



COUNTY OF HUMBOLDT

For the meeting of: 6/18/2019

File #: 19-872

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT:

License Agreement with Humboldt Redwood Company, LLC for the Monument Road Quarry and Stockpile Site, APN 205-031-049 and 205-031-051

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 Humboldt Redwood Company, LLC (Attachment 1); and
2. Direct the Clerk of the Board to return both executed License Agreements to the Department of Public Works Land Use Division for further processing.

SOURCE OF FUNDING:

Roads Maintenance 1200-325

DISCUSSION:

The License Agreement with Humboldt Redwood Company (HRC) is for the use of a portion of HRC's property on Monument Road in the Rio Dell area, for the purposes of a surface mining operation, for stockpiling aggregate material for road maintenance and repair projects, and for temporary equipment storage appurtenant to surface mining activities, stockpiling activities, and maintenance and repair projects of county roads in the general area. The previous license agreement for this site will expire on June 30, 2019.

The proposed License Agreement includes Humboldt Redwood Company, LLC Special Compliance Provisions clause which calls for the county's observation and compliance with the terms and provisions of:

- (a) that certain Final Environmental Impact Statement/Environmental Impact Report and Habitat Conservation Plan/Sustained Yield Plan for the Headwaters Forest Project, dated January 1999;
- (b) any Implementation Agreement with regard to Habitat Conservation Plan(s) for the properties of Humboldt Redwood Company, LLC by and among the United States Fish and Wildlife Service, the National Marine Fisheries Service, the California Department of Fish and Wildlife (CDFW), the California Department of Forestry and Fire Protection (CAL FIRE) and Humboldt Redwood Company,

LLC including those agreements assumed by Humboldt Redwood Company, LLC in the reorganization of the Pacific Lumber Company, Scotia Pacific Lumber Company and Salmon Creek Corporation dated February 1999;

(c) any Habitat Conservation Plan for the properties of Humboldt Redwood Company, LLC, including that certain Habitat Conservation Plan(s) of February 1999 that was assumed by Humboldt Redwood Company, LLC in the reorganization of Pacific Lumber Company, Scotia Pacific Lumber Company and Salmon Creek Corporation;

(d) any Streambed Alteration Agreement with regard to Humboldt Redwood Company, LLC including that certain Streambed Alteration Agreement with Regard to the Pacific Lumber Company, Habitat Conservation Plan, by and among CDFW and Pacific Lumber and Salmon Creek, dated February 1999, that was assumed by Humboldt Redwood Company, LLC in the reorganization of Pacific Lumber Company and Salmon Creek Corporation, to the extent any of the above documents bind the premises and other lands of Humboldt Redwood Company, LLC and are applicable to county's activities on the premises or other lands of Humboldt Redwood Company, LLC. The county is committed to observing and complying with the terms and provisions of the aforementioned documents.

The new license agreement (Attachment) shall commence upon the date of execution, and shall terminate on June 30, 2022. The county shall have 6 months beyond this agreement's termination date to remove equipment and stockpiled aggregate material from the site.

This agreement is consistent with similar agreements given that the standard rental rate of \$50 per month shall be paid in advance on an annual basis, at the sum of \$600 per year. The proposed license agreement stipulates that annual site payments shall be made payable prior to July 1 of each fiscal year.

The county shall pay to the owner, a royalty rate of \$1.25 per cubic yard for mined material, which is consistent with royalty rates at other similar sites rented by the county.

The Monument Quarry surface mining operation has been reviewed and permitted in accordance with 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 3, 2011 (Planning Commission Resolution No. 11-11). The proposed agreement requires the county to remain in compliance with all applicable laws, regulations, and permit conditions at all times. Furthermore, the license agreement allows for an extraction of 20,000 cubic yards every 3 to 5 years, which is consistent with the current permit. This agreement is a 3-year agreement.

FINANCIAL IMPACT:

The new license agreement provides for royalty payments when surface mining occurs as well as annual site rental payments to Humboldt Redwood Company, LLC. The Roads Maintenance budget 1200-325-2121 shall bear the cost of all payments. The annual rental payment will be \$600. The maximum royalty payments for three years are estimated to be approximately \$25,000. There is no impact to the General Fund.

STRATEGIC FRAMEWORK:

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This item conforms to the Board of Supervisors' Core Role of 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 shall offset expenses associated with importing necessary road construction materials from distant locations.

ATTACHMENTS:

New License Agreement in duplicate

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-10

Meeting of: January 6, 2015

File No.: N/A