



MEMO

To: NCRA Board of Directors

From: Executive Director Stogner

Date: February 8, 2017

Subject: **Agenda Item - F.2 Lease of Railroad Property to Mendocino Redwood Company at MP 116 in Ukiah**

The Mendocino Redwood Company (MRC) is interested in leasing property bordering NCRA trackway at its sawmill on Kunzler Ranch Rd. in Ukiah. The area to be leased is an irregular shaped swath of land adjacent to the railroad comprising approximately 146,000 sq. ft.

NCRA's project engineer and property manager have both reviewed and approved the proposed lease. The lease area will come no closer than 10 ft. from centerline on either side of the track. MRC plans to use the leased area for business operations and equipment and material storage.

The lease would be for a five-year term for a fee of \$5,000 per year, with a COLA adjustment of 3% per year.

Staff Recommendation:

Authorize staff to finalize a Lease Agreement with Mendocino Redwood Company applicable to property adjacent to NCRA trackway at MP 116.17, under the terms described herein.

Note: Because of the difficulty of scheduling a Property Committee meeting during the holidays, Property Chair Paul Kelley has reviewed the proposed lease and has suggested that it be referred directly to the full Board of Directors for consideration.