

MEETING DATE: December 5, 2024

**AGENDA ITEM:** 11. Non-Exclusive License Agreement with Manila Community Services District

FROM: Hannah Bartee

**RE:** Non-Exclusive License Agreement with Manila Community Services District

### **EXECUTIVE SUMMARY:**

GRTA and Manila Community Services District seek to enter into a license agreement for use of 1.8 miles of the GRTA right-of-way near the community of Manila, in Humboldt County, as part of the Manila Community Services Districts' Flood Reduction and Drainage Enhancement Project. This agreement will allow for drainage improvements that serve the community of Manila and the GRTA right-of-way. In order to approve the agreement, GRTA must make responsible agency findings for MCSD's mitigated negative declaration, and file an appropriate Notice of Determination.

## **BACKGROUND**:

The Manila Community Services District (MCSD) was awarded a grant from the California Natural Resources Agency (CNRA) to design, permit and implement flood reduction components within MCSD, GRTA, and County of Humboldt right-of-way throughout the community of Manila. MCSD service area is listed by the California Office of Emergencies as a socially vulnerable community. They are predominately considered socially vulnerable because they are in California's 90th percentile for flood risk. The work being done through this project will provide drainage relief for a region seasonally afflicted with high volumes of precipitation and a high groundwater table. The work to be done in the GRTA right-of-way primarily consists of retrofitting of existing culverts, installation of one new culvert, and clearing, grubbing, and excavation of existing drainage ditches. Through the license agreement, MCSD would pay an annual license charge based on the GRTA Schedule of Rates & Charges for the new culvert and provide maintenance consistent with CNRA grant requirements for all culverts and drainage ditches.

## **CEQA ANALYSIS:**

The flood reduction program promulgated by MCSD is a project under the California Environmental Quality Act. MCSD has prepared and approved a mitigated negative declaration for the project, the Notice of Determination for which was filed on April 19, 2023. For GRTA to enter into the proposed license agreement, GRTA would be considered a responsible agency pursuant to CEQA Guidelines Section 15096 - Process for a Responsible Agency. GRTA staff has reviewed the adopted mitigated negative declaration, and recommends the Board of Directors adopt a resolution making responsible agency findings and adopt the MCSD mitigated negative declaration, and direct staff to file an appropriate Notice of Determination.

## **RECOMMENDATION:**

Staff recommends the Board authorize the Executive Director to execute a Non-Exclusive License Agreement with Manila Community Services District (MCSD) for the use of real property located between mileposts 296.7 and 298.5 on the Samoa Branch near the community of Manila, Humboldt County, for installation, operation, and maintenance of seven (7) culverts with the GRTA right-of-way, for approximately 25 years pursuant to MCSD's CNRA grant requirements, in a form approved by Counsel.

## **FISCAL IMPACT**:

Annual revenue from this license agreement will start at approximately \$350, with the greater of either (1) 3% annual increase or (2) adjustments to coincide with the current GRTA Schedule of Rates & Charges approved by the Board.

## **ATTACHMENTS**:

- A. MANILA CSD DRAFT UTILITY LICENSE 12 5 24
- B. RESOLUTION 2024-14 MANILA CSD CEQA FINDINGS

### UTILITY LICENSE AGREEMENT

THIS UTILITY LICENSE AGREEMENT ("Agreement" or "License") is executed this	day of
, 202_ by and between Great Redwood Trail Agency, a California public entity for	rmed pursuant
to Government Code Section 93000 et seq., ("GRTA" or the "Grantor"), whose mailing ad	dress is Great
Redwood Trail Agency, c/o Blue Lake City Hall, PO Box 458, Blue Lake, CA 95525, and Mani	la Community
Services District, a California Special District (the "Licensee" or "Grantee").	

### **RECITALS**

- A. GRTA is the property owner or easement holder of the railroad right-of-way located in Humboldt County, known as the Northwestern Pacific Railroad rail corridor ("NWP Rail Corridor").
- B. The Licensee was awarded a grant from the California Natural Resources Agency ("CNRA grant") for the Manila Community Services District Flood Reduction and Drainage Enhancements Project, consisting of designing, permitting and implementing flood reduction and drainage components within MCSD, GRTA, and County right-of-way throughout the community of Manila.
- C. Pursuant to the GRTA Encroachment permit, GRTA has agreed to provide Licensee with a license to use and occupy the NWP Corridor for culvert and other drainage improvements installation, operations, and maintenance, upon certain conditions set forth hereinbelow.

**NOW THEREFORE**, in consideration of the mutual covenants, conditions, and agreements recited herein and made a material part hereof, the GRTA and Licensee agree as follows:

- 1. **GRANT and CONVEYANCE**. For and in consideration of the mutual promises and covenants set forth herein, and subject to all the terms and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which by the Grantor is hereby acknowledged, Grantor hereby grants and conveys unto the Grantee, successors, and assigns (collectively, the "**Grantee**"), a license for right-of-way for the Term of this License under, across, and through that certain real property located in Humboldt County, California (the "**Property**") identified as that portion of the NWP Rail Corridor near MP 297 (approximately 296.7-298.5) of the Samoa Branch Line, as more particularly described in Exhibit A attached hereto and incorporated herein, for the installation, ownership, and operation of certain utility facilities (the "**Facilities**") as further described herein, effective as the Effective Date.
- 2. **LICENSE AREA**. The area of the Property hereby licensed (the "**License Area**") is the NWP Rail Corridor located between mileposts 296.7 and 298.5 near the community of Manila, Humboldt County, as more particularly described in Exhibit B attached hereto and incorporated herein, to be utilized for the purposes set forth in Section 5 below (the "**Authorized Uses**").
- 3. TERM. The term of this License shall commence on the Effective Date and shall remain in effect for the duration of the term for maintenance on flood reduction and drainage enhancements required by the CNRA Grant, which is further described as "25 years from date of project completion as evidenced by Project Certification Form". Grantee may terminate this License at any time by providing Grantor with at least one hundred eighty (180) days written notice. Upon any termination all of the rights herein granted to the Grantee shall cease and all obligations and liabilities of the Grantee shall cease.
- 4. **CONSIDERATION**. As consideration for this Agreement, Licensee shall pay, in advance, an Annual "**License Fee**" due and payable July 1 of each year correlating with GRTA's Fiscal Year (July 1 through June 30) in accordance with the terms and amounts set forth by GRTA in its most currently approved

"Fee Schedule," with the first year's payment being a pro-rata portion of the days remaining in that Fiscal Year calculated from the Effective Date of this Agreement through June 30 of that same Fiscal Year. The Annual License Fee shall be at the then-current GRTA-approved rate for that Fiscal Year and shall be subject to change per GRTA Board approval of Fees and/or Rates on an annual basis. Accordingly, the current annual License fee for the first year of this License, calculated pro-rata as applicable, as of the Effective Date of this Agreement through the upcoming date of June 30, is based on an annual rate of \$350.00 for the new culvert, with the full annual rate, per the terms herein, due thereafter for the new License Year running from July 1 through June 30 of each subsequent License Year. Each year upon the anniversary of the Commencement Date hereof, the License Fee shall be adjusted by the greater of (1) the amount necessary to bring the License Fee up to the currently adopted applicable Rate, or (2) Three Percent (3%) of the prior year's consideration. If any amount due on any invoice is not received by Grantor within thirty (30) days of the receipt of invoice by Grantee, then Grantor may charge interest at the rate of the lesser of one and one- half percent (1.5%) per month or the maximum rate allowable under law, commencing as of the Payment Date through the date of Grantor's receipt of payment.

- 5. AUTHORIZED USES and RESTRICTIONS. The License Area and the rights herein granted shall be used by the Grantee to construct, install, inspect, patrol, own, operate, maintain, repair, replace, and remove (all collectively, the "Authorized Uses") facilities pertaining to Grantee's flood reduction and drainage enhancement features and appurtenances, (all collectively the "Facilities"), subject to the restrictions and covenants set forth in this Section.
  - (a) Grantee shall have the right to construct, install, inspect, patrol, own, operate, maintain, repair, replace, and remove Facilities, equipment, and appurtenances below the License Area, consisting primarily of culverts, bioswales, and drainage ditches. Grantor shall not grant any other license, right-of-way or other right within the License Area that conflicts with or in any way limits the ability of Grantee to exercise its rights under this Agreement.
  - (b) Grantor has the right to use the surface of the License Area for any purpose not inconsistent with this License, and Grantor's use of the License Area shall not unreasonably interfere with the rights and privileges conveyed herein to Grantee. Grantor agrees not to permanently block ingress or egress to the License Area or conduct any activity on the License Area or the Property that prevents the exercise of the rights conveyed to Grantee or which would impair or adversely affect the proper operation of the Facilities. Parties expressly acknowledge that Grantor intends to construct and operate a recreational trail on or near the License Area, the construction of which may cause a temporary reduction in access to the License Area. Grantor agrees to provide reasonable notice to Grantee of any activities that may impair such access. Grantee expressly acknowledges that to the extent the construction and/or operation of the trail allow the continued operational use and maintenance of Grantee's installed Facilities, such activities are deemed to be consistent with the grant of License, pursuant to this section.
  - (c) Grantee has the right to license, permit and otherwise authorize and agree to allow the use of the Facilities by any of its customers, clients, affiliates, partners, and joint ventures, employees, and agents, and to facilitate such rights, to authorize same to utilize the License Area in strict accordance with the terms of this License.
  - (d) Grantee has and shall have all other rights and benefits necessary to the full and complete enjoyment and use of the License and License Area for the purposes stated herein, as authorized by applicable law.
  - (e) Upon written permission of Grantor, which shall not be unreasonably withheld, Grantee has the right to make alterations within the License Area, and to relocate the Facilities within the License Area, and shall return the License Area to its original condition upon completion. If Grantee exercised its right to make such alterations, Grantee shall be responsible for ensuring that any changes in location of any equipment do not or will not impair Grantee's ability to use or access such equipment, in light of any improvements planned or installed by Grantor within the License

- Area. Grantee shall have no right to impair or demand modification of Grantor uses of the Licensed Area on the basis of conflicting uses of the Licensed Area to the extent such conflicts are or would be created by Grantee's relocation of equipment.
- (f) Grantee has the right of ingress and egress to and from the nearest dedicated public street, highway, or other public right of way for the purposes of accessing the License Area; and
- (g) Grantee has the right to a temporary construction encroachment for twenty-four (24) months for the purposes of initial construction and installation of the Facilities.
- 6. **FACILITIES**. Grantee's utility Facilities shall consist of, but not be limited to, culverts, bioswales, drainage ditches, surface location and warning markers, and other appurtenances for similar uses. Any above-ground Facilities other than bioswales, drainage ditches, surface location and warning markers shall be allowed only upon prior written approval of Grantor, which permission shall not be unreasonably withheld so long as such proposed Facilities are reasonably necessary to the operation of the intended use of the License Area by Grantee.
  - (a) The Grantee shall maintain the Facilities consistent with the standards and requirements set forth in the CNRA Grant.
  - (b) The Facilities shall, at all times, be and remain the personal property of the Grantee, and shall not become or be considered as improvements to the Property or fixtures to the Property. In the event that Grantee conveys title to the Facilities, to either an affiliate company or to an unrelated third party buyer, such conveyance shall cause this License to run with the Facilities and all right, title and interest to the License Area and the rights herein granted shall automatically convey title to, and title shall vest in, such other affiliate company or buyer, for said buyer's immediate use and enjoyment without the need to file or record a new instrument.
  - (c) Grantee shall be liable for any and all personal property taxes assessed exclusively against the Facilities.

### 7. REPRESENTATIONS and WARRANTIES.

- (a) To the extent allowed by law, each Party represents, warrants, and covenants to each other that:
  - (i) It has the full power, right and authority to enter into, execute, deliver, and perform its obligations under this License and that the individuals signing this License on behalf of Grantor and Grantee are empowered and duly authorized to bind Grantor or Grantee, as the case may be, to this License;
  - (ii) It has taken all requisite action to approve the execution, delivery, and performance of this License; all necessary governmental and corporate approvals, if any, have been obtained to authorize the execution, delivery, and performance of this License;
  - (iii) This License constitutes its legal, valid, and binding obligation enforceable against such Party in accordance with its terms;
  - (iv) Its execution of and performance under this License shall not violate any applicable existing regulations, rules, statutes, grants, or court orders of any local, state, or federal government agency, court, or body;
  - (v) This License, in no way, creates the relationship of landlord and tenant between the Parties, nor shall it be construed to create any employer-employee relationship, partnership, joint venture or other business relationship between the Parties.
- (b) To the extent allowed by law, Grantor represents, warrants, and covenants to Grantee that:

- (i) Grantor will indemnify and defend Grantee for any claims, damages, remediation costs, or penalties to the extent caused by existing environmental contamination of the Property, and
- (ii) Grantee shall have quiet and peaceable possession, use, and enjoyment of the License Area:
- (c) To the extent allowed by law, Grantee represents, warrants, and covenants to Grantor that:
  - (i) Grantee has and will maintain all approvals, certifications, licenses, credentials, permits, authorizations, notifications, and other approvals that may be required by regulatory, supervisory, or governmental institutions for Grantee to perform as the License requires; and
  - (ii) All work performed by Grantee under this Agreement shall be performed in good workmanlike manner consistent with industry standard technical requirements and specifications and consistent with standards of care and skills typical for the industry. Grantee will use only appropriately skilled and experienced employees and subcontractors, properly qualified and supervised to perform the maintenance services. The construction and maintenance materials used by Grantee in the performance of this License will be good quality, and the maintenance services will be free from defects in design, materials, and workmanship.
  - (iii) Within 60 days after the expiration of the Term hereof or upon termination, if such termination occurs prior to the expiration of the Term, Grantee shall, upon the written request of Grantor given not more than 30 days after the expiration or termination hereof, remove all equipment and improvements to the License Area installed by Grantee, and return the Licensed Area to substantially the condition of the License Area upon the commencement hereof.

## 8. **GENERAL TERMS and CONDITIONS**. Grantor and Grantee further agree to all the foregoing terms and conditions:

- (a) Grantee shall, after any activity upon the License Area:
  - (i) Restore, or caused to be restored, all areas removed or damaged in the License Area during any activity conducted by or on behalf of Grantee;
  - (ii) Cause all debris and materials incident to such activity to be removed;
  - (iii) Fill any excavations; and
  - (iv) To the extent reasonably possible, substantially restore the property to as near its preexisting state, reasonable wear and tear and damage by casualty or condemnation, excepted.
- (b) Grantee will use reasonable efforts to avoid damage to Grantor's Property, and shall compensate Grantor for (or, at Grantee's election, shall have repaired) damages caused to fences, gates or other real property improvements or other personal property of Grantor, as a result of such activities undertaken by Grantee or on Grantee's behalf, in accordance with this License.
- (c) This License and the rights and privileges herein granted, are each divisible and apportionable, and are each assignable, in whole or in part, and shall be binding upon and inure to the benefit of the successors, apportionees, assigns, heirs, personal representatives, executors, administrators, of the respective Parties hereto.

- (d) The covenants, terms, conditions, provisions, and the granted rights contained herein constitute covenants that shall be binding upon Grantor and all subsequent owners of the Property and shall inure to the benefit of and be binding upon Grantee and its successors and assigns for the Term of this License.
- (e) The covenants, terms, conditions provisions, and the granted rights contained herein are appurtenant to, and run with, Grantee's Facilities and its network and shall be binding upon Grantee and all subsequent owners of the Facilities and network, if any, and shall inure to the benefit of and be binding upon Grantor and its successors and assigns.
- 9. **COMPLIANCE WITH LAW**. Licensee shall allow no nuisances to exist or be maintained upon the License Property and shall comply with and abide by all applicable federal, state, and local laws and regulations affecting the License Property and any actions of Licensee thereupon.
- 10. **INDEMNIFICATION**. To the maximum extent allowed by law, Grantee agrees to indemnify, defend and hold harmless Grantor, including its officers, employees, agents, contractors, successors, and assigns, from and against all loss, liability (including liability with respect to death, injury and personal and property damage), claims, demands, suits, liens, claims of lien, damages, costs and expenses, arising out of or connected in any manner with the use or misuse of the License Property by Licensee, its agents, licensees, or contractors, or any act or omission by Grantee therewith. Such indemnity shall not apply to the extent such loss, liability (including liability with respect to death, injury and personal and property damage), claims, demands, suits, liens, claims of lien, damages, costs and expenses are solely caused by GRTA's or any of its official's, employee's, consultant's, agent's, contractor's or successors and assigns' active negligence or intentional conduct. This provision shall survive any termination revocation of the License for actions or inactions that may arise during the time this License is in effect.
- 11. **AMENDMENTS**. If circumstances arise under which an amendment or modification of this Agreement would be appropriate, the Licensee and GRTA shall be free to jointly amend this Agreement. This License may be modified only in writing and only if signed by the parties at the time of the modification.
- 12. **WAIVER**. No waiver of any default under this Agreement shall constitute or operate as a waiver of any subsequent default hereunder, and no delay, failure or omission in exercising or enforcing any right, privilege, or option under this Agreement shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege, or option hereunder.
- 13. **NOTICES.** Except as otherwise provided hereunder; any notice or communication to GRTA, its successors and assigns, or Licensee shall be in writing and be mailed by postage prepaid. Notices or communications shall be addressed to the parties at the following addresses, which may be changed at any time by notice to the other party:

If to the Grantee:

Great Redwood Trail Agency c/o City of Blue Lake PO Box 458 Blue Lake, CA 95525

### If to the Grantor/Licensee:

Manila Community Services District 1901 Park Street Manila, CA 95521

## 14. MISCELLANEOUS.

(a) Assignment. This License and the rights herein granted are freely assignable in whole or in part, in accordance with state law.

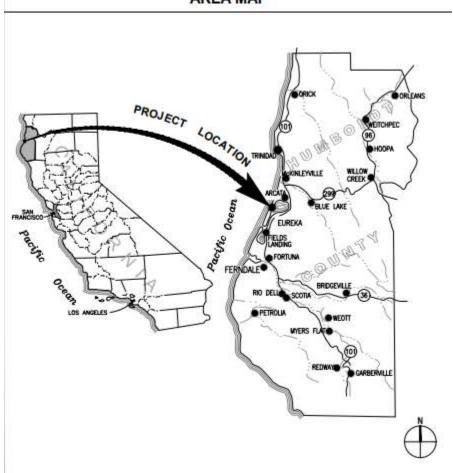
- (b) Reversion. Any cessation of use of the Facilities and the License Area for a minimum period of two (2) years shall be considered an abandonment by the Grantee, and the rights herein granted shall all revert to, and vest in, the Grantor, its successors or assigns.
- (c) Release. Upon any termination or abandonment of use of the Facilities and the License Area by the Grantee, Grantee shall prepare a written, acknowledged, and signed release or other such instrument evidencing Grantee's relinquishment of all its rights and interest in the License Area.
- (d) Counterparts. This License may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective as of the Effective Date first set forth above.
- (e) Severability. In case any one or more of the provisions contained in this License shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this License, but this License shall be construed as if such invalid, illegal, or unenforceable provisions had not been contained herein.
- (f) Time of the Essence. Time is of the essence of each and all of the agreements, covenants, and conditions of this Lease.
- (g) Consents. Whenever in this License the consent or approval of either GRTA, or its successors and assigns, or Licensee is required or permitted, the party requested to give such consent or approval will act promptly and will not unreasonably withhold its consent or approval, unless such consent is in the sole discretion of the non-requesting party.
- (h) Attorneys' Fees. In the event of any action or proceeding at law or in equity between GRTA, or its successors and assigns, and Licensee to enforce any provision of this License or to protect or establish any right or remedy of either party hereunder, the unsuccessful party to such litigation shall pay to the prevailing party all costs and expenses, including reasonable attorney's fees, incurred therein by such prevailing party, and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney's fees shall be included in and as a part of such judgment.
- (i) Integration. This License constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes any other agreement, whether written or oral. This License may not be amended or modified in any respect whatsoever except by an instrument in writing signed by GRTA, or its successors and assigns, and Licensee.
- (j) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Nothing in this Agreement is intended to alter, limit, or otherwise affect the immunities and liability limitations provided to public entities under the laws of the State of California, including without limitation the Government Claims Act set forth in the California Government Code.

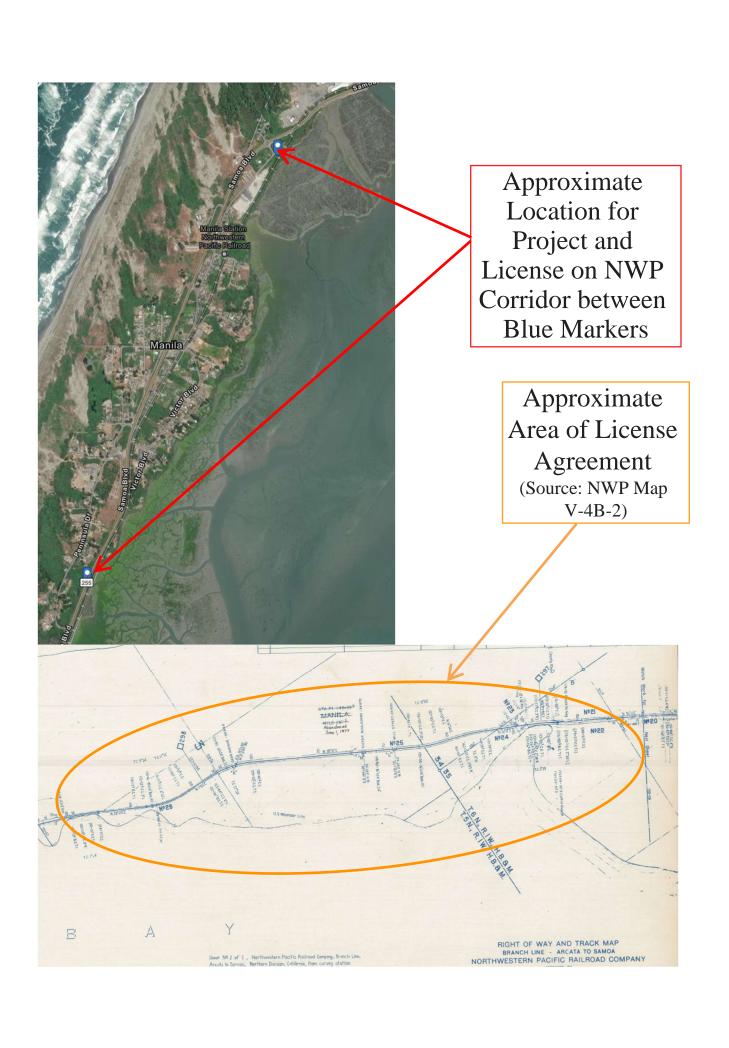
IN WITNESS WHEREOF, this License is executed and effective as of the date first written above.

GRANIOR	GRANTEL
Great Redwood Trail Agency	Manila Community Services District
Signature	Signature
Name, Title	Name, Title
Date	Date
Approved as to Form:	
General Counsel	
Date:	

## **Exhibit A Property Description**

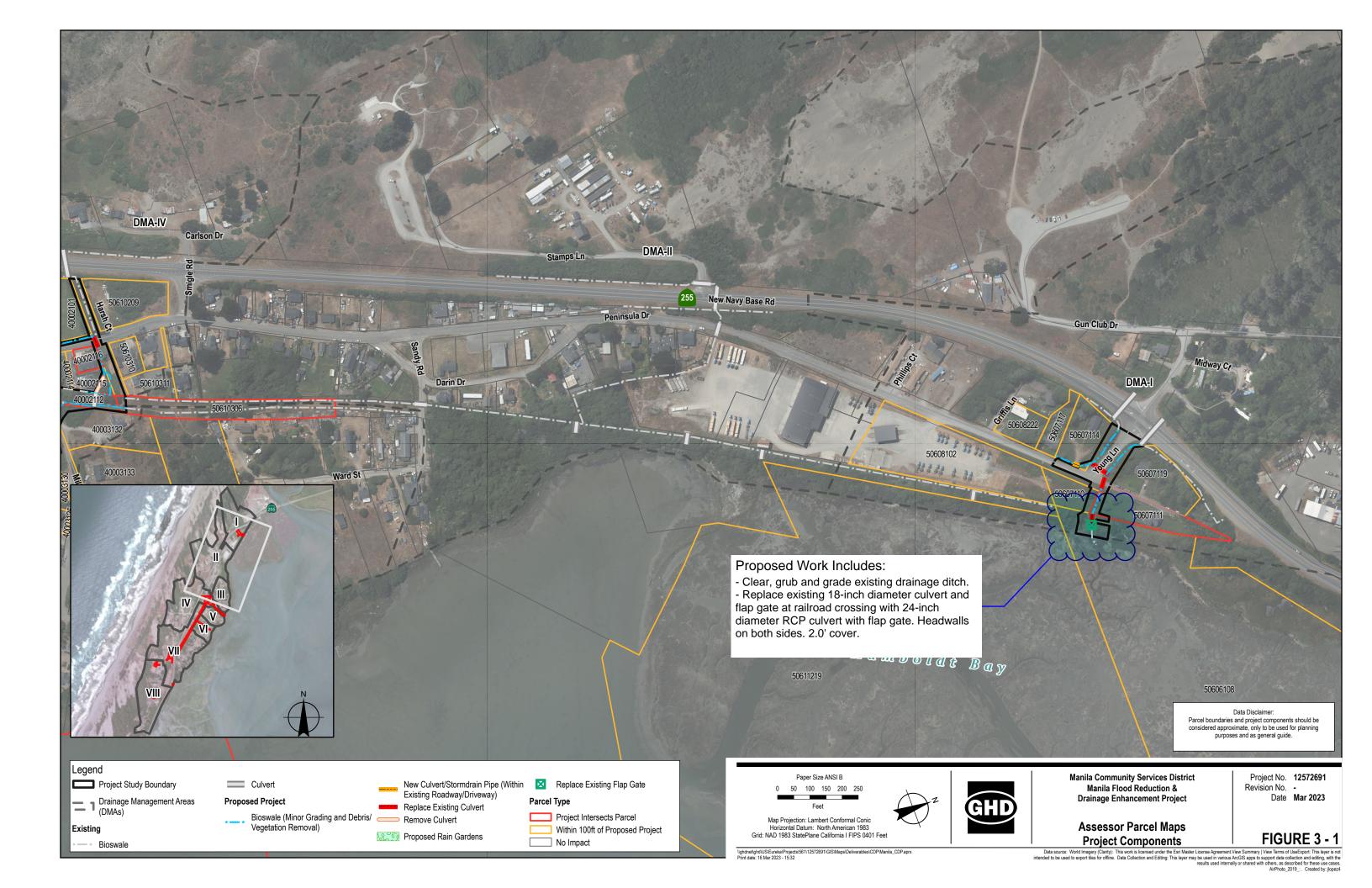
## AREA MAP

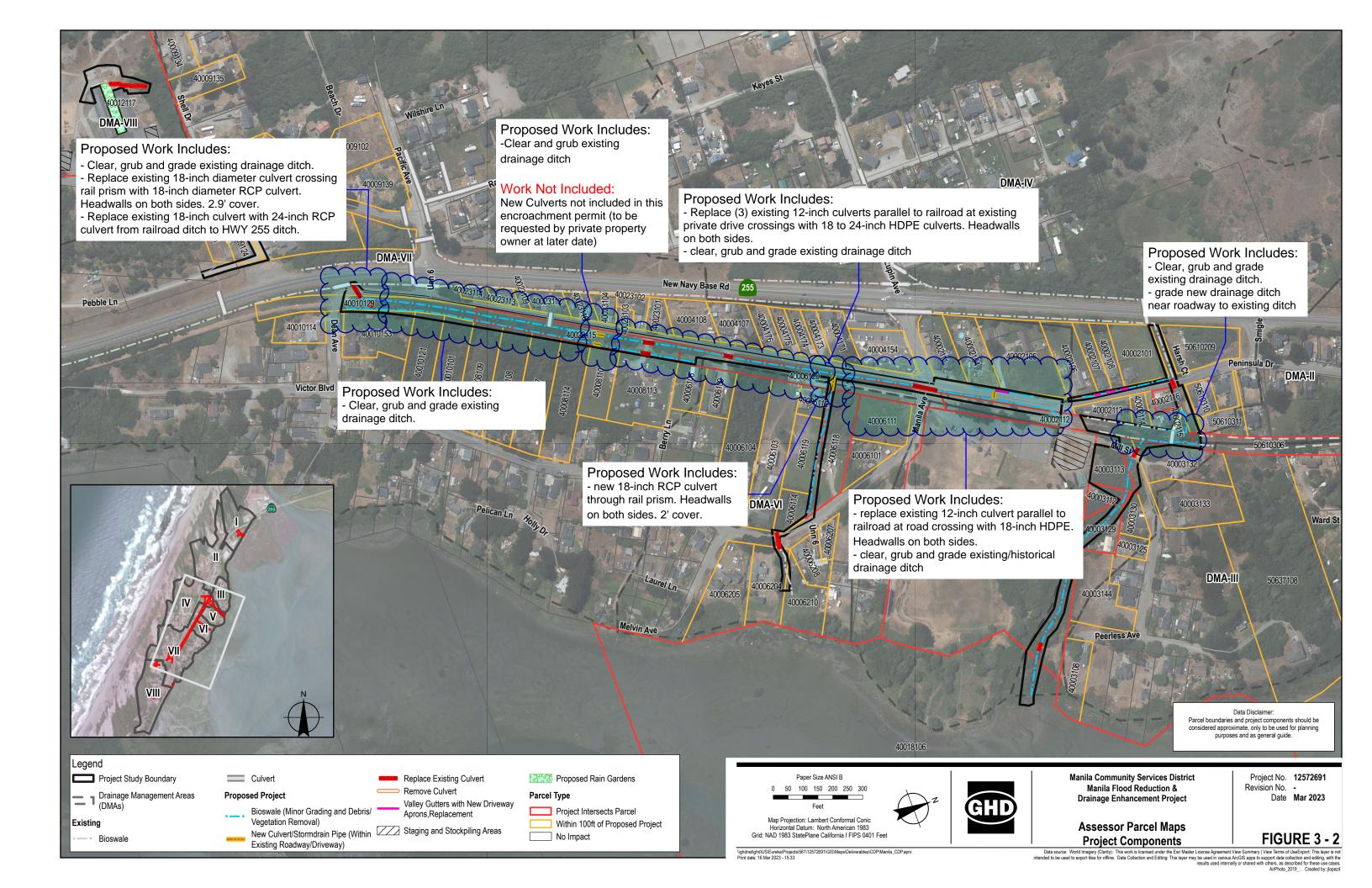


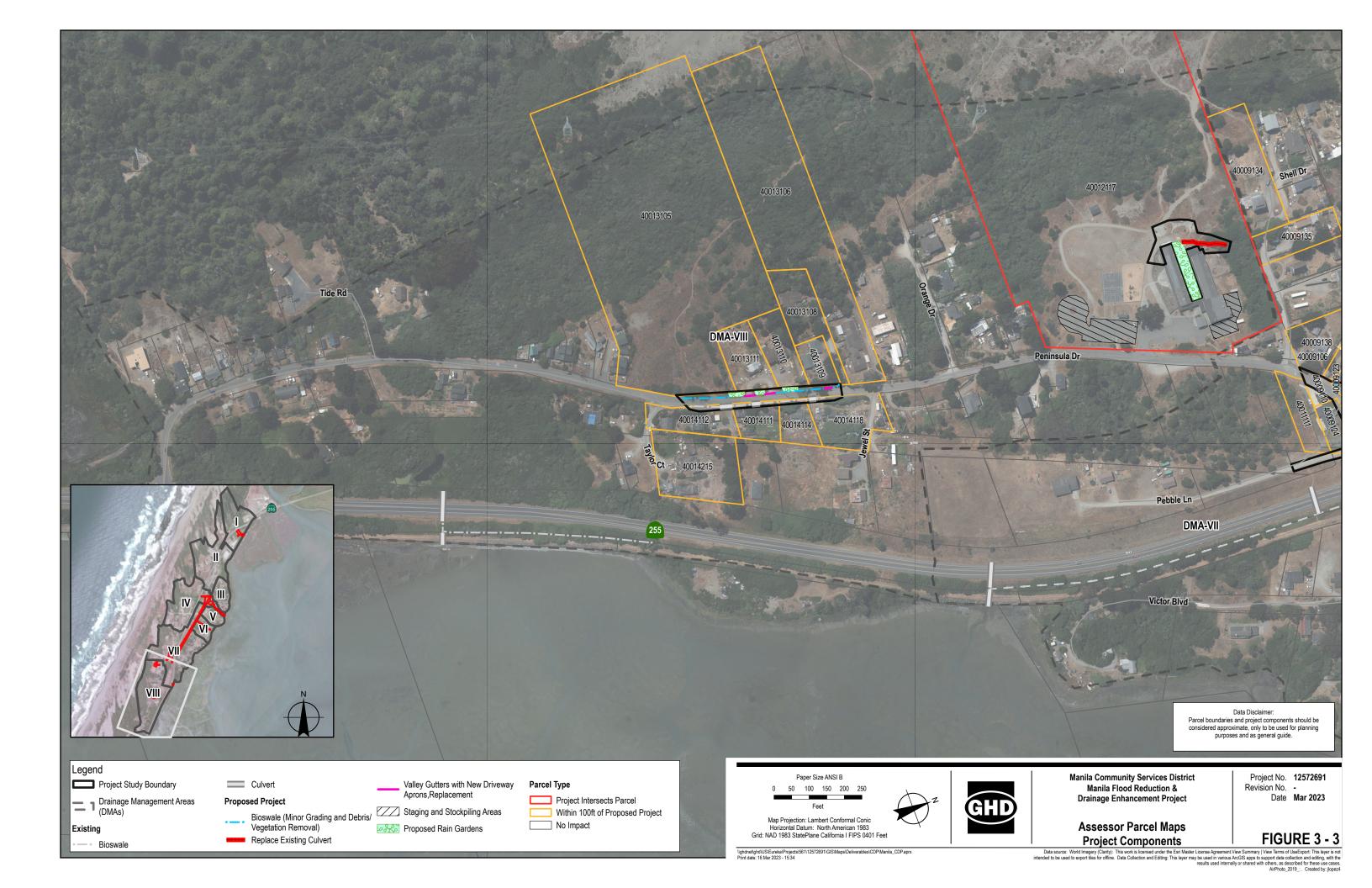


# Exhibit B

# License Area and Project Components Map







1 RESOLUTION 2 of the 3 **Board of Directors** 4 5 of 6 **GREAT REDWOOD TRAIL AGENCY** 7 Resolution No. 2024-14 IN THE MATTER OF: 8 Resolution No. 2024-14 9 Responsible Agency Findings Pursuant to 10 CEQA, Manila Community 11 Services District 12 WHEREAS, the MANILA COMMUNITY SERVICES DISTRICT (MCSD) has requested that 13 the GREAT REDWOOD TRAIL AGENCY ("GRTA") issue a license agreement to allow for 14 the construction and operation of certain drainage improvements on real property owned by 15 16 GRTA as part of a larger flood reduction project (the Project); and 17 18 WHEREAS, The Project is located in the unincorporated community of Manila on the Samoa 19 Peninsula in Humboldt County, California, to address chronic flooding and drainage problems 20 caused by undersized, disconnected, and failing drainage infrastructure. Existing bioswales are 21 proposed to be cleared and re-graded to original contours, and new bioswales to be graded to 22 connect with existing drainage systems. Restored and newly constructed bioswales would be 23 24 revegetated with native species. The Project will also replace undersized or failing culverts and 25 associated flap gates, and install several new culverts, drainpipes, and valley gutters to connect 26 drainage areas. Finally, rain gardens will replace impervious surfaces at the Manila Community 27 Center and as feasible along roadsides; and

WHEREAS, in connection with the staff recommendation to the Board of Directors of GRTA to delegate authority to the Executive Director to execute a license agreement with the MCSD within the GRTA right-of-way between mileposts 296.7 and 298.5 on the Samoa Branch near the community of Manila, GRTA staff has reviewed and analyzed the Manila Community Service District Flood Reduction and Drainage Enhancement Project Mitigated Negative Declaration, State Clearing House Number 2023020475,

## NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREAT REDWOOD TRAIL AGENCY finds and declares as follows:

- 1. The Board of Directors has considered the environmental effects of the Project as shown in the MCSD Mitigation Negative Declaration.
- 2. A new subsequent or supplemental EIR is not authorized by CEQA Guidelines section 15162 as none of the triggers of further environmental review are met.
- 3. Pursuant to CEQA Guidelines section 15096(g), no alternatives or additional mitigation measures are required to address the direct or indirect environmental effects of the limited parts of the project that the GRTA is deciding to carry out, finance, or approve.
- 4. There are no significant impacts related to the part of the project that the GRTA is carrying out, pursuant to CEQA Guidelines section 15096(h).
- 5. The Executive Director is directed to file a notice of determination regarding the above pursuant to CEQA Guidelines section 15096(i).
- The Executive Director, acting as the Clerk of the Board, is designated as the custodian of the record of the proceedings upon which the Board's decision is based.

1	These documents can be made available by	request at Blue Lake City Hall, 111 Greenwood Rd.	
2	Blue Lake, CA 95525 by first contacting GRTA at 707-463-3280 or		
3	info@thegreatredwoodtrail.org.		
4			
5			
6	Introduced and adopted this day of	, at a meeting of the Board of Directors of	
7	Great Redwood Trail Agency by the following		
8	AYES:		
9	NOES:		
10	ABSENT:		
11		GRTA Chair Sackett	
12	ATTEST:		
13	GRTA Executive Director		
14	Elaine Hogan		
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