

Title:	City of Eureka's Corporation Yard Property Surplus
Project:	Surplus Property SP-24-0001
Location:	945 West 14 th Street
APN:	003-082-010
Applicant:	City of Eureka
Property Owner:	City of Eureka
Purpose/Use:	Surplus the City's existing Corporation Yard
Application Date:	June 6, 2024
Deadline for Action:	September 4, 2024
General Plan:	Public/Quasi Public (PQP)
Zoning:	Public (P)
CEQA:	Exempt under §15061(b)(3), Common Sense Exemption
Staff Contact:	Millisa Smith, Associate Planner
Recommendation:	Hold a public hearing; Review the CEQA exemption determination; and Adopt a resolution recommending the City Council declare the City's Corporation Yard surplus property.
Motion:	<i>"I move the Planning Commission adopt a resolution recommending City Council declare the City's Corporation Yard surplus property."</i>

Figure 1: Location Map

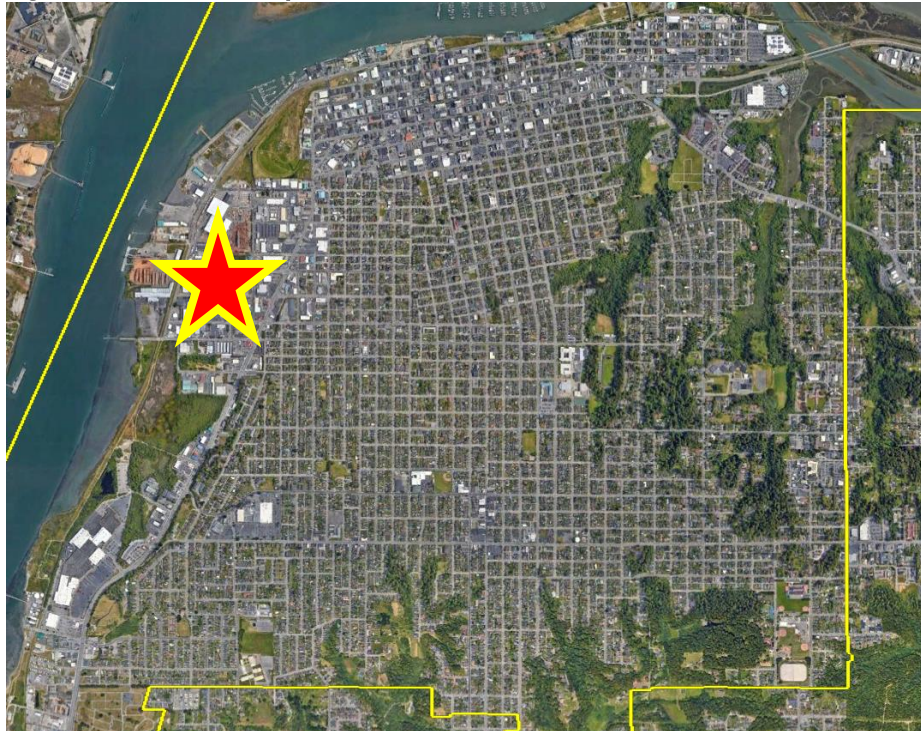
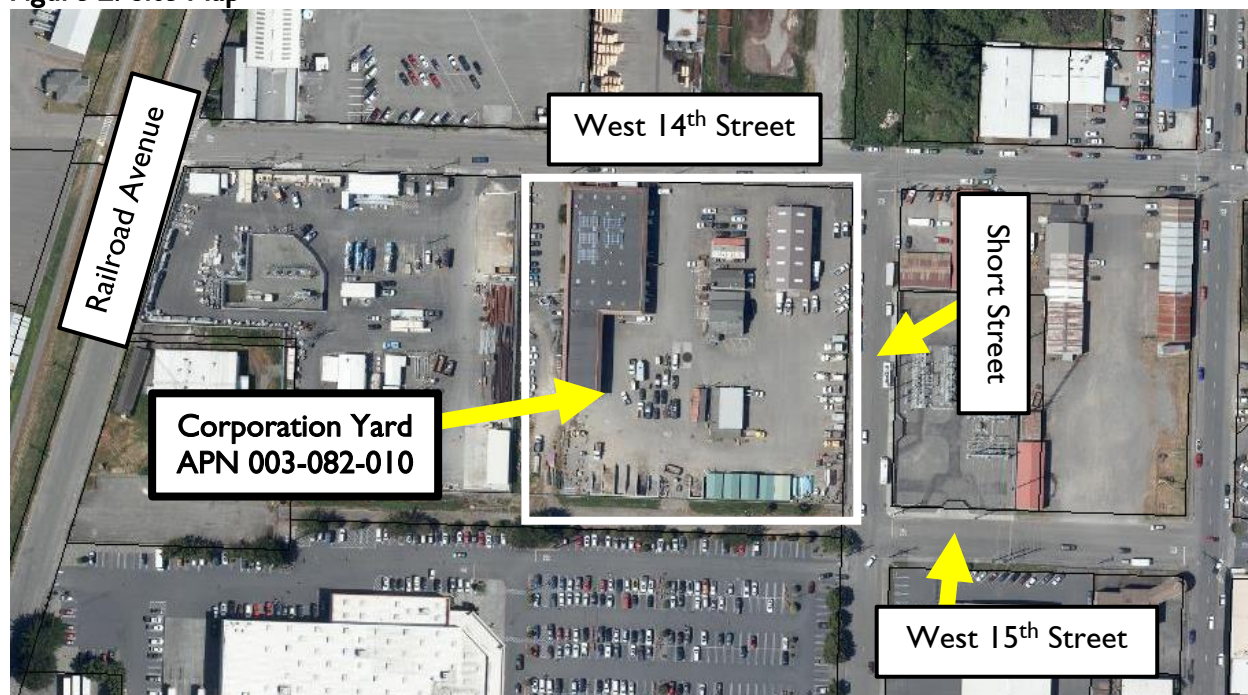


Figure 2: Site Map



PROJECT SUMMARY

The City of Eureka is proposing to declare the approximately 3.9-acre (169,884 square-feet [sf]) City-owned parcel (site) containing the City's Corporation Yard (Corp Yard) as surplus land under the California Surplus Land Act. The site is located at the southwest corner of West 14th and Short Streets (Figure 2).

The declaration will allow the City to complete the required Surplus Land Act process (described below) so the site can be advertised for sale or lease. The site is no longer needed because the City has recently acquired a new 5.6-acre site on a bluff above and east of Highway 101 between Ocean View Cemetery Drive and Sunset Street. The Corp Yard, which is currently at risk of tsunami inundation and liquefaction, will be relocated to the new site, which will also include administrative offices and serve as the City's emergency operations center during critical incidents, emergencies, and natural disasters (the new facility is referred to as the Eureka Operations Complex). Some structures at the existing Corp Yard site are significantly deteriorated and none of the buildings meet current structural standards. The Corp Yard has inadequate space for the existing employees on site. Each separate building has duplicative spaces (i.e. bathrooms, breakrooms, and offices in each separate building) and the site does not have enough covered storage for the existing fleet of large, expensive equipment. Upgrading the existing site to accommodate the number of employees and pieces of equipment in structurally sound and consolidated buildings would be cost prohibitive, and thus the Corp Yard's functions, employees, and all associated equipment will be relocated to the new Operations Complex. Upon construction of the new Operations Complex, the existing Corp Yard will be obsolete.

Due to the requirements of the Surplus Land Act, the City must first notice the availability of the property for affordable housing and open space purposes, wait 60 days for responses, and negotiate in good faith for a minimum of 90 days with any entity interested in using the property for open-space and/or affordable housing purposes. The site is zoned Public District (P District)

under the City's certified Local Coastal Program (LCP). A variety of open space uses are allowed in the P District, including but not limited to public recreation facilities, parks, playgrounds, zoos, and golf courses, and thus the site can be used for open space purposes. Housing is not an allowed use in the P District, and the site is not ideal for housing development given the surrounding industrial district. Nevertheless, a future developer or agency could develop the site with housing through completion of an LCP Amendment to change the land use/zoning designation and/or a text amendment to add housing as an allowable use in the P District. The need to rezone a site, or amend the allowed uses in a zone district to allow housing, does not preclude the City from complying with the provisions of the Surplus Land Act.

If no one responds to the notice of availability within 60 days of sending, or if the City does not agree to a price and terms with an interested entity during the subsequent 90-day, good-faith negotiation period, the City has the discretion to sell or lease to an entity of the City's choosing. Ultimately, it will be up to the City Council to negotiate the terms and determine what best serves the interest of the community.

The surplus process is a necessary step in allowing the City to sell or lease this site. If the site is sold and a specific project is identified, subsequent discretionary review and an environmental document pursuant to the California Environmental Quality Act (CEQA) will likely be required. The site did contain three 10,000-gallon gasoline and diesel underground storage tanks and as a result is listed on the Department of Toxic Substance Control's (DTSC) Hazardous Waste and Substance Site List (Cortese List), and due to tank system failures, the site was classified as a Leaking Underground Storage Tank (LUST) cleanup site. In 1993 all three of the underground fuel storage tanks and 22,000 gallons of water were removed from the site and monitoring wells were installed. In 1995 additional piping, 522 tons of product, and 359 cubic yards of soil were removed from the site. With no surface or drinking water wells affected, and all required remedial action undertaken, in 2002, the City received a letter from the Department of Environmental Health which indicated the case was closed and no further action related to petroleum release was required. The case closure summary does indicate that corrective actions taken to remediate this LUST site should be reviewed if the land use changes.

Despite the fact that the case is closed and all required remedial action has been taken, sites remain on the Cortese List in perpetuity. Pursuant to CEQA Guidelines §15300.2 (Exceptions), a CEQA categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to California Government Code (CGC) §65962.5 (like the Cortese list). This means if future development were to occur on the site, the future project would not qualify for a CEQA categorical exemption, and some level of environmental review would therefore likely need to occur, and an environmental document would need to be prepared (Initial Study + Mitigated Negative Declaration, Negative Declaration, or Environmental Impact Report).

As discussed above, if the proposed use is not one of the limited uses allowed in the P District (see Table I below), an LCP amendment will be required. The site is also in the Coastal Zone in an area where development that is not principally permitted requires a Coastal Development Permit (CDP) and Use Permit. The site is also in the Design Review Area, where new structures and additions to existing structures require Architectural Review.

Table I: Allowed Land Uses in the P District (PQP Land Use Designation)
Principally Permitted Land Uses
<ul style="list-style-type: none">• Airports;• Animal shelters;• Boat harbors and wharves;• Cemeteries;• Corporation yards;• Fire stations;• Hospitals;• Libraries;• Mobile vendors;• Offices;• Police stations;• Power stations;• Pumping stations;• Public recreation facilities, including parks, playgrounds, zoos, and golf courses;• Public buildings and grounds;• Public schools, including nursery, elementary, junior high, and high schools, colleges and universities;• Reservoirs;• Sewage treatment plants;• Storage tanks;• Uses which are accessory and incidental to a permitted use; and• Wireless telecommunication facilities located more than 100' from an R District.
Conditionally Permitted Land Uses
<ul style="list-style-type: none">• Oil and gas pipelines;• Parking facilities located on a site separated from the use which the facilities serve;• Storage or processing of materials or equipment accessory to other permitted or conditional uses; and• Wireless telecommunication facilities located within 100' of an R District.

Background

The site is located at the southwest corner of West 14th and Short Streets (Figure 2) and contains a vacated portion of West 15th Street along the southern site boundary, and vacated Octavia Avenue along the western site boundary. This P District site is surrounded on all sides by parcels zoned General Industrial (MG District), in an area of the City highly concentrated with industrial land uses known as the Westside Industrial Area. Surrounding land uses include a PG&E facility and Johnson Automotive and Electric to the east, Rosewood Body Shop and Valley Pacific Petroleum to the north, a PG&E facility and a cabinet manufacturer (Forbes Cabinets) to the west, and Costco Wholesale and associated parking to the south. Further west, across Railroad Avenue is a lumber mill and building material distributor (Building Material Distributors Inc.), and the Schmidbauer Lumber company's approximately 22-acre parcel is located approximately 350 ft north of the site. The Westside Industrial Area is low-lying, comprised of diked and filled former tidelands.

The 1955 and 1957 Sanborn Maps for the City of Eureka show the site was utilized as the Corp Yard in 1955 and was developed with two structures; then in 1957, three additional structures are shown on the site. No change in site development is seen on Sanborn Maps from the 1960s, and the City has no Sanborn Maps from the 1970s.

Figure 3: Site Plan From 1981 Design Review (Permit No. AA-66-81)



In 1981, the site obtained Design Review approval (Permit No. AA-66-81) for the construction of the site's primary repair shop and storage building, and a fueling canopy (diagonal lines pattern on Figure 3). Site plans submitted at the time show the site was already developed with seven structures: 1) an office building; 2) a repair shop; 3) a paint shop; 4) a service shop; 5) a sweeper storage building; 6) fuel pumps; and 7) an unlabeled structure where the proposed fuel canopy addition would be constructed (Figure 3). All of the aforementioned structures remain onsite to date, and one generator building was added in 1996. Last, following the earthquake in January of 2010 the water and sewer shop (located in the northeast quadrant of the site [repair shop in Figure 3])) underwent significant reconstruction and seismic retrofitting.

The existing Corp Yard is where the City stores and repairs its fleet vehicles, Public Works equipment, and maintenance material. The Corp Yard serves as daily headquarters for permanent and seasonal staff by providing crew workspace, personal safety equipment, and small tools, etc. Equipment stored in the existing Corp Yard is critical equipment during emergency events;

however, the existing Corp Yard is located in the Coastal Zone in an area at current risk of liquefaction and tsunami flooding, and future risk of storm flooding due to sea level rise. Additionally, and as discussed above in the Project Summary, some of structures at the existing Corp Yard site are significantly deteriorated, none of the structures meet current structural standards, and there is inadequate space for the existing employees. Beyond the sites aging infrastructure (some structures are almost 70 years old), the site is significantly disjointed as a result of piecemealed development over an extended period of time, and the existing structures do not use the space of the site efficiently, as seen through the duplicative building spaces with multiple separate breaks rooms, offices, and bathrooms. As a result, the City has a primary goal of relocating and redeveloping the Corp Yard to reduce risk of structural failure and ensure efficient operations during a natural disaster as outlined in the City's Facilities Master Plan and Capital Improvement Program, and in the Humboldt County Operational Area Hazard Mitigation Plan.

On November 21, 2023, the City Council voted to authorize the acquisition of an approximately 5.6-acre portion of the Ocean View Cemetery for the purpose of relocating the existing Corp Yard to this new site (i.e. the Ocean View Cemetery site [Ocean View site]). The new Operations Complex will include administrative offices and serve all existing Corp Yard purposes including acting as the City's emergency operations center during critical incidents, emergencies, and natural disasters.

The City's plan for the existing Corp Yard is to surplus the property to allow for its future sale or lease. Because of the requirements of the Surplus Land Act, the City cannot know at this time who will acquire the Corp Yard property for what purpose, and therefore it is premature to analyze the impacts of future use and potential redevelopment of the site after the surplus.

SURPLUS LAND ACT REQUIREMENTS

The Surplus Land Act (California Government Code [CGC] §§54220-54234) is a "right of first refusal" law which requires 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 CGC §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. 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 Corp Yard does not qualify as “exempt surplus land” pursuant to CGC §54221(f) et seq.; therefore, a notice to, and negotiation with, housing sponsors is required. Additionally, the Corp Yard is located in the Coastal Zone, and the City must also notice the availability of the land for open-space purposes. For both notices, the City must issue the NOA, wait 60 days for any responses, and negotiate in good faith for a minimum of 90 days with any entity interested in using the land for affordable housing and/or open-space purposes, prior to having the opportunity to negotiate with an entity or agency for any other type of development.

ANALYSIS

When a general plan has been adopted, and the City proposes to dispose of (or lease) City-owned real property, CGC §65402(a) requires the location, purpose and extent of such 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, the decision to declare property surplus must be reviewed by the Planning Commission, and a determination made as to whether:

1. The property is necessary for agency (City’s) use;
2. The property is 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 CGC §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.

As discussed above, City Council approved acquisition of the Ocean View site for relocation of the Corp Yard, and the Ocean View site is now under City ownership. The current Corp Yard site is being disposed of due to the safety liability the site poses in the event of seismic or tsunami activity and the threat it poses to the ability of the City to respond to and serve the community in an emergency. Upon completion of construction of the new Operation Complex at the Ocean View site, the existing Corp Yard will be obsolete and no longer needed for agency use.

2. Size and Shape

The Corp Yard is relatively flat, rectangular in shape (but almost square), and approximately 3.9 acres (169,884 sf) in size. The site is located in the P District in which there are no density limitations. The Implementation Plan (IP) of the Local Coastal Program (LCP) (coastal zoning code) does not prescribe any minimum or maximum lot size, width, or depth requirements for parcels in the P District. Therefore, the size and shape of the Corp Yard site can support the development of various uses allowed in the P District. As discussed above in the Background section, if the site is to be utilized for housing, it would need to be rezoned with a land use designation change through the LCP Amendment process. The majority of other zone districts in the City's Coastal Zone, including the MG District surrounding the site, have a minimum lot size requirement of 6,000 ft, with a minimum lot width requirement of 60 ft and a minimum lot depth requirement of 100 ft; thus, the existing Corp Yard site, if rezoned in the future, can support the development of various uses allowed in other zone districts as well.

3. Conformity of Location, Purpose, and Extent of Disposition with Adopted General Plan General Plan Land Use Designation

The land use designation for the site is PQP – Public/Quasi Public. The purposes of the PQP land use designation is to protect sites appropriate for the development of public and private sector civic service facilities. The site has historically been used as a corporation yard, consistent with the PQP designation; however, due to the purchase of the Ocean View site, the Corp Yard site is no longer necessary for City use. Any future use of the Corp Yard site by a lessee/ purchaser must be consistent with the PQP designation and associated P zoning, unless an LCP amendment is first processed to change the land use and zoning designations for the property. At this time, it is not known what agency or entity will purchase or lease the site, nor what type of development, if any, will occur on site. Pursuant to CGC § 65402, the Planning Commission is tasked with reviewing the City's purpose for declaring the site surplus, not the potential future development of the site.

General Plan Goals and Policies

Staff has reviewed the adopted 2040 General Plan and Land Use Plan portion of the LCP for the proposed Corp Yard surplus property declaration, and finds they are silent with regard to the necessity of retaining the site 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 site for the City's public purposes. Conversely, there are goals and related policies which support relocating the existing Corp Yard to outside of a hazardous coastal area, with declaring the site surplus property a necessary step in achieving those goals.

Goals and policies in the City's 2040 General Plan were reviewed for applicability to the proposed surplus of the Corp Yard site, and the following goals and policies were identified for Planning Commission's consideration:

Goal HS-4

Adequate community response to effectively prepare for, respond to, recover from, and mitigate the effects of natural or technological disasters and emergencies.

HS-4.6 ***Critical Facilities.** Ensure the continued function of critical facilities such as hospitals, fire stations, police stations, and emergency command centers following a major disaster to facilitate post-disaster recovery. Locate such facilities outside of identified hazard areas.*

Consistent. The purpose of the proposed surplus is to dispose of the obsolete Corp Yard (a critical facility), which is currently in an area at risk of liquefaction and tsunami inundation, outside of identified hazard areas. At the current site, in the event of a major seismic event or natural disaster, existing Corp Yard buildings and staff on site would be compromised, and fleet vehicles and equipment would be lost. Both Eureka Police Department and Humboldt Bay Fire vehicles and materials would be impacted, and the City of Eureka would have limited emergency response or disaster relief capabilities. The new facility proposed at the Ocean View site is located outside of mapped coastal hazard areas and will be designed to be operational during emergencies. The proposed surplus will thus help improve the reliability and efficiency of the City's response to major disasters and emergencies by facilitating the transition of the critical facility to the new site, consistent with Goal HS-4 and Policy HS-4.6.

HS-4.3 ***Humboldt Operational Area Hazard Mitigation Plan.** Continue to participate in, and ensure that new development and infrastructure are consistent with, the Humboldt Operational Area Hazard Mitigation Plan.*

Consistent. The Humboldt Operational Area Hazard Mitigation Plan includes the following action item for the City of Eureka: Action EUR7: "Relocate Corporation Yard improvements to reduce risk of structural failure and increase efficiency and operations during natural disaster." The proposed surplus will dispose of the site, and construction of the new Operations Complex will facilitate the City's implementation of this action item, consistent with Policy HS-4.3.

Goal HS-2

Reduced risk of loss of life, injury, damage to property and economic and social dislocations resulting from flood hazards.

HS-2.5 ***Climate Change.** Monitor, assess, and adapt to changes in stream, river and coastal flooding characteristics that may occur due to a global climate change induced rise in sea level.*

SL-1.12 ***City Projects.** Integrate resilience to anticipated sea level rise impacts into City project designs when repairing and replacing aging infrastructure.*

Consistent. The proposed surplus and sale or lease are necessary steps in the process of relocating of the City's aging Corp Yard out of the low-lying Westside Industrial Area, increasing the City's resilience to potential future sea level rise flooding impacts, consistent with Goals CC-1 and HS-2 and Policies HS-2.5 and SL-1.12.

Goal AQ-1

Improved air quality and reduced greenhouse gas emissions throughout Eureka.

Consistent. The proposed surplus will allow retirement of existing aging Corp Yard buildings, and replacement with more energy-efficient buildings at the new Ocean View site. As a result, the

proposed surplus is not anticipated to negatively impact air quality or greenhouse gas emissions, and can be found consistent with Goal AQ-I and associated policies.

Local Coastal Program Goals and Policies

Goals and policies in the City's LCP were reviewed for applicability to the proposed surplus of the Corp Yard site, and the following goals and policies were identified for Planning Commission's consideration:

Goal 4.A

To ensure the effective and efficient provisions of public facilities and services for existing and new development.

4.A.4 *The City declares that existing public works facilities, including water, wastewater, stormwater, highway, and railroad facilities serving the Planning Area are essential to the economic and social well-being of the people and shall be maintained, enhanced, and restored to assure the orderly and balanced utilization and conservation of natural and human-created resources.*

4.A.6 *The City shall ensure that new or expanded public works facilities within the Coastal Zone will be designed and limited to accommodate needs generated by permitted uses and development consistent with the provisions of this General Plan.*

Consistent. In order to maintain the effective and safe operation of the City's Corp Yard, relocation and redevelopment outside of the low-lying hazard area is imperative. The relocation will also allow better consolidation of the City's public work's facilities and will better accommodate the needs of the public on a day-to-day basis and in the event of a natural disaster or emergency. The proposed surplus of the obsolete Corp Yard site is a necessary step towards the relocation of the existing Corp Yard's functions, employees, and equipment, and construction of the new Operations Complex.

Conclusion of Consistency Determination

The review identified applicable goals and policies of the 2040 General Plan and LCP, and found surplus of the site is consistent with, and supported by, the applicable goals and policies. Therefore, Staff believes the City's action to surplus the site will not conflict with the adopted 2040 General Plan or LCP.

ENVIRONMENTAL ASSESSMENT

Declaring City-owned property as Surplus Property is a "project" for the purposes of the California Environmental Quality Act (CEQA). However, pursuant to the CEQA Guidelines, §15061(b)(3), there is a general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Declaring the site as surplus property only sets forth the ability for the City to complete the Surplus Land Act requirements to notice and negotiate with any entity interested in using the site for affordable housing and/or open-space purposes, prior to the City having the opportunity to negotiate with other entities or agencies for sale or lease of the site. At this time, because of the Surplus Land Act process, the City cannot know the future

purchaser/lessee or their intended use of the Corp Yard site. The surplus process just opens up the land to being purchased and used and/or redeveloped by someone other than the City. Because the project at this time is just the surplus of the land so that it can be sold or leased to an outside entity, there is no potential for a significant effect on the environment.

The State has a categorical exemption for the surplus of property, CEQA Guidelines §15312 (Class 12 [Surplus of Government Property Sales]), as the State has determined surplus sale projects do not have a significant effect on the environment and shall be exempt from CEQA (Public Resource Code [PRC] 21084). The Corp Yard site does not qualify for the Class 12 categorical exemption only because it is a LUST cleanup site, as discussed above in the Project Summary, with the LUST case being closed in 2002 and the Department of Health citing at that time the contamination had been removed and all required remediation activities had been conducted. The current project is only the surplus of the Corp Yard site and does not involve ground disturbance or other activities that could expose, mobilize or otherwise implicate any residual contamination. Given the nature of the project and the fact that the contamination has been remediated and the cleanup case has been closed, there is no possibility the action of declaring the site surplus property will have any significant effect on the environment.

Furthermore, any future project at this location will likely require a discretionary permit triggering CEQA (i.e., an LCP amendment, CDP, Use Permit, and/or Design Review), and given the historic use of the site as a corporation yard and LUST cleanup case, environmental review will be required prior to any ground disturbance or change in use. The only scenario where future discretionary review would not be required is if a principally permitted land use in the P District (see Table I above) was going to be operating out of the existing structures on site, with no enlargement or expansion of any structure. Therefore, the current request to declare the land as Surplus Property qualifies for the Common-Sense exemption in §15061(b)(3) as described above.

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 Corp Yard is specifically used for a public use, Development Services has provided notice by mail of property owners within a 300-foot radius of the site on or before August 2, 2024, and posted notice on the project site, and the City's website and bulletin boards.

STAFF CONTACT

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DOCUMENTS ATTACHED

Attachment I: Planning Commission Resolution 2024-____