

Title:	Clarke Annex Property Surplus
Project:	Surplus Property SP-23-0002
Location:	E Street between 3 rd Street and Opera Alley
APN:	001-093-013
Applicant:	City of Eureka
Property Owner:	City of Eureka
Purpose/Use:	Surplus the Clarke Historical Museum Annex Property
Application Date:	March 1, 2023
General Plan:	C-RC – Core-Retail Commercial
Zoning:	CW – Waterfront Commercial
CEQA:	Exempt under §15312, Class 12 Surplus Property
Staff Contact:	Cristin Kenyon, Director of Development Services
Recommendation:	Receive report; and Adopt a resolution finding the surplus by the City of Eureka of the Clarke Annex Parcel is exempt from CEQA and recommending the City Council declare the property surplus.
Motion:	<i>I move the Planning Commission adopt a resolution finding the surplus of the Clarke Annex Parcel is exempt from CEQA, and recommending the City Council declare the property surplus.”</i>

Figure 1: Location Map

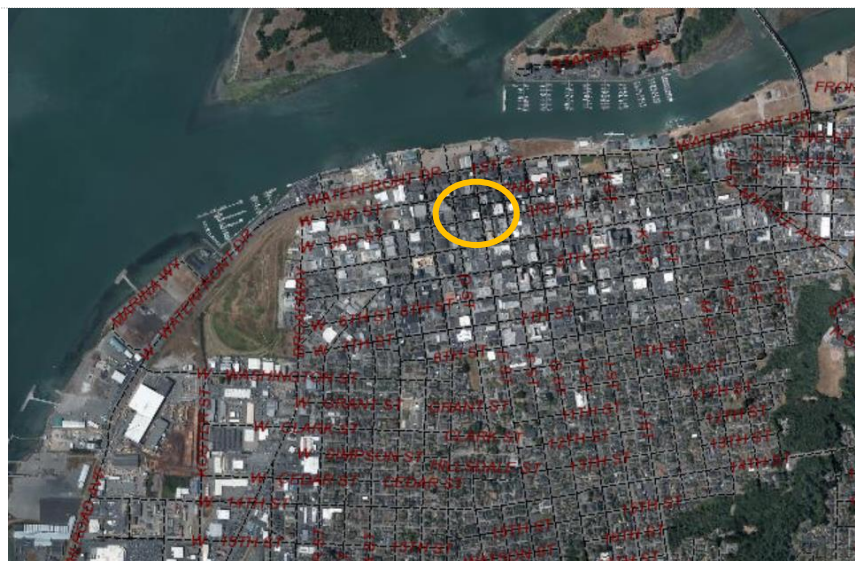


Figure 2: Site Map



PROJECT SUMMARY

The City of Eureka is proposing to declare the approximately 3,145-square-foot parcel containing the Clarke Historical Museum Annex (Clarke Annex; also known as Nealis Hall) as surplus land under the California Surplus Land Act. The parcel is located on the west side of E Street, between 3rd Street and Opera Alley, north of the Clarke Historical Museum building.

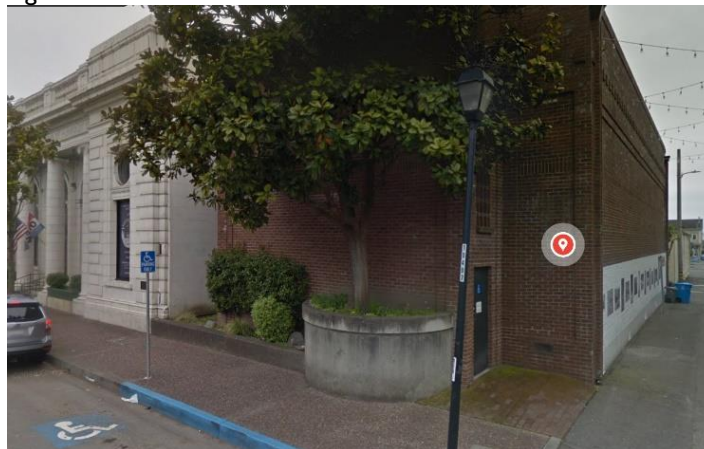
The property was developed, and is currently used, as an annex to the Clarke Historical Museum. The City has leased the property to the Clarke Historical Museum for decades, but now wishes to transfer ownership and maintenance responsibilities to the Clarke Historical Museum. The City is pursuing this surplus because the City can no longer afford the maintenance costs associated with the property after reviewing the Facility Master Plan that was recently completed. Public use of other City-owned facilities has to be prioritized within the City's financial capacity.

Pursuant to the Surplus Land Act, as described below, the City is required to first notice the availability of the land for open space purposes, and notice must be sent to the State Resources Agency and to any city or county park or recreation department and any regional park authority having jurisdiction within the area in which the land is situated. If no one responds to the notice within 60 days of sending, or if the City does not agree to a price and terms with an interested entity during a subsequent 90-day, good-faith negotiation period, the City has the discretion to sell or lease to an entity of the City's choosing. At that point, after the requirements of the Surplus Land Act have been fulfilled, the City could dispose of the property to the Clarke Historical Museum for the community benefit. Ultimately, it will be up to the City Council to negotiate the terms and determine what best serves the interest of the community. Since the City first put this matter on the Planning Commission's agenda in March, City Staff have met with representatives of the Clarke Historical Museum and the museum board has voted in favor of the City moving ahead with the surplus process.

Background

The Clarke Historical Museum, owned by Cecile Clarke, opened on June 8, 1960, in the former Bank of Eureka building at the northwest corner of 3rd and E Streets. The Clarke Annex was built in 1979 attached to the north side of the museum structure, on the site of the former Liberty Theater, as an annex to the main museum and designed to house the Clarke's large local native American collections.

Figure 3: APN 001-093-013



The Clarke Annex was named Nealis Hall after James A. Nealis, President of the Redwood Empire Association (October 16, 1970 – September 21, 1972). Through the efforts of Mr. Nealis, the generous donation of the land by Richard Mann, in cooperation with the Eureka City Council, and funds from the Economic Development Administration, Nealis Hall was dedicated on June 15, 1979. The annex building was designed specifically for display purposes and is joined to the main museum building by an interior entrance.

SURPLUS LAND ACT REQUIREMENTS

The Surplus Land Act (Government Code §§54220-54234) is a “right of first refusal” law requiring all local agencies to offer surplus land for sale or lease for affordable housing and/or recreational or open-space purposes before selling or leasing the land to any individual or entity. Unless the land qualifies as “exempt surplus land” pursuant to Government Code §54221(f), the local agency must provide a written notice of availability (NOA) of the property for development of low- and moderate-income housing to a list of housing sponsors kept by the California Department of Housing and Community Development (HCD) prior to disposing of surplus land. Entities interested in purchasing or leasing the surplus land for affordable housing then have 60 days to notify the local agency of their interest, and if a notice of interest is received, the local agency must negotiate in good faith with the interested entity for a period of not less than 90 days. If the local agency does not agree to a price and terms with an interested entity during the negotiation period, or no one responds to the notice, then the local agency can sell or lease the land to an entity of their choosing, with some caveats. The local agency must report to HCD twice during the process, pre- and post-negotiations, to demonstrate to HCD that the process has been followed consistent with the Surplus Land Act.

Separately, certain lands must be prioritized for open-space purposes, including, but not limited to, all lands within the Coastal Zone, and all lands listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historic Places. For qualifying lands, the process outlined above must be followed, except the written notice of availability is for open-space purposes, and must be sent to the State Resources Agency and to any city or county park or recreation department and any regional park authority having jurisdiction within the area in which the land is situated.

The Clarke Annex parcel qualifies as “exempt surplus land” pursuant to Government Code §54221(f)(1)(B), because the parcel is less than 5,000 square feet in area, is not used for open space or low- and moderate-income housing purposes, and is anticipated to be sold to the owner of the contiguous parcel, the Clarke Historical Museum. Therefore, no notice to, or negotiation with, housing sponsors is required. However, because the Clarke Annex parcel is located in the Coastal Zone, the City must notice the availability of the land for open-space purposes, wait 60 days for any responses, and negotiate in good faith for a minimum of 90 days with any entity interested in using the lands for open-space purposes, prior to having the opportunity to dispose of the property to the Clarke Historical Museum or another entity of the City’s choosing.

ANALYSIS

When a General Plan has been adopted, and the City proposes to dispose of City-owned real property, California Government Code (CGC) §65402(a) requires the location, purpose, and extent of the disposition be submitted to, and reported on by, the Planning Commission as to conformity with the adopted General Plan. This requirement is represented in the Eureka

Municipal Code (EMC) in §152.01 (Planning Commission) which describes the powers and duties of the Planning Commission. EMC §152.01(B)(5) requires the Commission, “To advise with and recommend to the proper official of the city the acquisition, use, or disposition of all city owned real property.”

Additionally, according to the City’s Policies and Procedures, File 2.01, Sale of City-Owned Real Property (Attachment 2), the decision to declare property surplus must be reviewed by the Planning Commission, and a determination made as to whether:

1. The parcels are necessary for agency (City’s) use;
2. The parcels are of such size and shape to allow development of uses permitted in the zone in which it is located; and
3. The disposition of the property is in conformance with Government Code §65402.

Upon completion of their review, the Planning Commission’s report will be submitted to the City Council for review. If Council finds the property is not required for the City’s use, it may declare the property surplus real property.

I. Agency’s Use

Pursuant to CGC §54221(c)(1), the definition of “agency’s use” for the purposes of surplus land includes, but is not limited to, land which is being used, or is planned to be used pursuant to a written plan adopted by the local agency’s governing board, or is disposed of, to support [...] agency work or operations, including, but not limited to, utility sites, watershed property, land being used for conservation purposes, land for demonstration, exhibition, or educational purposes related to greenhouse gas emissions, and buffer sites near sensitive governmental uses, including, but not limited to, waste water treatment plants.

The Clarke Annex parcel is not currently being used for, is not included in a plan to be used for, and is not being disposed of to support any City work or operations. Therefore, the finding can be made the Clarke Annex parcel is not necessary for “agency’s use”.

2. Size and Shape

The Clarke Annex parcel is located in the CW Waterfront Commercial zone district. Pursuant to the coastal zoning code, the minimum lot area for parcels in the CW zone is 6,000 square feet, with a minimum length of 100 feet and a minimum width of 60 feet. The Clarke Annex parcel is approximately 3,145 square feet in area, 85 feet in length, and 37 feet in width. Therefore, the Clarke Annex parcel is substandard with respect to parcel area, lot, and width for the CW zone.

However, the zoning code does not prohibit development on substandard lots, and the Clarke Annex parcel is already developed with the annex itself, and there are other parcels in the CW and other Coastal Zone districts which are approximately 3,000 square feet in area and can and do support various types of development. The size and shape of the parcel could allow continued use as an annex to the Clarke Historical Museum, or the parcel could be remodeled to become a different use allowed in the CW zone district.

Therefore, the size and shape of the Clarke Annex parcel does not preclude the continued use or redevelopment of the site for various uses.

3. General Plan/Land Use Plan Conformance

The land use designation for the parcel is C-RC Core – Retail Commercial. The purposes of the C-RC designation are to protect and provide for nearshore development of recreational, visitor-serving, and commercial fishing industry uses which relate to the presence of coastal resources. Principal uses are hotels, motels, and visitor-serving developments, such as antique shops, art galleries, restaurants, taverns, commercial recreation facilities, and commercial fishing industry facilities. Conditional uses include professional offices, multiple-family units, residential uses on the upper floors of multi-story structures, oil and gas pipelines, public works projects, and warehouses.

Staff has reviewed the adopted General Plan and Land Use Plan portion of the Local Coastal Program, and finds they are silent with regard to the necessity of retaining the parcel for City public use. In addition, there is no goal or policy within the adopted General Plan or Land Use plan which specifically calls for the retention of the property for the City’s public purposes. Disposing of the parcel will provide an opportunity for the Clarke Historical Museum or another entity to acquire the property for an appropriate use. Therefore, Staff believes the City’s action to surplus the subject property will not conflict with the adopted General Plan or Local Coastal Program.

Location, Purpose, and Extent

Based on the analysis above, the Clarke Annex parcel is not necessary for the “agency’s use” and is suitable for conforming development based on its size and shape. Therefore, the Planning Commission can find the location, purpose, and extent of the proposed surplus to allow for acquisition by the Clarke Historical Museum or another entity consistent with the General Plan, the Local Coastal Program, and City Policy 2.01.

ENVIRONMENTAL ASSESSMENT

The sale of surplus property is a “project” pursuant to the California Environmental Quality Act (CEQA). However, CEQA Guidelines §15312 (Class 12 Categorical Exemption) exempts the sale of surplus property. To be eligible for a Class 12 exemption in the Coastal Zone, the property cannot have significant value for wildlife habitat or other environmental purposes, and one or more of the following conditions must exist:

- (1) The property is of such size, shape, or inaccessibility that it is incapable of independent development or use; or
- (2) The property to be sold would qualify for an exemption under any other class of categorical exemption in these guidelines; or
- (3) The use of the property and adjacent property has not changed since the time of purchase by the public agency.

The Clarke Annex parcel is located in the Coastal Zone, but is covered by the annex building and therefore does not have significant value for wildlife habitat or other environmental purposes. Also, any project on the property to be sold is likely to be exempt under a Class 1 exemption (§15301 Existing Facilities), as operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing facilities (the Clarke Annex), involving negligible or no expansion of use. And the use of the subject parcel and adjacent parcel to the south has been for museum purposes since the time the City took ownership in the late 1970s. Therefore, the sale of the property is exempt from CEQA pursuant to CEQA Guidelines §15312.

PUBLIC HEARING NOTICE

City of Eureka Policy and Procedure File 2.01, Sale of City-Owned Real Property, states that in the instance where property requested for surplus has been used for a public, quasi-public, or neighborhood purpose, the Planning Commission must conduct a properly noticed public hearing after notifying all property owners within 300 feet of said property of the intent to surplus. Because the museum use of the property could be construed as a neighborhood or quasi-public purpose, Development Services has provided notice by mail of property owners within a 300-foot radius of the site on or before June 30, 2023, and posted notice on the City’s website and bulletin boards.

STAFF CONTACT

Cristin Kenyon, Development Services Director, 531 K Street, Eureka, CA 95501; planning@eurekaca.gov; (707) 441-4160

DOCUMENTS ATTACHED

Attachment 1: Planning Commission Resolution 2023-____

Attachment 2: City of Eureka Policy and Procedure File 2.01, Sale of City-Owned Real Property