



COUNTY OF HUMBOLDT

For the meeting of: 3/26/2024

File #: 24-270

To: Board of Supervisors

From: Public Works

Agenda Section: Public Hearing

Vote Requirement: 4/5th

SUBJECT:

Public Hearing for the Purchase of Real Property Located at 803 4th Street, Eureka, California and Supplemental Budget for Public Works Capital Projects (3562) and Establish a Fixed Asset Line (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Open the public hearing;
2. Close the public hearing; and
3. Approve and authorize the Humboldt County Public Works Director, or a designee thereof, to execute the attached real property purchase agreement and joint escrow instructions regarding the real property located at 803 4th Street, Eureka, California.
4. Approve the attached Supplemental Budget request for Public Works' Capital Projects and establish a fixed asset line in fiscal year (FY) 2023-24 in 3562-170 in the amount of \$800,000. (4/5 Vote Required)

SOURCE OF FUNDING:

2020 Finance Plan

DISCUSSION:

On Sept. 26, 2023, the Humboldt County Board of Supervisors authorized the Humboldt County Public Works Director, and designees thereof, to negotiate terms for the purchase of real property located at 803 4th Street, Eureka with Courthouse Union Inc., and any duly authorized agents thereof.

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 4th Street, Eureka, California.

On Feb. 27, 2024, the Board approved the Notice of Intention to Purchase Real Property located at 803

4th Street, Eureka, California. 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.

The attached real property purchase agreement and joint escrow instructions have been approved by County of Humboldt staff and the owners of the property, Courthouse Union Inc. The conditions of sale include a purchase price of \$775,000 and an escrow period of 60 days. The deposit amount for the property is \$10,000 which will be due within three (3) days of executing the attached real property purchase agreement and joint escrow instructions. The County of Humboldt will equally split all escrow fees and closing costs with the owner and will not pay the owner’s broker any commission or compensation.

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 13, 2024. The staff report concluded that acquisition of the subject property is in conformance with the City’s 2040 General Plan (Attachment 3).

During the escrow period, the County of Humboldt will have the opportunity to rescind the purchase should any issues arise pursuant to the California Environmental Quality Act. Pending the outcome, staff will return to the Board with a recommendation on whether or not to complete the purchase. If purchase is recommended, staff will present a resolution of approval and findings for compliance with the California Environmental Quality Act for the Board’s consideration.

This public hearing will give the public an opportunity to respond to the Notice of Intention to Purchase Real Property located at 803 4th Street, Eureka, California with questions and concerns regarding the County of Humboldt’s intent to purchase the property. Upon completion of the public hearing, and if no objections from the Board of Supervisors as a result of the public hearing, staff is recommending the Board of Supervisors approve and authorize the Humboldt County Public Works Director, or designee thereof, to execute that attached real property purchase agreement and joint escrow instructions regarding the real property located at 803 4th Street, Eureka, California.

FINANCIAL IMPACT:

Expenditures (3562,170)	FY23-24 Adopted
Additional Appropriation Requested	\$800,000
Total Expenditures	\$800,000
Funding Sources (3562,170)	FY23-24 Adopted
2020 Finance Plan	\$800,000
Total Funding Sources	\$800,000

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

Narrative Explanation of Financial Impact:

The estimated cost to acquire the real property located at 803 4th 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.

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 4th 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:

No impact to staff is expected.

STRATEGIC FRAMEWORK:

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

Core Roles: N/A

New Initiatives: N/A

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:

The Board may choose not to approve the attached real property purchase agreement and joint escrow instructions regarding the real property located at 803 4th Street, Eureka, California. However, this is not recommended as it does not support the goals of the County of Humboldt's 2020 Facilities Master Plan.

ATTACHMENTS:

Notice of Intention to Purchase Real Property located at 803 4th Street, Eureka
Real Property Purchase Agreement
City of Eureka Planning Commission Report
Supplemental Budget

PREVIOUS ACTION/REFERRAL:

Board Order No.: D17, G4, D33
Meeting of: 09/26/2023, 01/30/2024, 02/27/2024
File No.: 23-1077, 24-136, 24-208