



MEMO

To: NCRA Board of Directors

From: Executive Director Stogner

Date: September 13, 2017

Subject: **Agenda Item F.6 — Discussion and Possible Action Regarding Long-Term Lease for NCRA Balloon Track Easements Including the Eureka Office Building on West 2ND Street in Eureka.**

Eureka City officials have threatened NCRA with fines and penalties if it does not demolish or repair the dilapidated NCRA office building in Eureka. Chairman Hemphill has been in discussions with Security National, the adjoining property owner, on a plan to demolish or refurbish the building and lease the easement adjacent to the building and related Balloon Track Easement to Security National.

Security National has made an informal offer (attached) to enter into a 20-year lease with NCRA for \$15,000 per year, including the responsibility to refurbish or demolish the abandoned Eureka office building, in exchange for relinquishment of all easements encumbering the Balloon Track property.

Staff Recommendation:

On August 31, 2017, the Property Committee met to consider this issue at the request of Chairman Hemphill. The Property Committee recommended that Chair Hemphill pursue the informal offer made by Security National with the goal of a long-term lease along the lines proposed by Tim Callison, Security National, in his email of August 17, 2017.