

Client Status Report
For
North Coast Railroad Authority
(NCRA)

October 2017

Prepared by Mike Dannelly
*as of November 3, 2017

Summary

Since 2013, FEC Real Estate Services (FEC), formerly Parallel Infrastructure, has successfully generated over \$154K in revenue for NCRA's Right of Way (ROW) portfolio. FEC is negotiating other prospective opportunities which could potentially generate over \$140K in new income.

From previous month - The Pacific Gas & Electric (PG&E) management team has tentatively agreed to incorporate 32 undocumented/unlicensed encroachments currently residing in the Right of Way into the existing blanket agreement with NCRA with proper compensation for the crossings. PG&E is waiting on NCRA's approval to proceed with the amendment.

Areas of potential interest are listed below:

- Sparetime Supply, Inc. is actively seeking to legitimize the existing Commercial Crossing encroachment (MP139.16) and Right of Way parking area adjacent to their E San Francisco Ave business location in Willits. FEC and Sparetime are negotiating equitable rates and fees to structure the licenses and seek final NCRA approval.
- FEC continues working with Ocino, Inc. in developing an agreement for Ocino to occupy and utilize a portion of the old Piedmont Lumber facility in Capella (MP119.99). The entire 70,000sf building needs to be secured to prevent further vandalism and vagrancy but Ocino is not prepared to fully utilize the building for business purposes. A phased occupancy proposal has been tendered and is being reviewed by Ocino.
- Recology Inc. has agreed to pay a onetime license fee of \$25,000 for an at grade crossing located in Samoa (MP 300.9). The license agreement has been tendered and is awaiting execution
- Recently, FEC contacted the Mercer Fraser Company to finalize the aggregate storage (approximately 1.6 acres) they are using on NCRA's property located in the Dyerville Loop Road Area (MP237.16). Mr. Benzinger is supposed to submit the license application soon.

Current Account Metrics

	Surface	Utility*	Total
Prioritized Encroachments	181	180	361
Prospects Contacted	230	114	344
Amendments	0	0	0
Closed Opportunities	52	7	59

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

New Agreements awaiting Execution

Proposed Tenant	Milepost/Location	Stage	Comments / Next Steps
Humboldt Municipal Water District	Arcata	Out for Signature	\$1,200/Annually – Awaiting FEMA funding
Humbud - Collective	KAM Branch	Pending Signature	\$3,000/Annually
Recology	300.9	Out for Signature	\$25,000/20 year License

Encroachments/Inquiries

Proposed Tenant	Milepost/Location	Stage	Comments / Next Steps
Mercer, Fraser Co.	237.16	Negotiating	Working on exact lease area – Aggregate Storage – Dyerville
Garth & Linda Sundberg	KAM Branch	Negotiating	Building Encroachment – Glendale Area
Ocino, Inc.	120.0	Negotiating	Working to structure phased building with company location growth
Sparetime Supply, Inc.	138.77	Negotiating	Working on Commercial Grade Crossing License Agreement
Sparetime Supply, Inc	139.16	Negotiating	Working on legitimizing the parking encroachment in front of the business

Marketing/Outreach Opportunities

Proposed Tenant	Milepost/Location	Stage	Comments / Next Steps
PG&E	Multi	Proposal Sent	PG&E to Amend 32 undocumented crossings into Blanket Agreement

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 77.88	Closed	Fully Executed and Delivered to NCRA
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
Cristobal Lopez dba Hopland Weighing Station	99.7	Closed	Fully Executed & Delivered to NCRA
North Fork Lumber	139.87	Closed	\$18,000/Annually (\$1,500/monthly)

Encroachments – Stagnant or 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
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
Agwood Mill & Lumber, Inc.	115.93	Stalled	Negotiating with Owner
Dufferin Bevill	77.77	Out for Signature	Hicks Represented Client/No Response
E & J Gallo Winery	80.90 81.12 81.28	Out for Signature	Hicks Represented Client/No Response

	81.84		
Marietta Cellars & Chris Bilbro	77.10	Out for Signature	Hicks Represented Client/No Response
Dennis and Nancy McFarland	119.75	Referred to Legal	Mr. McFarland claims crossing is a public Road.
Granite Const. Co.			
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	Stalled	Marin doesn't want to meet NCRA Terms
MCI Transformer	138.78	Proposal Sent	Has not responded to Proposal/Follow-up
Francis Coppola Winery	76.97	Negotiating	Revised Proposal with longer term – Waiting on Attorney
Moreno & Company	76.97	Stalled	
RER Properties, LLC	119.86	Stalled	Owner called possibly selling property
Trentadue Winery LLC	73.24 73.42	No Response	Hicks Represented Client

NCRA Actions/Open Items

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

FEC Actions/Open Items

- Progress viable negotiations, advance agreement opportunities for execution, and monitor other opportunities
- Review identified encroaching parties that have received proposals and not responded.
- Explore new opportunities north of Willits

Application Fees Collected

- Nine (9) application fees have been collected to date in 2017, for a total of \$9,000.