



MEMO

To: NCRA Board of Directors

From: Executive Director Stogner

Date: August 14, 2019

Subject: **Agenda Item F.2 – Discussion and Possible Action Regarding Extension of Project Management Agreement with Guillon Inc.**

In October 2014, the NCRA Board approved a Project Management Agreement with Guillon Inc. to undertake all of the activities required for development of a master plan for disposition of the excess railroad property at the Ukiah Depot and the Mason St. property sites. The Agreement provides compensation to Guillon Inc. of 6% of the purchase price of 4.1 acres at the Depot site- which was paid to Guillon Inc. in April 2016 when the sale to the Judicial Council of California (JCC) was completed- and a fee of 10% to manage the approximately \$2.7 mil. in infrastructure improvements needed for the courthouse and the remaining NCRA property. Amendment #1 extended the terms of the agreement from August 10, 2016 to August 10, 2018. Under Amendment #2 to the Property Management Agreement approved by the Board on July 11, 2018, the Project Management Agreement was extended until July 11, 2019.

On June 12, 2019 the Board approved amendment #3 which extended the contract for 90 days (until September 12, 2019). If during that period, Guillon Inc. has taken substantial steps to address the performance issues alleged in the June 7, 2019 Demand to Cure Defaults letter from the JCC, the Executive Director was given the discretion to extend the Project Management Agreement with Guillon Inc. for 1 year (June 12, 2019 – June 12, 2020). Although progress is being made with the JCC regarding the Ukiah Depot project, certain events have made the completion of the renegotiation of the Off Site Improvement Agreement within the already-authorized 90 day extension unlikely. However, there is continuing work to be completed with respect to which Guillon Inc. continues to play a critical role.

Staff Recommendation:

Staff recommends that the Board authorize the Executive Director to enter into one additional 90-day extension of the Project Management Agreement prior to the satisfactory resolution of the outstanding issues with JCC, to allow Guillon Inc. to continue assisting NCRA in addressing those issues without entering into a full additional year extension at this time.