



## MEMO

**To:** NCRA Property Committee

**From:** Executive Director Stogner

**Date:** August 31, 2017

**Subject:** **Agenda Item E.1 - Consideration and Possible Recommendation to the NCRA Board of Directors Regarding PG&E After Discovery Occupancy Payment Distribution**

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FEC Real Estate Services (formerly Parallel Infrastructure) has spent several months negotiating with PG&E regarding 32 rail crossings in Sonoma and Mendocino counties under an agreement with PG&E that dates back to 1998.

Mike Dannelly (FEC Real Estate Services) has identified the individual crossings and reached an agreement with PG&E to pay a new commercial rate of \$2,000 per crossing. PG&E has also agreed to pay an application fee of \$1,000 per crossing payable to FEC Real Estate Services under our October 2013 Asset Services Agreement.

Under this proposed agreement, NCRA would receive \$48,000 (75% of \$64,000) and FEC would receive \$16,000 (25% of \$64,000). Additionally, FEC would receive \$1,000 application fee for each of the 32 crossings as per our Asset Services Agreement which was last amended in December 2016.

### **Staff Recommendation:**

Support one-time payment by PG&E of \$96,000 for utility crossings recently identified by FEC since enactment of previous agreement dating back to 1998. Support distribution of funds as follows (\$48,000 – NCRA \$48,000 – FEC). This amount to FEC includes \$16,000 for its 25% share, and \$32,000 in application fees.

(Please see the attached background information)