



COUNTY OF HUMBOLDT

For the meeting of: 1/28/2020

File #: 19-1804

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

SUBJECT:

License Agreement with Charles Mountain Ranch for the Charles Gravel Bar and Stockpile Site, APN 217-053-004 and APN 217-053-005

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize the Chair of the Board to sign, in triplicate, the License Agreement between the County of Humboldt and Charles Mountain Ranch (Attachment 1); and
2. Direct the Clerk of the Board to return two (2) executed License Agreements to the Humboldt County Department of Public Works Land Use Division for further processing.

SOURCE OF FUNDING:

Roads Fund (1200)

DISCUSSION:

The License Agreement with Charles Mountain Ranch is for the use of a portion of Charles Mountain Ranch's property for surface mining, aggregate processing, and gravel storage for road maintenance and repair projects. The previous license agreement for this site was executed on Sept. 30, 1977, and had an automatic, one (1) year renewal date of July 1. No term limitation was identified in the original 1977 agreement.

The new License Agreement (Attachment 1) shall commence upon the date of execution and shall terminate on June 30, 2020. The agreement shall renew automatically for seven (7) successive one (1) year terms, unless either party provides written notice of non-renewal to the other party by Mar. 31, 2020, of the initial term or Mar. 31 of any successive year.

The compensation rates in the new License Agreement have been updated to be consistent with similar agreements. 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 new License Agreement also increases the royalty rate of Twenty-Five Cents (\$0.25) per cubic yard to One Dollar Twenty-Five Cents (\$1.25) per cubic yard for mined material. Royalty payments shall be made in lump sum payment at the conclusion of each annual extraction. Payment shall be based on truck capacity and truck count and verified by copies of truck trip and capacity documentation. The Charles Bar Conditional Use Permit allows the county to extract up to twenty-five thousand (25,000) cubic yards annually.

The county operated surface mining operation has been reviewed and permitted in accordance with the California Environmental Quality Act (CEQA). A Negative Declaration was originally adopted by the Humboldt County Planning Commission, for the approval of the Conditional Use, Surface Mining and Reclamation Plans permits in 1986 and extended in 1997. On Aug. 5, 2010, the Planning Commission adopted a Subsequent Mitigated Negative Declaration pursuant to the provisions of CEQA, extending the existing county operated surface mining permits for an additional fifteen (15) years. The License Agreement requires the county to obtain, maintain, and comply with all permits and conditions of approval relative to said parcel of land.

FINANCIAL IMPACT:

The new License Agreement provides for royalty payments to be made payable to Charles Mountain Ranch. The Roads Maintenance budget 1200325-2121 shall bear the cost of all payments. The new License Agreement provides an annual rental payment of \$600. Maximum royalty payments per year are estimated not to exceed Thirty-One Thousand Two Hundred and Fifty Dollars (\$31,250). There is no impact to the General Fund.

In lieu of royalty payment, Charles Mountain Ranch may agree to accept as compensation crushed aggregate valued at Nine Dollars (\$9.00) per cubic yard from the county up to the annual royalty maximum of \$31,250.

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 shall offset expenses associated with importing necessary road construction materials from distant locations.

ATTACHMENTS:

New License Agreement in triplicate

File #: 19-1804

PREVIOUS ACTION/REFERRAL:

Board Order No.: A-24

Meeting of: Sept. 13, 1977

File No.: N/A