public meeting, resulting in findings as shown in a staff report dated March 14, 2024. The staff report concluded that acquisition of the subject property is in conformance with the City’s 2040 General Plan (Attachment 5).

The County of Humboldt is the lead agency for compliance with the California Environmental Quality Act (“CEQA”). The structure on the subject property is not listed on the City of Eureka’s Local Register of Historic Places and is not eligible for listing on the California Register of Historical Resources. Therefore, the structure does not meet the criteria for being considered a “historical resource” as defined in the CEQA Guidelines Section 15064.5. The property received case closure for removal of petroleum underground storage tanks. The available data and analysis indicate that the subject property has likely not been impacted by groundwater contamination associated with the Eureka Dry Cleaners site to a material level that would require remediation on the subject property.

For the purpose of complying with CEQA, the “project” is defined as acquisition of fee title for the parcel and occupancy of the existing structure for uses comparable to existing activities and excludes future site redevelopment. This project does not include redevelopment of the parcel because a redevelopment plan has not been developed nor is it proposed at this time. Approval of the property acquisition does not constitute approval of any new specific facilities or substantial expansion of existing site use. If and when a preliminary development plan is prepared, then that proposed action will be subject to environmental analysis under CEQA to determine if there would be any potentially significant impacts or if the proposed action qualifies for a categorical exemption. Acquisition of fee title ownership of the subject property will have no effect on the environment. Staff recommends that the Board find that the project as defined herein is exempt from further environmental review pursuant to Section 15301 of the CEQA Guidelines. Further, staff recommends that the Board authorize the Director of Public Works, or a designee thereof, to execute and record the attached CEQA Notice of Exemption. (Attachment 7).

On March 26, 2024, the Board held a public hearing for the public to respond to the Notice of Intention with questions and concerns regarding the County of Humboldt’s intent to purchase the property and authorized the Public Works Director to execute the real property purchase agreement and joint escrow instructions for the real property located at 803 4<sup>th</sup> Street, Eureka.

On March 26, 2024, the purchase agreement was executed (Attachment 8). On March 28, 2024, a deposit was made, starting the 60-day escrow period with closure on May 28, 2024.

Upon final acquisition of the property, staff will continue efforts to plan and redevelop the site for use as county municipal facilities as prescribed in the 2020 Facilities Master Plan and will return to your Board for project updates and continued discussion.

**FINANCIAL IMPACT:**

<b>Expenditures (3562,170)</b>	<b>FY23-24 Adopted</b>	<b>FY24-25 Projected*</b>	<b>FY25-26 Projected*</b>
<b>Budgeted Expenses</b>			
<b>Additional Appropriation Requested</b>	\$800,000		
<b>Total Expenditures</b>	\$800,000		

*\*Projected amounts are estimates and are subject to change.*

<b>Funding Sources (3562,170)</b>	<b>FY23-24</b>	<b>FY24-25 Projected*</b>	<b>FY25-26 Projected*</b>
<b>2020 Finance Plan</b>	\$800,000		
<b>Total Funding Sources</b>	\$800,000		

*\*Projected amounts are estimates and are subject to change.*

**Narrative Explanation of Financial Impact:**

The cost to acquire the real property located at 803 4<sup>th</sup> Street, Eureka, California, including staff time and consultant fees, is \$800,000. This amount includes the purchase price of \$775,000 with an additional \$25,000 that includes the cost of the appraisal the phase 1 environmental site assessment, publication costs and estimated future escrow/closing costs. On March 28, 2024, a \$10,000 deposit was wired to the escrow company and applied to the total purchase price.

Future demolition and development costs would be contingent on other factors beyond the scope of this initial assessment. The Humboldt County Administrative Office has approved use of the 2020 Finance Plan funds in the amount of \$800,000 for the purchase of the real property located at 803 4<sup>th</sup> Street, Eureka, California. Staff will assess possible development options for the site and will return to your Board to review the financial impact of those options as soon as is practicable.

**STAFFING IMPACT:**

**Narrative Explanation of Staffing Impact:**

The proposed acquisition itself will not affect staffing. Future redevelopment of the site may impact staffing and staff will return with more information in the future.

**STRATEGIC FRAMEWORK:**

This action supports the following areas of your Board's Strategic Framework.

Core Roles: Provide for and maintain infrastructure

New Initiatives: Facilitate public/private partnerships to solve problems

Strategic Plan: 4.3 - Create campus-like county facilities with co-located services that are desirable to work and be in, in consultation with the cities

**OTHER AGENCY INVOLVEMENT:**

City of Eureka

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

Board Discretion

**ATTACHMENTS:**

1. Map and Photographs
2. Letter from County to City of Eureka
3. Notice of Intention to Purchase Real Property
4. City of Eureka Planning Commission Staff Report
5. City of Eureka Letter dated Mar. 14, 2024 and Resolution No. 2024-08
6. Certificate of Acceptance
7. Notice of Exemption
8. Real Property Purchase Agreement
9. Resolution to Purchase Real Property at 803 4<sup>th</sup> Street
10. Exhibit A - Property Description
11. Exhibit B - Purchase Agreement

**PREVIOUS ACTION/REFERRAL:**

Board Order No.: D17, G4, D33, H2

Meeting of: 09/26/2023, 01/30/2024, 02/27/2024, 03/26/2024

File No.: 23-1077, 24-136, 24-208, 24-270