



MEMO

To: NCRA Board of Directors

From: Executive Director Stogner

Date: September 13, 2017

Subject: **Agenda Item F.2 – Discussion and Possible Action Regarding Long-Term Lease Between NCRA and Recology Inc. at MP 300.9 in Samoa, Humboldt County.**

Recology Inc., a large Bay Area refuse and recycling company recently purchased property at MP 300.9 in Samoa to establish a Humboldt County recycling facility. To access the facility, equipment and employees must cross NCRA railroad right of way.

Mike Dannelly, NCRA's property manager negotiated a crossing license of \$2,000 annually with an escalation of 3% per annum.

Recology has made a counteroffer of a one-time \$25,000 payment for a permanent easement for the 30' x 30' grade crossing.

Staff Recommendation:

On August 31, 2017, the Property Committee met to consider this issue. The Property Committee recommended a one-time payment of \$25,000 for a 20-year lease with Recology Inc., and payment of \$2,000 per year with a 3% COLA beginning in the 21st year of the lease agreement.