

North Coast Railroad Authority
419 Talmage Road, Suite M
Ukiah, Ca 95482



NORTH COAST RAILROAD AUTHORITY (NCRA) Board of Directors Meeting

Humboldt County Board of Supervisors Chambers
825 5th Street, Eureka, CA
Humboldt County
Wednesday, May 9, 2018 - 10:30 a.m.

MINUTES

A. CALL TO ORDER

Chair Wagenet called the meeting to order at 10:31 a.m.

B. ROLL CALL

Directors Present: Breen, Hart, Fennell, Marks, McCowen, Peters, Wagenet

Directors Absent: Kelley, Hagele

Others Present: Executive Director – Mitch Stogner, Legal Counsel – Chris Neary, Aycock & Edgmon – Accountant - Stacey Edgmon, Guillon Inc. – Steve Honeycutt, City of Arcata – Netra Khatri, City of Eureka - Miles Slattery and Rob Holmlund.

C. AGENDA APPROVAL

Upon Motion by Director Breen, seconded by Director McCowen the Board Unanimously Approved the Agenda with the addition of one Closed Session item which arose after the posting of the Agenda. This item will be listed on the Agenda as L.3.a.

D. PUBLIC COMMENT

Cindy Trobitz-Thomas – Ms. Trobitz-Thomas provided the Board with several photos of a trestle located on Glendale Drive in Humboldt County that needs major repair.

Tim Callison, Security National Properties – Mr. Callison said that Security National is still interested in a lease agreement or possible purchase for the Balloon Tract property in Eureka and provided his business card to the Board.

Patty Clary, Californians for Alternatives to Toxins – Ms. Clary presented the Board with a Public Records Act (PRA) request.

Pete Oringer, Timber Heritage – Mr. Oringer said that Timber Heritage is coordinating with Caltrans to

do weed and brush abatement along the right-of-way near Loleta.

Stephanie Tidwell, Executive Director, Friends of the Eel River - Ms. Tidwell introduced herself as the new Executive Director for Friends of the Eel River. She said she wanted to reiterate that Friends of the Eel River is deeply concerned about the on-going environmental impacts that the rail has on the river she said they are working closely to see that this transition under the Great Redwood Trail Act succeeds and that the proposed transition provides benefits to the region.

E. PRESENTATIONS – Netra Khatri, City of Arcata – Caltrans Grant - Planning Study for the Arcata portion of Annie and Mary Trail

Dir. Fennell requested that staff work with the City of Arcata on the next phase in this project.

Public Comment:

Supervisor Mike Wilson, Humboldt County – Supervisor Wilson said that the City of Arcata will be requesting a license agreement and he asks that public agencies be afforded the same flexibility as private entities have been afforded when considering these agreements.

F. CONDUCT OF BUSINESS

1. Discussion and Possible Action Regarding Amendment to Existing Eureka Corridor Management Plan

Upon Motion by Director Marks, seconded by Director Fennell the Board Unanimously Approved Amendments to the Existing Eureka Corridor Management Plan.

At the request of Director Fennell, Agenda Item F.7 was discussed immediately following Item F.1. in the Conduct of Business.

2. Discussion and Possible Action Regarding Lease Amendment Willits Redwood Company

Upon Motion by Director McCowen, seconded by Director Peters the Board Unanimously Approved Lease Amendment for Willits Redwood Company.

3. Discussion and Possible Action Regarding Draft Letter to Caltrans - Disposition of Excess Cloverdale Property

The Board Directed staff to continue discussions with Caltrans Regarding Excess Railroad Property and bring back a final draft of the letter.

4. Discussion and Possible Action Regarding Approval of Final Audited Statements for the 2016-17 Fiscal Year Ended June 30, 2017

Upon Motion by Director Breen, seconded by Director Peters the Board Unanimously Approved Final Audited Statements for the 2016-17 Fiscal Year Ended June 30, 2017.

5. Discussion and Possible Action Regarding SB1029 (McGuire)

Public Comment:

Pete Oringer, Timber Heritage – Mr. Oringer said he is very concerned and had no prior contact from HCOG or the cities in Humboldt County for input into this bill and that there is conflicting language in this bill that he would like to see resolved.

Stephanie Tidwell, Friends of the Eel River – Ms. Tidwell said that the NCRA has no plan to clean-up its environmental toxics legacy and that there is no market for the return of freight rail service.

Council Member Maryanne Brady – Ms. Brady said that Humboldt County is still interested in a tourist train and she wants the Humboldt County communities to benefit from this train and hopes that this idea is kept in mind for Humboldt County.

Wendy Watkins-Stewart – Ms. Stewart said she has seen no publicity on SB1029 (McGuire) and learned about the bill from the internet. She said that she and many of her neighbors in the Eel River Canyon are against a trail going through their properties and that this stretch of property within the canyon is a very unsafe dangerous area for the public.

Peggy Satterlee – Ms. Satterlee said she agrees with Ms. Watkins-Stewart and believes that putting a trail through the unstable Eel River Canyon would never work and that the obstacles are beyond repair. She said the ground is so unstable that repairs cannot safely be made. She said that NCRA has been a great help to the ranchers in the area and she wants NCRA to help people to understand and realize that this is no place for a trail.

Supervisor Mike Wilson, Humboldt County – Supervisor Wilson said that in 2003 a study was done on repair of the Humboldt County rails and it estimated around 20 million dollars was needed for repairs. He said that the cost of maintenance would have to be borne by an investor user and required another \$100,000 in subsidy a year to be viable. He also believes that the businesses in Humboldt County are not interested in freight shipping and said he has not found any business in the county that would use freight rail.

Dir. Fennell – Dir. Fennell said that this topic is somewhat disconcerting to her and the attitudes, dreams and visions of Humboldt County are being ignored by neighboring counties to the south. She said she appreciated the area ranchers making an appearance and giving their input on this matter and prefers going forward with everyone's vision in mind. She also said that there is language in SB1029 that conflicts with the NCRA Rails-with-Trails policy and that this needs to be addressed.

Dir. McCowen – Dir. McCowen said that NCRA supports the restoration of freight rail service from South Fork north and he believes that to whatever extent rail can be restored in Humboldt County is important for economic development. He also said that there are viable options for freight rail and local excursion trains in Humboldt County and he agrees with railbanking the Eel River portion to maintain the public right-of-way. He suggested that Longvale at MP 169 could be used as a reload facility for freight use and would like this included in a feasibility study.

Dir. Hart – Dir. Hart said that she is opposed to the NCRA's proposed letter in its current form and that she supports SB1029 and the position of the legislature.

Dir. Wagenet – Dir. Wagenet said he wants another bullet point added to the letter which points out NCRA's financial obligations and he wants the input from Humboldt County ranchers added to this letter also.

Dir. Breen – Dir. Breen suggested that NCRA's total liability amount be included in the letter and omit bullet point number 2.

Dir. Wagenet – Dir. Wagenet said that the letter will be modified to reflect the Director's suggestions. He said three bullet points will be added and one will be omitted from the letter:

- NCRA's total liabilities will be listed;
- Humboldt County rancher's opinions will be included,

- Longvale at MP 169 will be suggested as a possible reload facility.

Chair Wagenet adjourned the meeting for break at 1:00 p.m.

Chair Wagenet reconvened the meeting at 1:10 p.m.

Action for Agenda Item F.5 was taken following Closed Session.

Upon Motion by Director Fennell, seconded by Director Marks the Board Approved

Motion Carried:

AYES: 6- Breen, Fennell, Marks, McCowen, Peters, Wagenet

NOES: 1- Hart

ABSENT: 2- Kelley, Hagele

ABSTAIN: 0

6. Discussion and Possible Action Regarding Notice of Release of Intent to Preserve Interest

At the request of Legal Counsel, no action was taken.

7. Discussion and Possible Action Regarding Mural Project Adjacent to the Railroad track on Waterfront Drive near the Samoa Bridge

Upon Motion by Director Fennell, seconded by Director Marks the Board Unanimously Approved Mural Project on Waterfront Drive near the Samoa Bridge.

G. CONSENT CALENDAR

1. Approval of Minutes – Regular Board Meeting – March 14, 2018
2. Approval of Minutes - Property Committee Meeting – March 28, 2018
3. Approval of NCRA Financial Statements – March and April 2018
4. Approval of Warrants Issued – March and April 2018
5. Approval of Cal Card Statement – March and April 2018
6. Approval of Property Management Report – March and April 2018
7. Approval of NCRA Executive Director 2-year Contract Renewal

Upon Motion by Director Marks, seconded by Director Breen the Board Unanimously Approved Agenda Items G.1 through G.7 as presented.

H. OPERATOR REPORT – Doug Bosco – Legal Counsel NWP Co.

No report provided.

Dir. Peters asked that the record show that an Operator Report has not been provided in several months.

I. STAFF REPORT – Mitch Stogner – Executive Director

1. Recent Amendments to SB1029 (McGuire) Regarding the NCRA Authorizing Act

J. LEGAL COUNSEL REPORT – CJ Neary

No report.

K. MATTERS FROM THE BOARD

Dir. Fennell – Dir. Fennell thanked staff for their hard work.

Chair Wagenet adjourned the meeting to Closed Session at 1:24 p.m.

L. CLOSED SESSION

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Government Code Section 54956.9(a) two cases

- a. FRIENDS OF THE EEL RIVER V. NORTH COAST RAILROAD AUTHORITY

U.S. Supreme Court Case # 17-915;
Marin County Superior Court Case # CIV1103605

- b. CATS V. NORTH COAST RAILROAD AUTHORITY

U.S. Supreme Court Case #17- 915;
Marin County Superior Court Case # CIV110359

2. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

- a. Ukiah Depot Property, Including Mason Street Property
Government Code Section 54956.9.8
Negotiation Regarding Disposition of Ukiah Depot Property, including Mason Street Property

Agency Negotiators: Mitch Stogner, Chris Neary
Under Negotiation: Price, Terms; Interaction with Judicial Council on Joint Courthouse Off-Site Improvements.

- b. NWP Co.

Government Code Section 54956.8
Parties to Negotiation: NCRA; NWP Co.
Agency Negotiators: Mitch Stogner, Chris Neary
Under Negotiation: Payment Provisions of 2006 Lease Agreement with NWP Co. Including other Consideration, Including Track Abandonment and Methodology of Consideration Calculations and Resolution of Outstanding Debt.

- c. Cloverdale Property North of Citrus Fair Drive
Negotiation Regarding Disposition of Cloverdale Property north of Citrus Fair Drive

Agency Negotiators: Mitch Stogner, Chris Neary
Under Negotiation: Terms

3. **CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION**
Government Code Section 54956.9(b) one case

- a. Potential Litigation - San Francisco Bay Conservation and Development

Commission

Chair Wagenet reconvened the meeting at 2:15 p.m.

M. ANNOUNCEMENT OUT OF CLOSED SESSION

At the request of Legal Counsel, announcements will be provided at the June Board of Directors meeting in Healdsburg.

N. ANNOUNCEMENT OF NEXT MEETING

Regular Board Meeting
Wednesday, June 13, 2018 - 10:30 a.m.
Healdsburg City Council Chambers
401 Grove Street, Healdsburg, CA
Sonoma County

O. ADJOURNMENT

Chair Wagenet adjourned the meeting at 2:40 p.m.