

## **RESOLUTION NO. 2026-05**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORTUNA, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS WITH TROY ELBERT LAND AND TRUDY MARILYN EHMKE FOR THE ACQUISITION OF APPROXIMATELY 236 ACRES OF UNIMPROVED REAL PROPERTY IN THE UNINCORPORATED AREA OF HUMBOLDT COUNTY (PORTION OF APN 200-362-005-000 AND APNs 106-091-040-000, 106-091-030-000, AND 106-091-044-000) THROUGH THE CALIFORNIA COASTAL CONSERVANCY GRANT PROGRAM, CONDITIONED UPON RECEIPT OF GRANT FUNDING AT OR IN EXCESS OF FAIR MARKET VALUE; AUTHORIZING DESIGNATION OF A CONSERVANCY STEWARD TO HOLD AND MANAGE THE PROPERTY; ADOPTING A CEQA CLASS 25 CATEGORICAL EXEMPTION FINDING (CEQA GUIDELINES § 15325); AND MAKING RELATED FINDINGS AND AUTHORIZATIONS**

### **RECITALS**

**WHEREAS**, the City of Fortuna ("City") is a municipal corporation duly organized and existing under the laws of the State of California, with the authority to acquire and hold real property for public purposes, including property situated outside the City's boundaries, pursuant to California Government Code section 37350 et seq.; and

**WHEREAS**, Troy Elbert Land and Trudy Marilyn Ehmke (collectively, "Seller") are the owners of certain unimproved real property consisting of approximately 236 acres situated in the unincorporated area of the County of Humboldt, State of California, being a portion of Humboldt County Assessor's Parcel Number 200-362-005-000 and the entirety of Humboldt County Assessor's Parcel Numbers 106-091-040-000, 106-091-030-000, and 106-091-044-000, as depicted in Exhibit A1 and legally described in Exhibit A2 to the Agreement (the "Property"); and

**WHEREAS**, the Property is unimproved riparian land situated along the Eel River corridor, and the City's acquisition of the Property serves a public purpose by preserving open space, wildlife habitat, and public access to the Eel River consistent with the City's goals for parks, natural resource protection, and regional conservation; and

**WHEREAS**, the City is pursuing funding for the acquisition of the Property through the California Coastal Conservancy Grant Program, which supports the preservation of coastal and riparian open space, habitat, and public access; and

**WHEREAS**, the City's obligation to proceed with the acquisition of the Property is expressly conditioned upon the City's receipt of grant funding from the California Coastal Conservancy in an amount at or in excess of the fair market value of the Property as established by the appraisal required under the Agreement, such that no City general fund expenditure is required for the purchase price; and

**WHEREAS**, it is the City's intent, consistent with the conditions and requirements of the California Coastal Conservancy grant, that fee title to the Property not be retained by the City in the long term, but rather that fee title be conveyed to, or that the Property be managed and stewarded by, a qualified conservation organization ("Conservancy Steward") capable of holding and managing the Property in perpetuity consistent with the purposes of the grant and applicable open space and habitat conservation requirements; and

**WHEREAS**, the City staff has negotiated an Agreement of Purchase and Sale and Joint Escrow Instructions (the "Agreement") with Seller, setting forth the terms and conditions for the City's acquisition of the Property, including: (i) a purchase price to be established at fair market value as determined by a licensed real property appraiser mutually selected by the parties; (ii) a deposit of Ten Thousand Dollars (\$10,000.00); (iii) a due diligence and inspection period; (iv) contingencies for inspection, parcel confirmation, appraisal, State Department of General Services and California Coastal Conservancy approval and funding, lot split or lot line adjustment, CEQA compliance, title insurance, and concurrent closing of the separately executed agreement for the 7.2-acre portion of APN 200-362-005-000; and (v) such other terms and conditions as are set forth in the Agreement; and

**WHEREAS**, concurrently herewith, the City Council is also considering approval of a separate Agreement of Purchase and Sale and Joint Escrow Instructions for the acquisition of approximately 7.2 acres of unimproved real property at 1320 Riverwalk Drive (Portion of APN 200-362-005-000) through the California River Parkways Grant Program, the closing of which is a condition to closing under this Agreement; and

**WHEREAS**, the City Council has reviewed the Agreement and finds that the acquisition of the Property, conditioned upon receipt of sufficient Coastal Conservancy grant funding, is in the best interests of the City and its residents; and

**WHEREAS**, the California Environmental Quality Act ("CEQA"), Public Resources Code section 21000 et seq., and the CEQA Guidelines, 14 California Code of Regulations section 15000 et seq., require the City to consider the environmental effects of its discretionary actions; and

**WHEREAS**, the Property is unimproved riparian and open-space land along the Eel River corridor in Humboldt County, and the City's acquisition of the Property is for the purpose of preserving open space, wildlife habitat, and natural resources through the California Coastal Conservancy Grant Program; and

**WHEREAS**, the City Council finds that the acquisition of the Property is categorically exempt from CEQA pursuant to CEQA Guidelines section 15325 (Class 25 – Transfers of Ownership of Interests in Land to Preserve Open Space), which exempts transfers of ownership of interests in land in order to preserve open space, habitat, or historical resources; the acquisition here is expressly for open space preservation and riparian habitat protection, the Property is unimproved and will not be developed as a result of this acquisition, and the transfer of ownership will cause no physical change to the environment; and

**WHEREAS**, the City Council further finds that none of the exceptions to categorical exemptions set forth in CEQA Guidelines section 15300.2 apply to this acquisition: (a) the Property is not located on a site listed on any hazardous waste site list compiled pursuant to Government Code section 65962.5; (b) the project does not have a reasonable possibility of a significant effect on the environment due to unusual circumstances; (c) the project will not cause a significant cumulative impact when viewed in connection with past and reasonably foreseeable future projects; (d) the project will not damage scenic resources within a state scenic highway; and (e) the project does not involve a historical resource; and

**WHEREAS**, the CEQA contingency set forth in Section 4.1(h) of the Agreement will be satisfied upon the City's filing of a Notice of Exemption with the Humboldt County Clerk and expiration of the applicable 35-day statute of limitations period under Public Resources Code section 21167(d).

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Fortuna hereby approves the Agreement of Purchase and Sale and Joint Escrow Instructions by and between the City of Fortuna, as Buyer, and Troy Elbert Land and Trudy Marilyn Ehmke, as Seller, for the acquisition of approximately 46.58 acres of unimproved real property in the unincorporated area of the County of Humboldt (Portion of APN 200-362-005-000 and APNs 106-091-040-000, 106-091-030-000, and 106-091-044-000), in substantially the form presented to the City Council, with such non-material modifications as the City Manager and City Attorney may approve.

**BE IT FURTHER RESOLVED** that the City Manager is hereby authorized and directed to execute the Agreement on behalf of the City, and to execute all ancillary documents, escrow

instructions, certifications, and other instruments as may be necessary or appropriate to effectuate the purchase of the Property in accordance with the terms of the Agreement.

**BE IT FURTHER RESOLVED** that notwithstanding the foregoing authorization, the City's obligation to close escrow under the Agreement is expressly conditioned upon the City's receipt of a grant award from the California Coastal Conservancy in an amount at or in excess of the fair market value of the Property as established by the appraisal obtained pursuant to Section 2(a) of the Agreement; in the event that grant funding is not awarded in a sufficient amount, the City Manager is authorized to terminate the Agreement pursuant to the applicable contingency provisions and without further action of the City Council.

**BE IT FURTHER RESOLVED** that the City Council hereby declares its intent that the City shall not retain fee title to the Property in the long term following close of escrow, and that the City Manager is authorized and directed to identify, evaluate, and select a qualified conservation organization to serve as Conservancy Steward, and to negotiate and execute such agreements, deeds, or other instruments as may be necessary to transfer fee title to, or otherwise vest long-term stewardship responsibility for, the Property in the Conservancy Steward, consistent with the conditions and requirements of the California Coastal Conservancy grant and applicable law; provided that any such transfer of fee title shall be subject to City Council approval if required by applicable law or grant conditions.

**BE IT FURTHER RESOLVED** that the City Manager is hereby further authorized to take such actions, execute such documents, and make such expenditures as are necessary to fulfill the City's obligations under the Agreement, including, without limitation, delivery of the deposit, satisfaction of contingencies, and cooperation with the State Department of General Services and the California Coastal Conservancy as required under the Coastal Conservancy Grant Program.

**BE IT FURTHER RESOLVED** that the City Council authorizes the City Manager to approve non-material amendments to the Agreement as may be reasonably required during the escrow period, provided that any material modification shall be returned to the City Council for approval.

**BE IT FURTHER RESOLVED** that the City Council hereby finds and determines that the acquisition of the Property is categorically exempt from CEQA pursuant to CEQA Guidelines section 15325 (Class 25 – Transfers of Ownership of Interests in Land to Preserve Open Space), and that none of the exceptions to categorical exemptions set forth in CEQA Guidelines section 15300.2 apply. The City Clerk is hereby directed to cause a Notice of Exemption to be filed with the Humboldt County Clerk within five (5) working days of the adoption of this Resolution, in accordance with CEQA Guidelines section 15062 and Public Resources Code section 21167(d).

**BE IT FURTHER RESOLVED** that the City Clerk is hereby directed to attest to this Resolution and to take all steps necessary to certify its adoption.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Fortuna at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2025, by the following vote:

**AYES:** Council Members: \_\_\_\_\_

**NOES:** Council Members: \_\_\_\_\_

**ABSENT:** Council Members: \_\_\_\_\_

**ABSTAIN:** Council Members: \_\_\_\_\_

\_\_\_\_\_  
*Mayor Mike Johnson, City of Fortuna*

\_\_\_\_\_  
*Siana L. Emmons City Clerk, City of Fortuna*

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
*Ryan T. Plotz*  
*City Attorney*