



Client Status Report
For
North Coast Railroad Authority
(NCRA)

May 2018

Prepared by Mike Dannelly
*as of June 6, 2018

Summary

Since 2013, FEC Real Estate Services (FEC), formerly Parallel Infrastructure, has successfully generated over \$285K in revenue for NCRA’s Right of Way (ROW) portfolio. FEC continues to pursue prospective opportunities which could generate over \$30K in new income.

Areas of potential interest are listed below:

- 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. NCRA’s property committee discussed the allowing a change to the indemnification clause that removes the NCRA as additional insured requirement for WC from the agreement provided that the insurer provides a letter stating that it is incapable of fulfilling the term.
- Wooster Energy Engineering Services is researching the possibility of setting up solar power energy production operations on NCRA Right of Way owned properties.

Current Account Metrics

| | Surface | Utility* | Total |
|---------------------------|---------|----------|-------|
| Prioritized Encroachments | 181 | 180 | 361 |
| Prospects Contacted | 232 | 115 | 347 |
| Amendments | 0 | 33 | 0 |
| Closed Opportunities | 53 | 42 | 95 |

*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 |
|---------|-----------------------------------|-------------------|-------------------|--|
| 2/2018 | Humboldt Municipal Water District | Arcata | Out for Signature | \$1,200/Annually – Awaiting FEMA funding |
| 12/2017 | Humbud - Collective | KAM Branch | Out for Signature | \$3,000/Annually |
| 4/2018 | Recology | 300.9 | Out for Signature | \$25,000/20 year License |

Encroachments/Inquiries

| As of | Proposed Tenant | Milepost/Location | Stage | Comments / Next Steps |
|--------|------------------------|-------------------|---------|---|
| 2/2018 | Mercer, Fraser Co. | 237.16 | Stalled | Company has supposedly vacated NCRA ROW |
| 2/2017 | Garth & Linda Sundberg | KAM Branch | | Building Encroachment – Glendale Area |
| 6/2017 | Underground Const. | 119.475 | | Cathodic Testing Station for PG&E Gas Transmission Pipe |

Marketing/Outreach Opportunities

| Proposed Tenant | Milepost/Location | Stage | Comments / Next Steps |
|----------------------------|-------------------|-------------|--|
| Wooster Energy Engineering | TBD | Prospecting | Looking into Alternative Energy Production |

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 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 |

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 | Building encroachment on NCRA right of way, NW quadrant of Grant Street. Owner Not responding. Recommend NCRA legal review and reach out. |
| 10/2014 | 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. |
| 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 | Using NCRA Right of Way for building encroachment and parking/driveway. Formerly held lease and paid for the land |

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|---------|---------------------------------|------------------|----------------------|--|
| | | | | use. Refused to continue paying, not able to get a response to secure new agreement. Recommend NCRA legal contact. |
| 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 | | |

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

- Forty-Nine (50) application fees have been collected to date, for a total of \$48,800.