

Client Status Report  
For  
North Coast Railroad Authority  
(NCRA)

December 2017

Prepared by Mike Dannelly  
\*as of January 9, 2018

### Summary

Since 2013, FEC Real Estate Services (FEC), formerly Parallel Infrastructure, has successfully generated over \$226K in revenue for NCRA's Right of Way (ROW) portfolio. FEC continues to pursue prospective opportunities which could generate over \$40K in new income.

Areas of potential interest are listed below:

- The Pacific Gas & Electric (PG&E) Blanket Easement Agreement has been amended and NCRA has received \$64,000 in payment to incorporate the 32 undocumented/unlicensed encroachments into the existing blanket agreement.
- A license agreement has been executed with Ocino, Inc. for them to occupy and utilize a portion of the old Piedmont Lumber facility in Capella (MP119.99). The entire 70,000sf building will be secured to prevent further vandalism and vagrancy and Ocino will use approximately 19,800sf of the building for business purposes. The licensing fee is \$30,000/annually (payable in monthly installments of \$2,500 beginning in February 2018).
- 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. Recology's legal department is desiring to change some of the base terms of the agreement and has been in discussion with FEC. FEC has informed NCRA's legal counsel of Recology's desired changes.
- The City of Ukiah is engaging in a water pipeline project that includes three (3) subgrade crossings in between Milepost 110.69 and 111.14. A proposal for an annual license has been tendered for the crossings and is being reviewed by the contractor Carollo Engineers, Inc. and the City.

### Current Account Metrics

	Surface	Utility*	Total
Prioritized Encroachments	181	180	361
Prospects Contacted	232	114	346
Amendments	0	32	0
Closed Opportunities	52	39	91

\*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

### Marketing/Outreach Opportunities

Proposed Tenant	Milepost/Location	Stage	Comments / Next Steps
City of Ukiah	Multi(MP110/111)	Proposal Sent	The City of Ukiah/Carollo is planning on installing 3 Water Pipe Crossings

### 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	Fully Executed and Delivered to NCRA
Sparetime Supply, Inc.	138.77	Closed	Fully Executed and Delivered to NCRA

Sparetime Supply, Inc.	139.16	Closed	Fully Executed and Delivered to NCRA
PG&E	Blanket Agreement	Closed/Amend	Agreement Amendment for 32 utility crossings
Ocino, Inc.	120.0	Closed	\$30,000/Annually (\$2,500/Monthly) – Awaiting NCRA Board Approval

### Encroachments – Stagnant or Unable to Convert to Lease/License

Proposed Tenant	Milepost/Location	Stage	Comments / Next Steps
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	Stalled	Hick Represented Client/No Response
Granite Const. Company	115.73 117.79	Referred to Legal	Received response from Granite – in Legal review by NCRA
Agwood Mill & Lumber, Inc.	115.93	Stalled	Negotiating with Owner
Dufferin Bevill	77.77	Stalled	Hicks Represented Client/No Response
E & J Gallo Winery	80.90 81.12 81.28 81.84	Stalled	Hicks Represented Client/No Response
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	Stalled	Has not responded to Proposal/Follow-up/No Response
Francis Coppola Winery	76.97	Stalled	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

### FEC Actions/Open Items

- Continue feasible discussions and perpetuate license opportunities for execution
- Review validated encroachments in that the owners have been notified for possible reengagement
- Review and explore for new opportunities along the NCRA corridor

### Application Fees Collected

- Forty-Four (44) application fees have been collected to date in 2017, for a total of \$43,800.