



# COUNTY OF HUMBOLDT

For the meeting of: 8/27/2019

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File #: 19-1211

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**To:** Board of Supervisors

**From:** Public Works

**Agenda Section:** Public Hearing

**SUBJECT:**

Notice of Intention to Purchase Real Property at 1017 Fourth Street, 1023 & 1025 Fourth Street, and 1031, 1035, & 1039 Fourth Street, Eureka

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Introduce Notice of Intention to purchase real property, the purchase price of which is in excess of \$50,000;
2. Open the public hearing; and
3. Close the public hearing.

**SOURCE OF FUNDING:**

General Fund (1100)

**DISCUSSION:**

On January 19, 2016, your Board approved the first stage in a comprehensive finance package to move the county in the direction of having campuses where like functions are grouped together for better public services.

The Public Defender building located at 1001 4<sup>th</sup> Street, Eureka is a key component in the finance package, campus concept. The properties next door to the Public Defender building, 1017 4th Street, 1023 & 1025 4th Street, and 1031, 1035, & 1039 4th Street, Eureka, are for sale (Exhibit B - Site Plan). Should the county purchase these real properties, it would provide significant benefits to the campus complex concept. The optimal long-term use of these properties will be evaluated as part of the county's facilities master plan. Currently, the anticipated initial use of these properties, if acquired, is to develop a parking area that would off-set the parking capacity to be lost with development of the Humboldt County Community Corrections Re-entry Resource Center.

On December 6, 2016, the Board authorized the County Administrative Officer and designees to negotiate terms to purchase the real properties located at 1017 4th Street, 1023 & 1025 4th Street and 1031, 1035, & 1039 4th Street.

On January 6, 2017, the owner of the parcels, Gerald Rush and Belinda Rush, Trustees of the Gerald D. Rush and Belinda M. Rush Revocable Trust of 2007, authorized Community Realty to represent them and create a Listing Agreement for the purchase of these real properties at a total price of Nine Hundred Thousand Dollars (\$900,000.), with escrow to close on August 30, 2018.

On June 8, 2017, the county obtained appraisals of the parcels, denoting a total market value of Nine Hundred Eleven Thousand Five Hundred Dollars (\$911,500).

On August 29, 2017, the county submitted an offer to purchase in the amount of Nine Hundred Thousand Dollars (\$900,000), with purchase contingent on Staff coming back to your Board for approval of mitigation measures to be outlined in a future California Environmental Quality Act (CEQA) report. The contingencies in the Offer to Purchase was agreed upon by the owner.

A recent meeting occurred between the owner's representative - Community Realty, and the county, asking for the extension to the initial August 30, 2019, planned close of escrow date. The results of the meeting are outlined in a letter from the county to Community Realty dated May 23, 2019. The letter outlines certain provisions with a timeline and a requested new close of escrow date of December 31, 2019.

Community Realty, through negotiations with the owner, has submitted a new Commercial Property Purchase Agreement that increases the purchase price to Nine Hundred Eleven Thousand Five Hundred Dollars (\$911,500) and denotes planned close of escrow at December 31, 2019. The owner has agreed to the provisions as outlined in the May 23, 2019 letter.

On July 30, 2019, the Board approved the Notice of Intention to Purchase Real Property (Exhibit A - Notice of Intent to Purchase Real Property) with the Chair of the Board executing the Notice. Subsequently, the Notice was published in the Times Standard once a week for three (3) successive weeks, August 4, 11 & 18, 2019, pursuant to Government Code section 6063.

On August 1, 2019, Public Works submitted a letter to the City of Eureka requesting a review of the revised project description for conformance with the City's General Plan. We anticipate that the City of Eureka will provide a General Plan conformance review letter by the end of September 2019. Upon receipt of the City's letter, Public Works will revise the project description as appropriate, complete the proposed CEQA report, and circulate this report for a 30-day public review period. The CEQA report is an Initial Study and Mitigated Negative Declaration of environmental impact. We expect to return to the Board in December 2019 for consideration of adopting the CEQA report and authorizing the purchase of the properties.

This public hearing will give the public an opportunity to respond to the Notice with questions and concerns with the county's intent to purchase the properties.

#### FINANCIAL IMPACT:

Included in the January 19, 2016, agenda item your Board directed the Treasurer Tax Collector and County Administrative Office to secure \$5,590,000 for various capital improvement projects. Architectural Engineering service for design of a new building at 1001 4<sup>th</sup> Street (Public Defender Building) was part of this financing package. This is known as the 2016 Finance Plan. A portion of this funding will be used to purchase this property.

A non-refundable deposit of Forty-Five Thousand Dollars (\$45,000) towards the purchase price was made to Gerald D. Rush and Belinda M. Rush, Trustees of the Gerald D. Rush and Belinda M. Rush Revocable Trust of 2007, upon execution of the Notice of Intention to Purchase Real Property. Should escrow not close by December 31, 2019, a second non-refundable deposit of Forty-Five Thousand Dollars (\$45,000) towards the purchase price will be made to Gerald D. Rush and Belinda M. Rush, Trustees of the Gerald D. Rush and Belinda M. Rush Revocable Trust of 2007. Upon completion of the CEQA document and close of escrow by December 31, 2019, the final payment of Eight Hundred Fifty-Five Thousand Dollars (\$866,500) plus escrow fees will be made. The final payment of Eight Hundred Ten Thousand Dollars (\$821,500) plus escrow fees will be made if close of escrow occurs after December 31, 2019.

**STRATEGIC FRAMEWORK:**

This action supports your Board's Strategic Framework by providing for and maintaining infrastructure.

**OTHER AGENCY INVOLVEMENT:**

Public Works

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

There are no alternatives to the public hearing date of August 27, 2019, as it was previously published in the Times Standard by use of the Notice.

**ATTACHMENTS:**

Exhibit A - Notice of Intent to Purchase Real Property

Exhibit B - Site Plan

Project Description (August 1, 2019) with Figures 1 and 2

**PREVIOUS ACTION/REFERRAL:**

Board Order No.: H-3, C-5, C-17

Meeting of: 1/19/2016, 12/06/16, 7/30/19

File No.: 19-1029