



North Coast Railroad Authority
419 Talmage Road, Suite M
Ukiah, Ca 95482

NORTH COAST RAILROAD AUTHORITY (NCRA) Board of Directors Meeting

Mendocino County Board of Supervisors Chambers
501 Low Gap Road, Ukiah
Mendocino County
Wednesday, July 12, 2017 – 10:30 a.m.

DRAFT MINUTES

A. CALL TO ORDER

Chair Hemphill called the meeting to order at 10:34 a.m.

B. ROLL CALL

Directors Present: Fennell, Hagele, Peters, Marks, Wagenet, McCowen, Kelley, and Chair Hemphill.

Others Present: Executive Director - Mitch Stogner, Legal Counsel - Chris Neary, NWP Co. Legal Counsel - Doug Bosco, Guillon Inc. - Steve Honeycutt

C. AGENDA APPROVAL

Upon Motion by Director Peters, seconded by Director Wagenet the Board unanimously Approved the Agenda with one change: **Agenda Item E.5 - Discussion and Possible Action Regarding Potential Action on Memorandum of Understanding with Northwestern Pacific Railroad Company Regarding Disposition of Anticipated Proceeds and Funds on Deposit, Development Process for Ukiah Depot, Including Extension Request for Off-Site Improvements at Ukiah Depot Property, Prosecution of Basin Street Property Enforcement, Payment of Loans to NWP Co. and Amendment of Rent Provisions in the Operating Agreement**, was moved to follow Closed Session.

Motion Carried:

AYES: 8- Fennell, Hagele, Peters, Marks, Wagenet, McCowen, Kelley, and Chair Hemphill.

D. PUBLIC COMMENT

No Public Comment.

E. CONDUCT OF BUSINESS

- 1. Discussion and Possible Action Regarding Resolution 2017-04 Approving 2017-18 Draft Agency Budget**

2. **Discussion and Possible Action Regarding Resolution 2017-05 Approving 2017-18 Draft Property Budget**
3. **Discussion and Possible Action Regarding Resolution 2017-06 Approving 2017-18 Draft Federal Railroad Administration RRIF Budget**
4. **Discussion and Possible Action Regarding Resolution 2017-07 Approving 2017-18 Draft TCRP Budget**

Upon Motion by Director Marks, seconded by Director Peters the Board unanimously approved Resolutions 2017-04, 2017-05, 2017-06 and 2017-07 approving NCRA Draft Budgets for 2017-18.

Motion Carried:

AYES: 8- Fennell, Hagele, Peters, Marks, Wagenet, McCowen, Kelley, and Chair Hemphill.

At the request of Legal Counsel, Item E.5 will be continued at the August 9, 2017 Board of Directors meeting in Novato.

5. **Discussion and Possible Action Regarding Potential Action on Memorandum of Understanding with Northwestern Pacific Railroad Company Regarding Disposition of Anticipated Proceeds and Funds on Deposit, Development Process for Ukiah Depot, Including Extension Request for Off-Site Improvements at Ukiah Depot Property, Prosecution of Basin Street Property Enforcement, Payment of Loans to NWP Co. and Amendment of Rent Provisions in the Operating Agreement.**

No Action Taken. This Item will be continued at the Aug. 9, 2017 Board meeting in Novato.

F. CONSENT CALENDAR

1. **Approval of Minutes – Regular Board Meeting – May 10, 2017**
2. **Approval of Minutes – Finance Committee Meeting – June 14, 2017**
3. **Approval of NCRA Financial Statements – April, May, June 2017**
4. **Approval of Warrants Issued – April, May, June 2017**
5. **Approval of Cal Card Statement – May and June 2017**
6. **Approval of Property Management Report – April, May, June 2017**

Upon Motion by Director Marks, seconded by Director Fennell the Board unanimously approved the Consent Calendar as presented.

Motion Carried:

AYES: 8- Fennell, Hagele, Peters, Marks, Wagenet, McCowen, Kelley, and Chair Hemphill.

G. STAFF REPORT – Mitch Stogner – Executive Director

Mr. Stogner said that the CTC contacted him and made a request that he be present at their June 29, 2017 meeting in Sacramento. Mr. Stogner said that he attended this meeting and he provided the Board with his comments. A video recording of the June 29, 2017 California Transportation Commission (CTC) meeting was played for the Board.

Chair Hemphill invited Doug Bosco to speak.

Mr. Bosco said he does not think that the CTC has jurisdiction over NCRA. He requested that the CTC lawyers provide their justification to be demanding business plans. He said that the NCRA relationship lies directly with the State legislature and that there is nothing in the legislation that created the NCRA that gives the CTC any oversight over this agency.

Chair Hemphill invited Brad Mettam, Deputy Director of Planning, Caltrans District 1 to offer his comments-

Mr. Mettam said he would like to clarify the relationship between Caltrans and the CTC. He said Caltrans is overseen by the CTC and when he requests documents it is because CTC has requested that he obtain certain documents from the NCRA

H. OPERATOR REPORT – Doug Bosco- NWP Co. Legal Counsel

Mr. Bosco said that NWP Co. is awaiting the State Supreme Court decision regarding the “Friends of the Eel River” court case and he said that NWP Co. needs to increase its business and is exploring potential customers from Marin to Sonoma.

I. LEGAL COUNSEL REPORT – CJ Neary

Mr. Neary said that by August 3, 2017 there will be a State Supreme court decision regarding existing litigation. He also said that the City of Novato Agreement to maintain Quiet Zones was reached the same day the SMART sales tax was imposed and that they came to a mutual understanding that maintenance will be a very modest responsibility. He said an MOU regarding maintenance of Novato crossings may need to be developed in the future.

J. MATTERS FROM THE BOARD

Director Fennell- Dir. Fennell gave an update on the clean-up undertaken by Timber Heritage Association (THA) at 4 W. 2nd St. in Eureka. THA reported that they have repainted the outside of the building, covered all graffiti, and clean-up has been completed inside the building. Ms. Fennell also said that zero break-ins have been reported near this location in the last two weeks and the local businesses have been working together to create a neighborhood watch group.

Chair Hemphill- Dir. Hemphill reported that Rob Arkley has expressed interest in a possible lease of the building at 4. W. 2nd Street in Eureka and said that he will bring any further information back to the Board as received for review.

Chair Hemphill called a break at 12:21 p.m.

The Board convened to Closed Session at 12:37 p.m.

K. CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

- a.** Ukiah Depot Property, including Mason Street Property
Negotiation Regarding Disposition of Ukiah Depot Property, including Mason Street Property
Agency Negotiators: Mitch Stogner, Chris Neary
Under Negotiation: Price, Terms

- b.** NWP Co.
Gov. Code 54956.8
Parties to Negotiation: NCRA; NWP Co.
Agency Negotiators: Mitch Stogner, Chris Neary
Under Negotiation: Payment Provisions of 2006 Lease Agreement with NWP Co. including other Consideration, including Track Abandonment and Methodology of Consideration Calculations

The Board reconvened at 2:25 p.m.

L. ANNOUNCEMENT OUT OF CLOSED SESSION

The Board met in Closed Session received information and gave direction. No action was taken.

M. ANNOUNCEMENT OF NEXT MEETING

**Regular Board Meeting
Wednesday, August 9, 2017 - 10:30 a.m.
Novato Sanitary District
500 Davidson Street, Novato, CA
Marin County**

N. ADJOURNMENT

Chair Hemphill adjourned the meeting at 2:27 p.m.

DRAFT