



Client Status Report
For
North Coast Railroad Authority
(NCRA)

September-October 2018

Prepared by Mike Dannelly
*as of November 9, 2018

Summary

Since 2013, FEC Real Estate Services (FEC), formerly Parallel Infrastructure, has successfully generated over \$400K in revenue for NCRA’s Right of Way (ROW) portfolio. FEC continues to pursue prospective opportunities which could generate over \$20K in new income.

Areas of potential interest are listed below:

- Working with Phillips 66 to provide a license agreement to facilitate monitoring wells in the ROW at milepost 114.6. The City of Ukiah has a license to utilize the property in order to establish a Rail Trail in the same vicinity. Action to ensure that there is no use conflict is underway.
- The Hopland Municipal Advisory Council is interested in using a portion of the NCRA ROW to set up additional parking near the town center. Currently, much of the property is under another license agreement. The current licensee of the adjacent NCRA property conversed with FEC as to how they would be affected.

Current Account Metrics

| | Surface | Utility* | Total |
|---------------------------|---------|----------|-------|
| Prioritized Encroachments | 181 | 180 | 361 |
| Prospects Contacted | 232 | 115 | 347 |
| Amendments | 0 | 35 | 35 |
| Closed Opportunities | 54 | 45 | 99 |

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

New Agreements awaiting Execution

| As of | Proposed Tenant | Milepost/Location | Stage | Comments / Next Steps |
|-------|-----------------|-------------------|-------|-----------------------|
| | | | | |

Encroachments/Inquiries

| As of | Proposed Tenant | Milepost/Location | Stage | Comments / Next Steps |
|--------|------------------------|-------------------|-----------|---|
| 2/2017 | Garth & Linda Sundberg | KAM Branch | | Building Encroachment – Glendale Area |
| 6/2018 | Underground Const. | 119.475 | | Cathodic Testing Station for PG&E Gas Transmission Pipe |
| 8/2018 | Ghilotti Const. | 70.84. | Reviewing | Replacing WM Crossing |
| 8/2018 | PGE | 74.2 | Reviewing | Verifying Blanket in relation to MP |

Marketing/Outreach Opportunities

| Proposed Tenant | Milepost/Location | Stage | Comments / Next Steps |
|----------------------------|-------------------|-------------|--|
| Wooster Energy Engineering | TBD | Prospecting | Looking into Alternative Energy Production Working on NDA |
| PG&E | 101.74 | Negotiating | 3 CTS & 6 sniff stations for Gas Pipeline |
| Phillips 66 Company | 114.6 | Negotiating | 4 monitoring Well Points in Ukiah |

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 – 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 Amended for 32 utility crossings |
| Ocino, Inc. | 120.0 | Closed | Fully Executed and Delivered to NCRA |
| PG&E | 68.21 | Closed | \$2,000/Amendment to Blanket Agreement |
| City of Ukiah | 110.69-111.14 | Closed | \$25,000/10 year License for 3 crossings |
| PG&E | 74.89 | Closed | ROE Granted for Existing Crossing Repair |
| Michels Pipeline Construction | 137.848 | Closed | Fully Executed & Delivered to NCRA |
| Recology Inc. | 300.9 | Closed | Fully Executed & Delivered to NCRA |
| HBMWD | Arcata | Closed | Fully Executed & Delivered to NCRA |
| Michels Corporation | 101.74 | Closed | Executed |

Encroachments – Stagnant or Unable to Convert to Lease/License

| As of | Proposed Tenant | Milepost/Location | Stage | Comments / Next Steps |
|---------|------------------------------------|-------------------|-------------|---|
| 11/2014 | Cerro Pacific Lumber (Lee Burgess) | 122.195 | Stalled | Lee Burgess, property owner, refuses to require tenant to move fence and encroachment. |
| 08/2014 | Grant Street Enterprises | 68.85 | Stalled | Bldg. encroachment on NCRA right of way, NW of Grant Street. Owner Not responding. Recommend NCRA legal review/reach out. |
| 10/2014 | Tim Zimmerer Construction | 112.04 | No Response | Tim Zimmerer Const. has not removed encroachments despite attempts to resolve. Continues use of R/W. Recommend Legal. |
| 03/2015 | Arlen Burpee | 122.13 | Stalled | Private access road. Mr. Burpee became irate and refused to lease or cease utilization |
| 06/2014 | Superette | 119.80 | No Response | Bldg. encroachment on ROW. Former lease but refused to continue. Referred to legal |

| | | | | |
|---------|---------------------------------|----------------------|----------------------|--|
| 02/2017 | Keith Lampson | 73.16 | Referred to Legal | Closed See Closed Agreements (Evert & Ora Lampson) |
| 10/2015 | Max & Joan Schlienger | 104.49 | Referred to Legal | Max Negotiating directly with NCRA counsel |
| 10/2015 | Flight Rail Corp. | 105.26 | Referred to Legal | Max Negotiating directly with NCRA counsel |
| 01/2017 | Ferrari-Carano Vineyards | 78.56 | Stalled | Hick Represented Client/No Response |
| 11/2015 | Granite Const. Company | 115.73 117.79 | Referred to Legal | Received response from Granite – in Legal review by NCRA |
| 11/2015 | Agwood Mill & Lumber, Inc. | 115.93 | Stalled | No Response |
| 11/2016 | Dufferin Bevill | 77.77 | Stalled | Hicks Represented Client/No Response |
| 03/2017 | E & J Gallo Winery | 80.90 | Stalled | Sent Agreements – E&J stated that they would sign but have not returned executed copies or payment – Hick Represented Client |
| | | 81.12 81.28-81.84 | | |
| 12/2016 | Marietta Cellars & Chris Bilbro | 77.10 | Out for Signature | Hicks Represented Client/No Response |
| 10/2015 | Dennis and Nancy McFarland | 119.75 | Referred to Legal | Mr. McFarland claims crossing is a public Road. |
| 01/2016 | AG 101, LLC | 120.0 | Decided not to Lease | Doesn't fit in current business plan – Building repairs costly – Property now under agreement with Ocino, Inc. |
| 08/2015 | John E. Fetzer/Orci | 101.47 | No Response | Will not respond – may refer to legal |
| 04/2016 | Marin Ventures, LLC | 115.20 | Stalled | Marin doesn't want to meet NCRA Terms - Billboard |
| 12/2015 | MCI Transformer | 138.78 | Stalled | Has not responded to Proposal/Follow-up/No Response |
| 06/2016 | Francis Coppola Winery | 76.97 | Stalled | Revised Proposal with longer term – Waiting on Attorney |
| 09/2015 | Moreno & Company | 76.97 | Stalled | |
| 08/2015 | RER Properties, LLC | 119.86 | Stalled | Owner called possibly selling property |
| 03/2017 | Trentadue Winery LLC | 73.24 | No Response | Hicks Represented Client – Agreements sent for execution – Followed up – Problems with Terms |
| | | 73.42 | | |
| 04/2018 | Humbud Collective | KAM Branch | Stalled | Sent Contract after final negotiations – Company wanted more contractual changes |

NCRA Actions/Open Items

- Ongoing reconciliation of billings for FEC-procured agreements

FEC Actions/Open Items

- Continue activities to tender license opportunities for execution
- Review and explore for new opportunities along the NCRA corridor

Application Fees Collected

- Fifty two (52) application fees have been collected to date, for a total of \$50,800.