



COUNTY OF HUMBOLDT

For the meeting of: 10/1/2019

File #: 19-1121

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT:

License Agreement with Robert J. King for the Cañon Creek Rock Quarry and Storage Site, APN 316-144-001 and 316-144-002, Maple Creek Road, Korb, California

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize the Chair of the Board to sign, in duplicate, the License Agreement between the County of Humboldt and Robert King (Attachment 1); and
2. Direct the Clerk of the Board to return one (1) of the executed License Agreements to the Public Works Land Use Division for further processing.

SOURCE OF FUNDING:

Roads Maintenance 1200325

DISCUSSION:

The Humboldt County Department of Public Works (Public Works) request approval to enter into a license agreement with Robert King, who holds title to land in the Cañon Creek Watershed. The license agreement also includes the acknowledgement of Sierra Pacific Industries who retains timber rights to said parcels of land. This property includes a large deposit of Franciscan Complex bedrock over late Cenozoic sedimentary rock, which is of interest to Public Works. The site is central to several county roads, those being Bald Mountain Road, Maple Creek Road, Butler Valley Road, and Kneeland Road. Base rock and construction aggregates used on the aforementioned road systems are currently sourced from the soon to be depleted Russ #1 Quarry near the south end of Bald Mountain Road or from the Moore Quarry, many miles to the south on Showers Pass Road.

On February 24, 2015, your Board approved a prior license agreement to use Cañon Creek Quarry as a source for aggregate materials. This license agreement terminated on September 1, 2018. Moreover, the prior license agreement stated that the ownership of the said parcels would be transferred to Robert King.

This new license agreement reflects the change in ownership of fee title of the property to Robert King.

Furthermore, the new agreement sets the royalty rate for pit-run aggregate at one-dollar and twenty-five cents (\$1.25) per cubic yard. A rental rate for use of the site is set at Fifty Dollars (\$50) per month, payable in advance at the rate of Six Hundred Dollars (\$600) per year (September to September).

The initial term of the new agreement shall commence upon Board approval and shall terminate on March 31, 2020. The agreement will automatically renew for nine (9) successive one (1) year terms unless either party terminates the agreement in writing by February 29, 2020, or February 28th of subsequent years. Public Works shall have six (6) months beyond the termination date to remove equipment and stockpiled aggregate from the site.

As previously mentioned, the Cañon Creek Quarry surface mining operation has been reviewed and permitted in accordance with California Environmental Quality Act (CEQA). A Mitigated Negative Declaration was adopted by the Planning Commission for the approval of Conditional Use, Surface Mining, and Reclamation Plan permits on March 6, 2014 (with an effective date of March 21, 2014). The proposed agreement requires the county to remain in compliance with all applicable laws, regulations, and permit conditions at all times.

FINANCIAL IMPACT:

The new License Agreement provides for royalty payments and annual site rental payments to be made payable to Robert J. King. Site rental payments are Six Hundred Dollars (\$600) per year for a total of Five Thousand Four Hundred Dollars (\$5,400) over the nine (9) year term of the proposed license agreement. The maximum extraction allowed by the permit is One Hundred Fifty Thousand (150,000) cubic yards of material, costing one dollar and twenty-five cents (\$1.25) per cubic yard, for a maximum potential cost of One Hundred Eighty-Seven Thousand Five Hundred Dollars (\$187,500) over the term of the license agreement. The total obligation under this agreement, if exercised to the fullest extent, is One Hundred Ninety Four Thousand Seven Hundred Dollars (\$194,700). The Roads Maintenance Budget 1200325 shall bear the cost of all payments. There is no impact to the General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing for and maintaining infrastructure.

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to execute a new License Agreement. The Department of Public Works recommends executing the new License Agreement because of the county's need for aggregate resource sites located throughout the county's road system. By executing this new agreement, the continued utilization of this aggregate source offsets expenses associated with importing necessary road construction materials from distant locations.

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ATTACHMENTS:

Proposed License Agreement in duplicate

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-17

Meeting of: February 24, 2015

File No.: N/A