



# COUNTY OF HUMBOLDT

For the meeting of: 11/5/2019

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File #: 19-1546

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**To:** Board of Supervisors

**From:** Public Works

**Agenda Section:** Consent

**SUBJECT:**

Amended 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. Approve the Amended Notice of Intention to Purchase Real Property (Notice) in accordance with Government Code section 25350;
2. Authorize the Chair of the Board to execute the Notice;
3. Direct the Clerk of the Board to return the Notice to Public Works;
4. Direct the Clerk of the Board to publish the Notice once a week for three (3) successive weeks pursuant to Government Code section 6063; and
5. Direct Public Works to post the Notice in accordance with Government code section 25350.

**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 A - 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 this property will be evaluated as part of the county's facilities master plan. Currently, the anticipated use of the property, 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 property at 1017 4th Street, 1023 & 1025 4th Street and 1031, 1035, & 1039 4th Street.

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).

The contingencies in the Offer to Purchase was agreed upon by the owner. The county consequently hired LACO Associates to prepare the California Environmental Quality Act (CEQA) report. The county worked on completing the environmental review process for the acquisition and preparation of a plan to implement a proposed parking lot development scenario. The work required additional time beyond the planned close of escrow of August 30, 2019. A meeting occurred between the owner's representative - Community Realty, and the county, asking for the extension to the August 30, 2019, planned close of escrow date. The letter outlines certain provisions with a timeline and a 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 by use of a revised a) Purchase Agreement, b) Addendum No. 1A, c) Addendum No. 1B, and d) Possible representation of more than one buyer or seller - disclosure and consent. As part of the provisions, the county submitted a non - refundable deposit in the amount of Forty-Five Thousand Dollars (\$45,000) towards the purchase price.

On August 27, 2019, your board approved publishing a Notice of Intention to Purchase Real Property with your Board to meet on November 19, 2019, to consummate the purchase of the properties (Exhibit B - Notice of Intention to Purchase Real Property).

On October 14, 2019, the county published a proposed Initial Study and Mitigated Negative Declaration for evaluating potential environmental impacts for the proposed acquisition and development of the properties (Exhibit C - Summary of Initial Study and Mitigated Negative Declaration). The proposed Initial Study and Mitigated Negative Declaration was developed in conformance with the California Environmental Quality Act. The public review period for this document will extend from October 14, 2019, through November 12, 2019.

An amended Notice of Intention to Purchase Real Property is requested for approval. The amendment will consist of changing the consummation to purchase date of November 19, 2019, to December 10, 2019, to allow time for public input and Board adoption of the proposed Initial Study and Mitigated Negative Declaration (Exhibit D - Amended Notice of Intention to Purchase). The Notice will be published in the Times Standard once a week for three (3) successive weeks, November 10, 17 & 24.

#### 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. The funding is budgeted in FY 19/20 Capital Projects (1100170) budget.

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. If close of escrow occurs by December 31, 2019, at that time, the final payment of Eight Hundred Sixty-Six Thousand Five Hundred Dollars (\$866,500) plus escrow fees will be made.

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. If escrow is not closed by December 31, 2019, the final payment of Eight Hundred Twenty-One Thousand Five Hundred Dollars (\$821,500) plus escrow fees will be made at close of escrow.

STRATEGIC FRAMEWORK:

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

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to approve the amended Notice of Intent to Purchase Real Property resulting in your Board to meet on the original date of November 19, 2019, to approve the CEQA document and consummating the purchase. However, this would not allow for sufficient time for staff to review the public input, provide a response, and to advise your Board as to the public input.

ATTACHMENTS:

- Exhibit A - Site Plan
- Exhibit B - Notice of Intention to Purchase Real Property
- Exhibit C - Summary of Initial Study and Mitigated Negative Declaration
- Exhibit D - Amended Notice of Intention to Purchase Real Property

PREVIOUS ACTION/REFERRAL:

Board Order No.: H-3, C-5, C-17, J-1  
Meeting of: 1/19/2016, 12/06/16, 7/30/19, 8/27/19  
File No.: 19-1029, 19-1211