



HUMBOLDT COUNTY ASSOCIATION OF GOVERNMENTS
Regional Transportation Planning Agency
Humboldt County Local Transportation Authority
Service Authority for Freeway Emergencies
611 I Street, Suite B
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AGENDA ITEM 6a
HCAOG Board Meeting
May 21, 2026

DATE: May 14, 2026
TO: HCAOG Policy Advisory Committee (PAC)
FROM: Brendan Byrd, Executive Director
SUBJECT: **Commercial Lease Agreement Extension for the HCAOG Offices**

STAFF REPORT

Contents:

- Staff's Recommended Action
- Staff Summary
- Draft Commercial Lease Agreement for 611 I Street Suite B

Staff's Recommended Action:

1. Introduce the item as an action item;
2. Allow staff to present the item;
3. Receive public comment;
4. "The PAC recommends the HCAOG Board approve and authorize the Executive Director to negotiate and sign a Commercial Lease Agreement with the Bear River Band of the Rohnerville Rancheria for the property at 611 I Street Suite B, Eureka."

Staff Summary:

The HCAOG offices have been located at 611 I Street, Suite B in Eureka since an initial lease was signed in June of 2011. The lease expired in 2022, and since that time HCAOG has been renting the space on a month-to-month basis. One of the primary reasons to not extend the lease on the building was due to the fact that HCAOG and HTA have been in preliminary discussions about HCAOG moving their offices to the future EaRTH Center, which is due to begin construction at their site in Old Town Eureka this year. Although HCAOG's current offices adequately serve the necessary functions of the agency, a move to the EaRTH Center was also seen as a unique opportunity to co-locate office space with HTA, and to further promote transportation-related projects supported by HCAOG and the region.

Over the past 18 months HCAOG staff have been working with both HTA staff and the owners of 611 I Street (the Bear River Band of the Rohnerville Rancheria) to determine the anticipated costs of entering into a lease for the two spaces. A draft lease agreement with Bear River is attached, with a proposed monthly lease cost (including utilities) of \$3,000. As drafted this is a two-year lease, however the landowner has indicated willingness to extend the term to five years. HCAOG staff will note that this lease cost is approximately \$330 per month less than what HCAOG is currently paying, therefore entering this lease would result in an annual savings of over \$4,000.

In late February of 2026, staff received draft lease-cost and tenant improvement estimates for a potential HCAOG office at the EaRTH Center. Including utilities and interior maintenance, the anticipated monthly lease cost would be approximately \$4,600-\$4,800. Additionally, HCAOG would be required to fund the tenant improvements and moving costs for the space (i.e. flooring, wall finish, painting, networking, etc.), which is currently estimated at \$300,000 - \$350,000. The tenant improvements could be funded through HCAOG reserves, which would use approximately 60% of HCAOG's available reserve balance, or through a uniform increase to the monthly lease cost over a 5-year lease. Over a 5-year period, moving offices to the EaRTH Center could cost approximately \$450,000 more than a lease extension at HCAOG's current office location.

Staff recognizes the potential long-term operational and coordination benefits associated with co-locating with HTA at the EaRTH Center; however, at this time the projected costs associated with the move are significantly higher than remaining in the current office space. Staff is recommending that the HCAOG Board authorize the Executive Director to finalize negotiations and execute a lease agreement for the existing space at 611 I Street. At the EaRTH Center funding the one-time tenant improvement costs with reserves, while feasible, would reduce the reserve balance to less than 3-months of operating expenses. This would also restrict HCAOG's ability to enact other future operational cost savings measures, such as making additional discretionary payments to the Unfunded Accrued Liability for CalPERS. Lastly, to fund the increased monthly rent costs HCAOG would need to increase future year budget allocation from the Local Transportation Fund (LTF), which is the primary funding source for transit operations throughout the county.

Staff would also welcome any discussion from the Board or the PAC on the space at the EaRTH Center. Although due to the cost implications HTA has already begun exploring reducing the office space available, there still may be time for HCAOG to continue to explore moving into that space should the PAC be inclined to do so.