

Client Status Report  
For  
North Coast Railroad Authority  
(NCRA)

April-June 2017

Prepared by Mike Dannelly  
\*as of July 7, 2017

**Summary**

Parallel Infrastructure (PI) has successfully generated over \$120,600 in revenue for NCRA’s Right of Way (ROW) portfolio through fifty-six (56) recurring agreements, plus six (6) additional temporary access licenses. Another twenty (20) prospects are in negotiation which could potentially generate over \$50K in new income.

Approximately 30% of the vineyard owners that had non documented crossing over NCRA’s ROW and were represented by attorney Richard Hicks have yet to sign/execute a pre-negotiated license agreement. PI has been corresponded with the remaining property owners with limited success.

Pacific Gas & Electric (PG&E) management team is evaluating the proposal tendered by PI to incorporate the undocumented/unlicensed encroachments currently residing in the Right of Way into a blanket agreement

Areas of potential interest are listed below:

- The Hum Bud Collective has moved forward to enter into a license agreement with NCRA. The contract was sent to the prospective tenant for execution in April & they have indicated that they will be executing the agreement soon.
- The Mercer Fraser Company has reviewed their use footprint (approximately 1.6 acres) on NCRA’s property located in the Dyerville Loop Road Area (MP237.16) for aggregate laydown/storage area and is providing a survey of the use area. The use agreement for the aggregate stockpile will then be solidified.
- Humboldt Municipal Water District anticipates a decision on the project grant funding from FEMA in 3-4 months. Once funding is approved, actual construction of the facility & execution of the license would begin in late 2018.
- The Skunk Train has a proposal to utilize the Willits Railyard Maintenance Facility Buildings and the yard space adjacent to the buildings. The total yard use area would around 25,725SF.

**Current Account Metrics**

	Surface	Utility*	Total
<b>Prioritized Encroachments</b>	179	177	356
<b>Prospects Contacted</b>	225	110	335
<b>Amendments</b>	0	0	0
<b>Closed Opportunities</b>	51	5	56

\*Category limited to phone, fiber, power, and gas utilities with major companies

New Agreements awaiting Execution

Proposed Tenant	Milepost/Location	Stage	Comments / Next Steps
Ferrari-Carano Vineyards	78.56	Out for Signature	Hick Represented Client
Granite Const. Company	115.73 117.79	Out for Signature	Received response from Granite – in Legal review by NCRA
Dufferin Bevill	77.77	Out for Signature	Hicks Represented Client
E & J Gallo Winery	80.90 81.12 81.28 81.84	Out for Signature	Hicks Represented Client
Marietta Cellars & Chris Bilbro	77.10	Out for Signature	Hicks Represented Client
Trentadue Winery LLC	73.24 73.42	Out for Signature	Hicks Represented Client
Humboldt Municipal Water District	Arcata	Out for Signature	\$1,200/Annually
Humbud Collective	KAM Branch	Pending Signature	\$3,000/Annually

Encroachments/Inquiries

Proposed Tenant	Milepost/Location	Stage	Comments / Next Steps
Francis Coppola Winery	76.97	Negotiating	Revised Proposal with longer term – Waiting on Attorney
Moreno & Company	76.97	Negotiating	Negotiating with Landowner
RER Properties, LLC	119.86	Negotiating	Owner called possibly selling property
Agwood Mill & Lumber, Inc.	115.93	Negotiating	Negotiating with Owner
Mercer, Fraser Co.	237.16	Negotiating	Working on exact lease area – Aggregate Storage – Dyerville
Garth & Linda Sundberg	KAM Branch	Negotiating	Calculating use area – Building Encroachments – Glendale Area

Marketing/Outreach Opportunities

Proposed Tenant	Milepost/Location	Stage	Comments / Next Steps
PG&E	Multi	Proposal Sent	Awaiting PG&E Response

Closed Agreements

Proposed Tenant	Milepost/Location	Stage	Comments / Next Steps
Big Daddy Garden	114.31	Closed	Fully executed and delivered to NCRA

Andrew Lee Burgess	119.48	Closed	Fully executed and delivered to NCRA
Asti & Associates	82.41	Closed	Fully executed and delivered to NCRA
Alpha Analytical	114.5	Closed	Fully executed and delivered to NCRA
Animal Medical Center	70.31	Closed	Fully executed and delivered to NCRA
MacDonald Ltd. Partnership	77.76	Closed	Fully executed and delivered to NCRA
Welch Commercial Properties	70.15	Closed	Fully executed and delivered to NCRA
E&M Electric Machine (Deas Family Trust)	68.32	Closed	Fully executed and delivered to NCRA
Jacquard Products (Rupert, Gibbon, Spider)	69.38	Closed	Fully executed and delivered to NCRA
H&W Vineyards	120.69	Closed	Fully executed and delivered to NCRA
Crofoot Ranch	103.72	Closed	Fully executed and delivered to NCRA
Pine Ridge Winery dba Seghesio Family Vineyards	68.95	Closed	Fully executed and delivered to NCRA
Foley Family Wines	79.60	Closed	Fully executed and delivered to NCRA
Foley Family Wines	79.72	Closed	Fully executed and delivered to NCRA
PG&E	117.66	Closed	Fully executed and delivered to NCRA
Comcast	115.20	Closed	Fully executed and delivered to NCRA
Valentine Vineyards	89.70	Closed	Fully executed and delivered to NCRA
PG&E	72.90	Closed	Fully Executed and Delivered to NCRA
Ray & Betty Jo Pigoni	77.22	Closed	Fully Executed and Delivered to NCRA
Duckhorn Wine Co.	77.22	Closed	Fully Executed and Delivered to NCRA
Jackson Family Wines, Inc.	72.62	Closed	Fully Executed and Delivered to NCRA
PG&E (Temp Access)	Blanket	Closed	Fully Executed and Delivered to NCRA
Humboldt Redwood Company LLC	237.25	Closed	Fully Executed and Delivered to NCRA
PG&E (One Time)	Blanket	Closed	Fully Executed and Delivered to NCRA
Mary Ann Fredson & Logan Hopper	72.79	Closed	Fully Executed and Delivered to NCRA
KBarr Daughters, LLC	77.39	Closed	Fully Executed and Delivered to NCRA
Michael & Lorene Kuimelis	79.35	Closed	Fully Executed and Delivered to NCRA
Mendocino Forest Products LLC	116.59	Closed	Fully Executed and Delivered to NCRA
Vino Farms, LLC	74.25 74.65 74.88 75.10	Closed	Fully Executed and Delivered to NCRA
Black Horse Vineyards	77.54	Closed	Fully Executed and Delivered to NCRA
Constellation Brands	76.58 76.76	Closed	Fully Executed and Delivered to NCRA
Pastori Winery	77.77	Closed	Fully Executed and Delivered to NCRA

	77.88		
Everett & Ora Lampson Trust	73.16	Closed	Fully Executed and Delivered to NCRA
Linde Vineyards	79.24	Closed	Fully Executed and Delivered to NCRA
Hotel Hopland LLC	99.97	Closed	Fully Executed and Delivered to NCRA
Mendocino Forest Products LLC	116.17	Closed	Fully Executed and Delivered to NCRA
AT&T	Multi	Closed	Blanket Agreement Executed

Encroachments – Unable to Convert to Lease/License

Proposed Tenant	Milepost/Location	Stage	Comments / Next Steps
Mike Griggs, Sr (Kari Barcelow)	139.16	Stalled	Griggs indicated will not lease unless nominal and will not cease using until receives cease and desist letter
Cerro Pacific Lumber (Lee Burgess)	122.195	Stalled	Lee Burgess, property owner, refuses to require tenant to move fence and encroachment.
Grant Street Enterprises	68.85	Stalled	Building encroachment on NCRA right of way, NW quadrant of Grant Street. Owner Not responding. Recommend NCRA legal review and reach out.
Tim Zimmerer Construction	112.04	No Response	Tim Zimmerer Const. has not removed encroachments despite several attempts to contact and resolve he continues to use R/W has he pleases. Recommend Legal pursue.
Arlen Burpee	122.13	Stalled	Private access road. Mr. Burpee became irate and refused to lease or cease utilization
Superette	119.80	No Response	Using NCRA Right of Way for building encroachment and parking/driveway. Formerly held lease and paid for the land use. Refused to continue paying, not able to get a response to secure new agreement. Recommend NCRA legal contact.
Keith Lampson	73.16	Referred to Legal	Attorney for Laura Ann Furlong successor in interest questioned NCRA rights to have them enter into License Agreement. Referred to Legal to review and respond
Max & Joan Schlienger	104.49	Referred to Legal	Max Negotiating directly with NCRA counsel
Flight Rail Corp.	105.26	Referred to Legal	Max Negotiating directly with NCRA counsel
Dennis and Nancy McFarland Granite Const. Co.	119.75	Referred to Legal	Mr. McFarland claims crossing is a public Road.
AG 101, LLC	120.0	Decided not to Lease	Doesn't fit in current business plan – Building repairs costly – Not on Property
John E. Fetzer/Orci	101.47	No Response	Will not respond – may refer to legal
Marin Ventures, LLC	115.20	Negotiating	Marin doesn't want to meet NCRA Terms

MCI Transformer	138.78	Proposal Sent	Has not responded to Proposal/Follow-up
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**NCRA Actions/Open Items**

- Reconcile and Prepare for ongoing billings for PI-procured agreements
- NCRA Legal to work with Parallel to settle with AT&T on multiple crossing encroachments

**Parallel Actions/Open Items**

- Progress viable negotiations, close leases out for execution, and monitor utility opportunities
- Review identified encroaching parties that have received proposals and not responded. Reengage the parties to legitimize unauthorized ROW uses.
- Explore new opportunities north of Willits

**Application Fees Collected**

- Thirty-Two (32) application fees have been collected for a total of \$32,000