



City Council Meeting

COUNCIL CHAMBERS, 33 SOUTH MAIN STREET, COLFAX, CA

· Mayor Sean Lomen · Mayor Pro Tem Trinity Burruss
Councilmembers · David Ackerman · Joe Fatula · Marnie Mendoza

REGULAR MEETING AGENDA

September 8, 2021

Regular Session: 6:00PM

This meeting will be held at Colfax City Hall, 33 South Main Street, along with an option to join via zoom if preferred:

Join via ZOOM on a computer or mobile device by visiting

<https://us02web.zoom.us/j/89726170341>

Dial in by calling one of the numbers listed below and enter the Webinar ID:

897 2617 0341

1 (669) 900-6833

1 (346) 248-7799

1 (312) 626-6799

1 (929) 205-6099

1 (253) 215-8782

1 (301) 715-8592

Or join via Facebook Live on our City of Colfax page: City of Colfax California

Submit public comments to the City Clerk via email at city.clerk@colfax-ca.gov, by mail to PO Box 702, Colfax CA 95713, or drop them off in the office at 33 S. Main Street, Colfax CA 95713 by 4pm on the day of the meeting.

Comments received will be submitted to Council and made part of the record.

1 CLOSED SESSION (No Closed Session)

2 OPEN SESSION

2A. **Call Open Session to Order**

2B. **Pledge of Allegiance**

2C. **Roll Call**

2D. **Approval of Agenda Order**

This is the time for changes to the agenda to be considered including removal, postponement, or change to the agenda sequence.

Recommended Action: By motion, accept the agenda as presented or amended.

3 AGENCY REPORTS

3A. **Placer County Sheriff**

3B. **Placer County Fire Department**

3C. **CHP**

3D. **Colfax Chamber of Commerce**

4 PRESENTATION (No Presentations)

5 PUBLIC HEARING (No public hearings)



Colfax City Council Meetings are ADA compliant. If you need special assistance to participate in this meeting, please contact the City Clerk at (530) 346-2313 at least 72 hours prior to make arrangements for ensuring your accessibility.

September 8, 2021

Page 1 of 3

6 CONSENT CALENDAR

Matters on the Consent Calendar are routine in nature and will be approved by one blanket motion with a Council vote. No discussion of these items ensues unless specific items are pulled for discussion and separate action. If you wish to have an item pulled from the Consent Agenda for discussion, please notify the Mayor.

Recommended Action: Approve Consent Calendar

6A. **Minutes** (pages 4-6)

Recommendation: By Motion, approve the Colfax City Council minutes of 8/25/2021.

*** end of consent calendar ***

7 PUBLIC COMMENT

The purpose of these reports is to provide information to the Council and public on projects, programs, and issues discussed at committee meetings and other items of Colfax related information. No decisions will be made on these issues. If a member of the Council prefers formal action be taken on any committee reports or other information, the issue will be placed on a future Council meeting agenda.

8 COUNCIL AND STAFF

The purpose of these reports is to provide information to the Council and public on projects, programs, and issues discussed at committee meetings and other items of Colfax related information. No decisions will be made on these issues. If a member of the Council prefers formal action be taken on any committee reports or other information, the issue will be placed on a future Council meeting agenda.

8A. **Committee Reports and Colfax Informational Items – All Councilmembers**

8B. **City Operations Update – City Manager**

9 COUNCIL BUSINESS

9A. **10 E. Grass Valley Street, Colfax Hotel** (pages 7-13)

Presentation: Emmanuel Ursu, Planning Director

Recommendation: Receive an information presentation and provide non-binding comments regarding a conceptual proposal to restore and renovate the historic Colfax Hotel to include restaurant/retail space, eight hotel rooms and eight multi-family units for both long-term and short-term occupancy.

9B. **101 Railroad Street Parking Lot Lease – Union Pacific** (pages 14-28)

Presentation: Wes Heathcock, City Manager

Recommendation: By Resolution __-2021 authorize the City Manager to enter into a property lease with Union Pacific for 101 Railroad Street.

10 GOOD OF THE ORDER

Informal statements, observation reports and inquiries regarding the business of the City may be presented by council members under this agenda item or requests for placement of items of interest on a future agenda. No action will be taken.



11 ADJOURNMENT

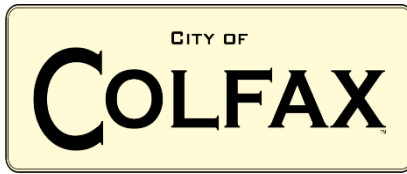
I, Amy Lind, Interim City Clerk for the City of Colfax, declare that this agenda was posted at Colfax City Hall and Colfax Post Office. The agenda is also available on the City website at <http://colfax-ca.gov/>

Amy M. Lind

Amy Lind, Interim City Clerk

Administrative Remedies must be exhausted prior to action being initiated in a court of law. If you challenge City Council action in court, you may be limited to raising only those issues you or someone else raised at a public hearing described in this notice/agenda, or in written correspondence delivered to the City Clerk of the City of Colfax at, or prior to, said public hearing.





City Council Minutes

Regular Meeting of Colfax City Council
Wednesday, August 25, 2021
City Hall Council Chambers
33 S. Main Street, Colfax CA

1 CLOSED SESSION (No Closed Session)

2 OPEN SESSION

2A. Call Open Session to Order

Mayor Lomen called the open session to order at 6:00 PM

2B. Pledge of Allegiance

Councilmember Fatula led the Pledge of Allegiance

2C. Roll Call

Present: Mendoza, Fatula, Lomen

Absent: Ackerman, Burruss

2D. Approval of Agenda Order

By motion, accept the agenda as presented.

MOTION made by Councilmember Fatula and seconded by Councilmember Mendoza and unanimously approved by voice.

3 AGENCY REPORTS

3A. **Placer County Sheriff** – not available

3B. **Placer County Fire Department** – County Fire Chief Estes provided an update on the volunteer/ Colfax transition to the Placer County Fire Department including equipment, vehicles and uniforms. He also spoke about the River Fire and other active fires in the area.

3C. **CHP** – not available

3D. **Colfax Chamber of Commerce** – Chamber President Sally Laughlin spoke about River Fire support and COVID impacts on activities. This information can be found on the Chamber's website.

4 PRESENTATION (none)

5 PUBLIC HEARING (none)

6 CONSENT CALENDAR

6A. **Minutes of the July 28, 2021 Council meeting**

Removed from consent calendar.

6B. **Cash Summary - July 2021**

Recommendation: Accept and File.

6C. **Proposition 68 Grant Application**

Recommendation: Adopt Resolution 40-2021 approving the application for Proposition 68 Per Capita Grant funds.

6D. **South Auburn Roundabout Monument Sign**

Recommendation: Adopt Resolution 41-2021 authorizing the City Manager to execute a Construction Services Agreement with Solace Graphics and Simpson & Simpson Inc. to install a lighted City of Colfax sign and hardscaping at the South Auburn Roundabout, in an amount not to exceed \$76,577.00.

*** end of consent calendar ***

By **MOTION**, approve the consent calendar excluding 6A.

MOTION made by Councilmember Fatula and seconded by Councilmember Mendoza and approved by the following vote:

AYES: Mendoza, Fatula, Lomen

NOES:

ABSTAIN:

ABSENT: Ackerman, Burruss

6A. **Minutes of the July 28, 2021 Council meeting**

Councilmember Fatula asked for an amendment to these minutes.

Recommendation: By Motion, approve the Colfax City Council minutes of 7/28/2021 as amended.

MOTION made by Councilmember Fatula and seconded by Councilmember Mendoza and approved by the following vote:

AYES: Mendoza, Fatula, Lomen

NOES:

ABSTAIN:

ABSENT: Ackerman, Burruss

7 PUBLIC COMMENT (none)

8 COUNCIL AND STAFF

- 8A. Councilmember Mendoza spoke about the approved letter requesting FEMA funding for fires. She spoke about Placer Food Bank on Tuesdays at the Community Center.

Councilmember Fatula spoke about River Fire impacts and a food bank at Sierra First Baptist.

Mayor Lomen announced the Fire Safe Council Meeting to be held August 26th.

- 8B. City Manager Heathcock spoke about a magazine release by Placer County Water Agency with info about fire suppression and land management.

9 COUNCIL BUSINESS

9A. River Fire Emergency Lodging Reimbursement Funding Program

Wes Heathcock, City Manager spoke about the River Fire and impacts to residents resulting in financial hardships. He stated under Colfax Municipal Code chapter 2.6, he implemented the River Fire Emergency Lodging program, funded up to \$10,000. He is looking for the Council to ratify these actions.

Recommendation: Approve Resolution 42-2021 authorizing the City Manager to administer the River Fire Emergency Lodging Reimbursement Funding program, as amended to include lodging and meals in an amount not to exceed \$20,000 (increased from original \$10,000 proposed). The household limit will remain at \$500 max.

MOTION made by Councilmember Fatula and seconded by Councilmember Mendoza and approved by the following vote:

AYES: Mendoza, Fatula, Lomen

NOES:

ABSTAIN:

ABSENT: Ackerman, Burruss

9 GOOD OF THE ORDER

Mayor Lomen thanked everyone for the community support during the River Fire.

10 ADJOURNMENT

As there was no further business on the agenda, Mayor Lomen adjourned the meeting, by motion and without objection at 6:29 PM.

Respectfully submitted to City Council this 8th day of September, 2021

Amy Lind, Interim City Clerk



Staff Report to City Council

FOR THE SEPTEMBER 08, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Emmanuel Ursu, Planning Director
Subject: 10 E. Grass Valley Street, Colfax Hotel

Budget Impact Overview:

N/A: ✓	Funded:	Un-funded:	Amount:	Fund(s):
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RECOMMENDED ACTION: Receive an information presentation and provide non-binding comments regarding a conceptual proposal to restore and renovate the historic Colfax Hotel to include restaurant/retail space, eight hotel rooms and eight multi-family units for both long-term and short-term occupancy.

Summary/Background

For more than three decades, the historic Colfax Hotel has sat vacant in a partial state of construction through multiple owners and has been the subject of several code enforcement cases. A buyer, Leif Lowery of Vintage Development is in contract to purchase the property. The owners of Vintage Development specialize in restoration and renovation of historic buildings and own and operate the historic Dutch Flat Hotel in Dutch Flat, CA and Miner’s Camp in Foresthill, CA.

Discussion

Project Site and Context

Colfax Hotel is at the easterly gateway to the historic downtown on a rectangular 14,000 square foot site that measures 100 feet wide by 140 feet deep and is next to the Union Pacific railroad and Amtrak train station. The site is a flat pad cut into a hillside on which the building and a yard area on the east side of the building are situated. A retaining wall runs along the Grass Valley St. frontage toward the S. Auburn St. intersection and then parallel to S. Auburn St. to support the cut into the hillside. The property does not include the entire flat area behind the building. The easterly property line is located approximately 20 feet west of the base of the retaining wall parallel to S. Auburn St.

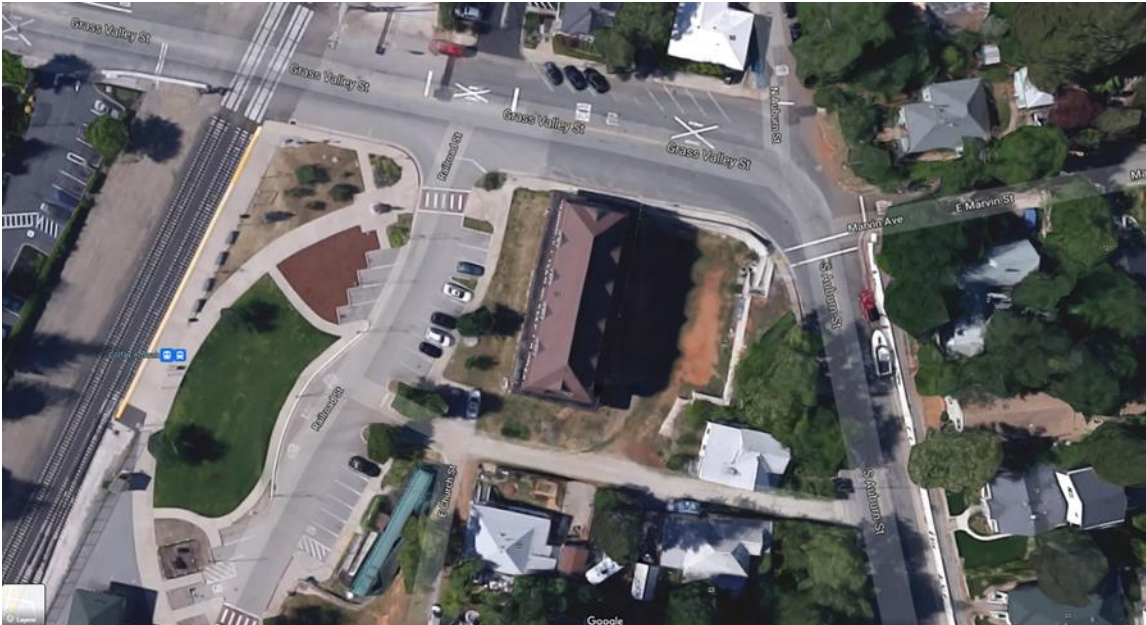


Figure 1: Project Site and Context Map

Public right-of-way surrounds the property with Grass Valley St. on the north (**Figure 2**), Railroad St. on the west (**Figure 3**) and a gravel alley on the south (**Figure 4**). A single-family home is located to the east of the site on the property at the corner of Grass Valley St and S. Auburn St.



Figure 2: Street view of Northeast building corner

The site is zoned Retail-Commercial/Historic Overlay (CR-H) as are the properties to the north, east, and west. Property to the south on the opposite side of the gravel alley are zoned Multi-Family Residence-Historic Overlay (R-M-1-H). The General Plan Land Use Designation for the site is Commercial.

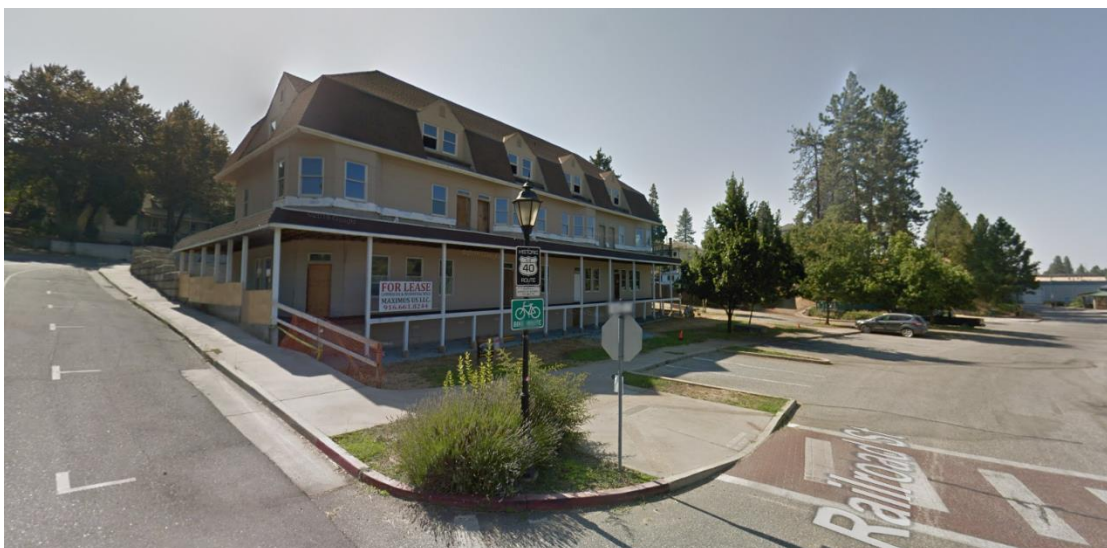


Figure 3: Street view of Northwest building corner

Existing Building

The existing building is three-stories with a 3,436-square foot footprint and a total floor area of approximately 10,136 square feet. An approximately eight-foot-deep covered porch surrounds the first floor and serves as a balcony for access to the second floor. Interior access is provided to the third floor from the second story. Currently, the interior of the building is stripped to the wood frame. At the first floor, one interior supporting wall runs the middle of the length of most of the building with a few demising walls and on the second and third floors, interior framing for a prior senior housing proposal is mostly complete. Plumbing waste and vent lines are also installed in much of the second and third floor and much of the plumbing for the fire suppression system is also installed.



Figure 4: Street view of west side of building

Project Description

In meetings and email correspondence with the City Manager and Planning Director the prospective owner described his proposal to renovate and, to the extent practical, restore the historic character of the building. The proposed use would include approximately 1,000 square feet of restaurant/retail space on the ground floor along the Grass Valley St. frontage, eight hotel rooms in the remaining ground floor space and eight, two-story multi-family units for both long-term and short-term occupancy on the second and third floors.

Conceptual floor plans were provided as shown in **Figures 5, 6 and 7** for the first, second and third floors, respectively.

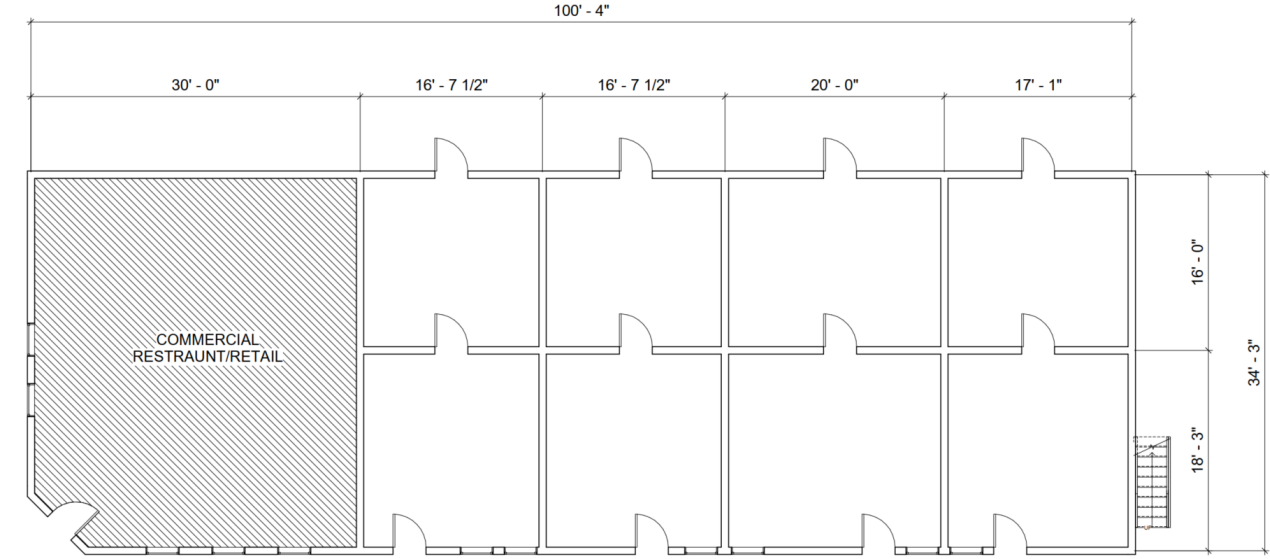


Figure 5: Conceptual Floor Plan – First floor

Access to the hotel rooms would be from the covered porch surrounding the building with connecting doors between the rooms that back to each other. The covered porch surrounding the restaurant/retail space could accommodate outdoor dining or display of merchandise.

Entrances to the eight two-story units would be at the second floor. **Figures 6 and 7** represent the floor plans of the existing building in its incomplete state of construction. Mr. Lowery indicated that the final design will likely closely follow the existing floor plan with some possible swapping of door and window locations. As currently conceptualized, the kitchen and living areas would be on at the entry level (second floor of the building) with bedroom(s) and bathroom on the second floor of the units (third floor of the building). Per the dimensions on the plans provided, the units would range from approximately 735 square feet to 865 square feet.

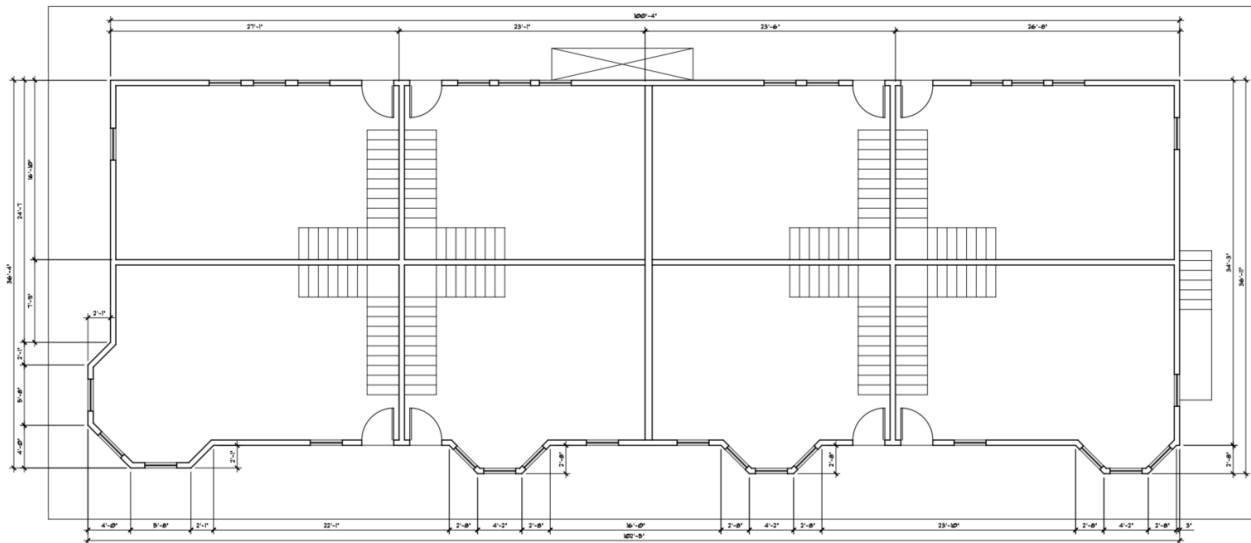


Figure 6: Existing and Conceptual Floor Plan – Second floor

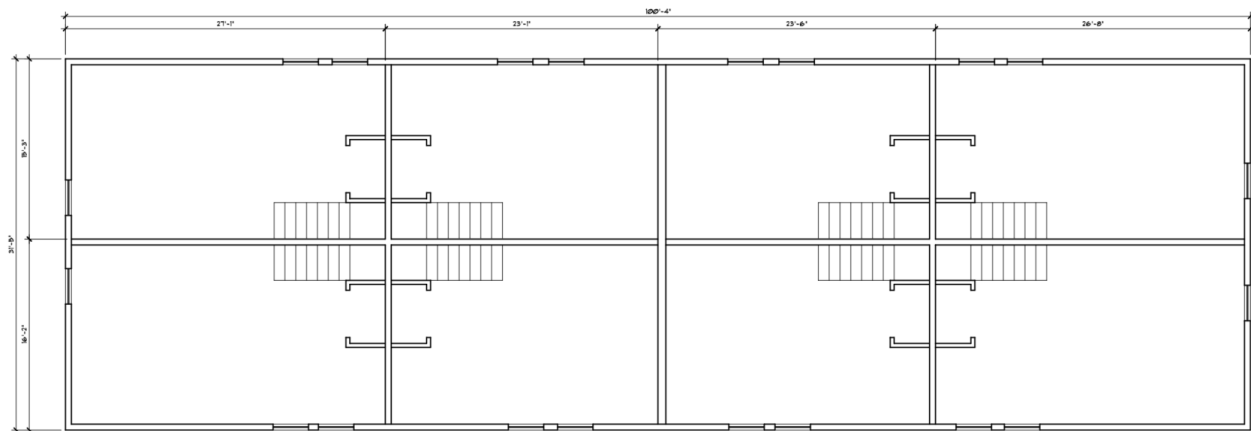


Figure 7: Existing and Conceptual Floor Plan – Third floor

General Plan

At Figure 2-2, the General Plan designates the project site on the “General Plan Map” as *Commercial* and at Figure 2-1, the General Plan includes the “Existing Land Use and Zoning Overlay” which identifies existing land uses and Zoning districts. Figure 2-1 includes two commercial districts: Retail Commercial and Highway Commercial and the subject site is in the Retail Commercial District. At page 2-7, the General Plan recites the purposes and appropriate land uses for the two commercial zoning districts.

The Retail Commercial District (C-R) is intended to:

“provide for areas where shopping centers may be established to serve surrounding residential neighborhoods and the outlying districts. The regulations of this district are designed to promote a combination of retail and service facilities to meet the needs of residents of the surrounding area.”

The allowable uses under the C-R designation include some of the following: retail businesses such as food, hardware, dry goods, drug store, and furniture; service and professional establishments and offices; restaurants, bars and theaters; business and technical schools; and single residential living areas.”

In contrast, the General Plan states that the purpose of the Highway Commercial District (C-H) is:

“to provide for areas in appropriate locations adjacent to thoroughfares where activities are dependent upon or cater to thoroughfare traffic, such as Interstate 80. The regulations of this district are designed to encourage centers for retail, commercial, entertainment, automotive, and tourist facilities, and other appropriate highway-related activities.”

Policies and implementation measures of the Colfax General Plan applicable to the conceptual proposal are listed below followed by a brief staff analysis (in *italics*).

Policy 2.6.1.2 Avoid the approval of land uses which threaten public safety and property values.

Restoration and renovation of the long-vacant building in its prominent location near the heart of the downtown will enhance public safety and improve property values.

Policy 2.6.1.4 Conserve and improve aesthetic, historic, neighborhood, open space and environmental land resources of the community.

The conceptual proposal conserves and improves the aesthetics of a historic downtown structure.

Implementation Measure 2.6.1E

Traveler and visitor-oriented land uses will be located near the I-80 corridor.

The project site is approximately 750 feet west of I-80 and 1/3rd mile north of the nearest I-80 on- and off-ramps

Policy 2.6.2.1 Encourage the location and development of businesses which generate high property and sales taxes, local employment and are environmentally compatible.

The proposed project will increase the property tax revenue collected, increase sales and transient occupancy tax, create employment opportunities and is environmentally sensitive in that it reuses an existing structure.

Policy 4.8.2.1 Locate new noise sensitive land uses asway from noise sources unless mitigation measures are included in development plans.

As a part of renovation of the building, appropriate noise attenuation measures may be required to address railroad noise.

Implementation Measure 4.8.2B

Require noise mitigation measures when new residences are built in proximity to major transportation facilities.

As a part of renovation of the building, appropriate noise attenuation measures may be required to address railroad noise.

Policy 5.8.1 Maintain the community's character and appearance through the use of traditional materials and building styles. Commercial development characteristics should reflect architectural features and building materials and building colors common during 1875 to 1920.

Consistent with the applicant's stated intentions, as a part of the plan review process for renovation of the building, the City will ensure the appropriate historical characteristics of the structure are preserved and, as applicable and practical, restored.

Policy 5.8.2 Utilize historic design features and colors.

Consistent with the applicant's stated intentions, as a part of the plan review process for renovation of the building, the City will ensure the appropriate historic design features and colors of the structure are preserved and, as applicable and practical, restored.

Policy 5.8.3 Maintain pedestrian scale in the downtown area.

The existing porch around the structure and the proposal to include a retail or restaurant use on the ground floor frontage, will contribute to the enhancement of the pedestrian scale of the downtown.

Policy 5.11.1 All new or remodeled structures shall reflect the early railroad and/or a mountain/western style of architecture. Roof shall be pitched rather than flat. Porches or covered entries shall be used. Brick, rock or wood facades are preferred rather than block or stucco.

Policy 5.11.2 Traditional materials such as wood and brick, are encouraged.

Zoning Ordinance

As discussed above, the project site is in the Retail Commercial district which is intended to "provide for areas where shopping centers may be established to serve surrounding residential neighborhoods and the outlying districts. The regulations of this district are designed to promote a combination of retail and service facilities to meet the needs of residents of the surrounding area."

Zoning Code Section 17.64.030 lists primary uses by type (e.g., agricultural and open space, civic, residential, commercial, industrial, and transportation and communication) and in Section 17.64.090 the primary commercial use types are described. The table in Section 17.76.020 – *Permitted use types* lists uses allowed in the Retail Commercial and Highway Commercial zoning districts and the type of approval required (e.g., principally permitted, conditionally permitted, or administratively permitted). While lodging is listed as a primary commercial use in Section 17.64.030 and described in detail in Section 17.64.090, lodging is omitted from the table of permitted use types in Section 17.76.020. Staff believes this is a typographical error and lodging was intended to be included in the list of uses allowed in both commercial zoning districts. Staff requests Council confirmation of this interpretation.

Multi-family uses are listed as a conditional permitted use in the Retail Commercial district. If an application for development of the site includes apartments, City Council approval of conditional use permit will be required and can be conditioned for review in an appropriate duration of time.

Design review approval will also be required unless a project is submitted which qualifies for an exemption from design review per Zoning Code Section 17.32.010(C)(1). If design review is required, it would be considered by the City Council concurrently with a conditional use permit for residential use on the site.

Parking requirements for the conceptual project is summarized in the table below:

Use	Parking Standard	Conceptual Proposal ⁽¹⁾	Parking Spaces Required
Residential – studio or 1 bedroom	1.5 spaces per unit	4 units	6
Residential – 2 bedrooms	2 spaces per unit	4 units ⁽²⁾	8
Hotel	1 space per guest room 1 oversize space (10'X 25")	8 rooms	8 standard 1 oversize
Retail	1 space per 500 sf	1000 sf	2
Restaurant	1 space per 100 sf	500 sf	5
Total (without restaurant)			24 standard & 1 oversize
Total (without retail)			27 standard & 1 oversize

1. Assumes 100% retail or 100% restaurant with 500 sf of dining area
2. Assumes half of the units will have one bedroom and the other half will have two bedrooms.

Environmental Review

No action is proposed at this time; therefore, this item is not a project, as defined by the California Environmental Quality Act (CEQA), 14 California Code of Regulations Section, 15378, and is not subject to CEQA requirements.

If an application to redevelop the property is submitted, the City will determine the appropriate level of review that may be necessary under the California Environmental Quality Act.

Attachments

None.



Staff Report to City Council

FOR THE SEPTEMBER 08, 2021 REGULAR CITY COUNCIL MEETING

From: Wes Heathcock, City Manager
Prepared by: Wes Heathcock, City Manager
Subject: 101 Railroad Street Parking Lot Lease – Union Pacific

Budget Impact Overview:

N/A:	Funded: ✓	Un-funded:	Amount: \$5,000 annually	Fund(s): 100
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RECOMMENDED ACTION: Discuss and consider authorizing the City Manager to enter into a property lease with Union Pacific for 101 Railroad Street.

Summary/Background

The City of Colfax has pursued the potential of leasing the California Fruit Growers Association location at 101 Railroad Street since the structure was removed in 2017. Staff established a dialog with Union Pacific in early 2018 to see if they would support leasing the vacant land to the City. Initial discussions with Union Pacific resulted in rejection of the lease potential. Subsequently, Union Pacific shifted their position on the lease option subject to the use as a parking lot for the community. Union Pacific produced an annual lease cost of \$9,000 for 101 Railroad Street back in 2018. Staff did not feel the lease was worth pursuing at that value.

Staff engaged Union Pacific again in early 2021 to see if they were flexible on the 101 Railroad Street annual lease cost. Union Pacific and the City of Colfax did come to an agreement for an annual lease agreement valued at \$5,000 with the option to consider an inflation percentage increase after year three. The lease term is in perpetuity or until either party chooses to terminate the agreement. Staff is recommending Council authorize the City Manager to enter into a property lease with Union Pacific for 101 Railroad Street. The lease of 101 Railroad Street will provide additional downtown parking that is needed to meet current and future demand.

Initial surface improvements would be constructed in an all-weather base rock material. The project site is included in the Downtown streetscape planning document, which would result in a more permanent surface if the Downtown Streetscape construction project is grant funded.

Fiscal Impacts

The annual lease fee is funded by the General Fund 100 unrestricted account.

Attachments:

1. Resolution __-2021
2. Union Pacific Railroad Lease Agreement
3. Parking Lot Diagram

City of Colfax

City Council

Resolution No. __-2021

AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROPERTY LEASE WITH UNION PACIFIC
FOR 101 RAILROAD STREET

WHEREAS, The Union Pacific property at 101 Railroad Street was turned into vacant land in 2017;
and,

WHEREAS, Union Pacific and City staff were able to arrive at reasonable lease terms to improve the
property into downtown parking; and,

WHEREAS, Staff is recommending City Council authorize the City Manager to enter into a property
lease with Union Pacific for 101 Railroad Street specified in the attached terms.

NOW THEREFORE, BE IT RESOLVED the City Council of the City of Colfax authorizes the City
Manager to enter into a property lease with Union Pacific for 101 Railroad Street.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED at the Regular
Council Meeting of the City Council of the City of Colfax held on the 8th day of September 2021, by the
following vote of the Council:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

ATTEST:

Sean Lomen, Mayor

Amy Lind, Interim City Clerk

Industrial Lease (Year To Year) 09-01-06
 (Unimproved Property)
 Form Approved, Law

Audit No. _____
 Folder No. 3111-51

LEASE OF PROPERTY
(INDUSTRIAL LEASE - UNIMPROVED - YEAR TO YEAR)

THIS LEASE (“Lease”) is entered into on _____, 20____, between **UNION PACIFIC RAILROAD COMPANY** (“Lessor”) and the **CITY OF COLFAX**, a California municipality with address of is PO Box 702, Colfax, CA 95713 (“Lessee”).

IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

Article 1. PREMISES; USE.

Lessor leases to Lessee and Lessee leases from Lessor the premises (“Premises”) at Colfax, California, shown on the print dated **July 24, 2018**, marked **Exhibit A**, hereto attached and made a part hereof, subject to the provisions of this Lease and of **Exhibit B** attached hereto and made a part hereof. The Premises may be used for **outside storage and parking**, and purposes incidental thereto, only, and for no other purpose.

Article 2. TERM.

The term of this Lease shall commence **August, 2021**, and, unless sooner terminated as provided in this Lease, shall extend for one year and thereafter shall automatically be extended from year to year.

Article 3. FIXED RENT.

- A. Lessee shall pay to Lessor, in advance, fixed rent of **Five Thousand Dollars (\$5,000.00)** annually.
- B. Not more than once every **three (3) years**, Lessor may redetermine the fixed rent. If Lessor redetermines the rent, Lessor shall notify Lessee of such change.

Article 4. INSURANCE.

- A. Throughout the entire term of this Lease, Lessee shall maintain the insurance coverage required under **Exhibit C** hereto attached and made a part hereof.
- B. Not more frequently than once every two years, Lessor may reasonably modify the required insurance coverage to reflect then-current risk management practices in the railroad industry and underwriting practices in the insurance industry.
- C. Upon request of Lessor, Lessee shall provide to Lessor a certificate issued by its insurance carrier evidencing the insurance coverage required under **Exhibit C**.
- D. All insurance correspondence shall be directed to: Real Estate Department, 1400 Douglas Street STOP 1690, Omaha, Nebraska 68179-1690, Folder No. 3111-51.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first herein written.

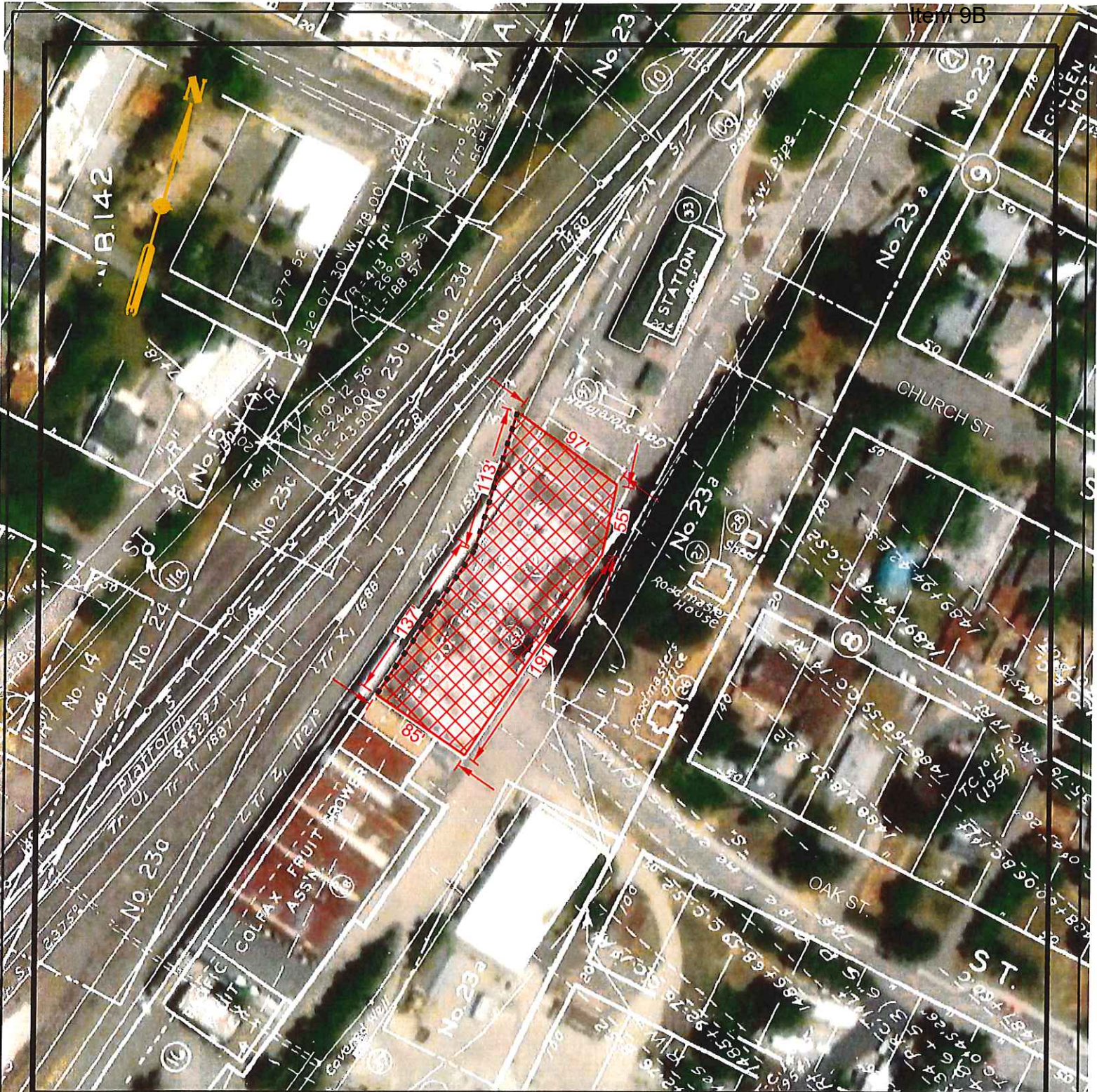
Lessor:
UNION PACIFIC RAILROAD COMPANY

Lessee:
CITY OF COLFAX


By: _____
Senior Manager - Real Estate


By: _____
Title: _____


NOTE:



LEGEND:

LEASE AREA 

FENCE 

UPRRCO. R/W OUTLINED 

LEASE AREA: 21,880 SQ.FT. / 0.50 AC. +/-

NOTE: BEFORE YOU BEGIN ANY WORK, SEE AGREEMENT FOR FIBER OPTIC PROVISIONS.

EXHIBIT "A"

UNION PACIFIC RAILROAD COMPANY

COLFAX, PLACER COUNTY, CA

M.P. 141 TO 142 - ROSEVILLE SUB.

SP/CA/V-112/S17B
SCALE: 1" = 100'

OFFICE OF REAL ESTATE
OMAHA, NEBRASKA DATE: 7-24-2018

DSK FILE: 3111-51

CADD
FILENAME 0311151

SCAN
FILENAME S:/SP/CA/100S/112/C112S17B.TIF

Industrial Lease (Year To Year) 09-01-06
(Unimproved Property)
Form Approved, Law

**EXHIBIT B
TO
INDUSTRIAL LEASE (UNIMPROVED YEAR TO YEAR)**

Section 1. IMPROVEMENTS.

No improvements placed upon the Premises by Lessee shall become a part of the realty.

Section 2. RESERVATIONS, TITLE AND PRIOR RIGHTS.

A. Lessor reserves to itself, its agents and contractors, the right to enter the Premises at such times as will not unreasonably interfere with Lessee's use of the Premises.

B. Lessor reserves (i) the exclusive right to permit third party placement of advertising signs on the Premises, and (ii) the right to construct, maintain and operate new and existing facilities (including, without limitation, trackage, fences, communication facilities, roadways and utilities) upon, over, across or under the Premises, and to grant to others such rights, provided that Lessee's use of the Premises is not interfered with unreasonably.

C. Lessee acknowledges that Lessor makes no representations or warranties, express or implied, concerning the title to the Premises, and that the rights granted to Lessee under this Lease do not extend beyond such right, title or interest as Lessor may have in and to the Premises. Without limitation of the foregoing, this Lease is made subject to all outstanding rights, whether or not of record. Lessor reserves the right to renew any such outstanding rights granted by Lessor or Lessor's predecessors.

D. Without limitation of Subparagraphs B. and C. above, Lessee shall not interfere in any manner with the use or operation of any signboards now or hereafter placed on the Premises or with any property uses in connection with such signboards (such as, by way of example and not in limitation, roadways providing access to such signboards). In no event may Lessee construct on the Premises any improvements that interfere in any manner with the visibility or operation of any signboards now or hereafter on the Premises or on property in proximity to the Premises.

Section 3. PAYMENT OF RENT.

Rent (which includes the fixed advance rent and all other amounts to be paid by Lessee under this Lease) shall be paid in lawful money of the United States of America, at such place as shall be designated by the Lessor, and without offset or deduction.

Section 4. TAXES AND ASSESSMENTS.

A. Lessee shall pay, prior to delinquency, all taxes levied during the life of this Lease on all personal property and improvements on the Premises not belonging to Lessor. If such taxes are paid by Lessor, either separately or as a part of the levy on Lessor's real property, Lessee shall reimburse Lessor in full within thirty (30) days after rendition of Lessor's bill.

B. If the Premises are specially assessed for public improvements, the annual rent will be automatically increased by 12% of the full assessment amount.

Section 5. WATER RIGHTS.

This Lease does not include any right to the use of water under any water right of Lessor, or to establish any water rights except in the name of Lessor.

Section 6. CARE AND USE OF PREMISES.

A. Lessee shall use reasonable care and caution against damage or destruction to the Premises. Lessee shall not use or permit the use of the Premises for any unlawful purpose, maintain any nuisance, permit any waste, or use the Premises in any way that creates a hazard to persons or property. Lessee shall keep the sidewalks and public ways on the Premises, and the walkways appurtenant to any railroad spur track(s) on or serving the Premises, free and clear from any substance which might create a hazard.

B. Lessee shall not permit any sign on the Premises, except signs relating to Lessee's business.

C. If any improvement on the Premises other than the Lessor Improvements is damaged or destroyed by fire or other casualty, Lessee shall, within thirty (30) days after such casualty, remove all debris resulting therefrom. If Lessee fails to do so, Lessor may remove such debris, and Lessee agrees to reimburse Lessor for all expenses incurred within thirty (30) days after rendition of Lessor's bill.

D. Lessee shall comply with all governmental laws, ordinances, rules, regulations and orders relating to Lessee's use of the Premises and this Lease, including, without limitation, any requirements for subdividing or platting the Premises.

Section 7. HAZARDOUS MATERIALS, SUBSTANCES AND WASTES.

A. Without the prior written consent of Lessor, Lessee shall not use or permit the use of the Premises for the generation, use, treatment, manufacture, production, storage or recycling of any Hazardous Substances, except that Lessee may use, if lawful, small quantities of common chemicals such as adhesives, lubricants and cleaning fluids in order to conduct business at the Premises. The consent of Lessor may be withheld by Lessor for any reason whatsoever, and may be subject to conditions in addition to those set forth below. It shall be the sole responsibility of Lessee to determine whether or not a contemplated use of the Premises is a Hazardous Substance use.

B. In no event shall Lessee (i) release, discharge or dispose of any Hazardous Substances, (ii) bring any hazardous wastes as defined in RCRA onto the Premises, (iii) install or use on the Premises any underground storage tanks, or (iv) store any Hazardous Substances within one hundred feet (100') of the center line of any main track.

C. If Lessee uses or permits the use of the Premises for a Hazardous Substance use, with or without Lessor's consent, Lessee shall furnish to Lessor copies of all permits, identification numbers and notices issued by governmental agencies in connection with such Hazardous Substance use, together with such other information on the Hazardous Substance use as may be requested by Lessor. If requested by Lessor, Lessee shall cause to be performed an environmental

assessment of the Premises upon termination of the Lease and shall furnish Lessor a copy of such report, at Lessee's sole cost and expense.

D. Without limitation of the provisions of Section 12 of this Exhibit B, Lessee shall be responsible for all damages, losses, costs, expenses, claims, fines and penalties related in any manner to any Hazardous Substance use of the Premises (or any property in proximity to the Premises) during the term of this Lease or, if longer, during Lessee's occupancy of the Premises, regardless of Lessor's consent to such use or any negligence, misconduct or strict liability of any Indemnified Party (as defined in Section 12), and including, without limitation, (i) any diminution in the value of the Premises and/or any adjacent property of any of the Indemnified Parties, and (ii) the cost and expense of clean-up, restoration, containment, remediation, decontamination, removal, investigation, monitoring, closure or post-closure. Notwithstanding the foregoing, Lessee shall not be responsible for Hazardous Substances (i) existing on, in or under the Premises prior to the earlier to occur of the commencement of the term of the Lease or Lessee's taking occupancy of the Premises, or (ii) migrating from adjacent property not controlled by Lessee, or (iii) placed on, in or under the Premises by any of the Indemnified Parties; except where the Hazardous Substance is discovered by, or the contamination is exacerbated by, any excavation or investigation undertaken by or at the behest of Lessee. Lessee shall have the burden of proving by a preponderance of the evidence that any of the foregoing exceptions to Lessee's responsibility for Hazardous Substances applies.

E. In addition to the other rights and remedies of Lessor under this Lease or as may be provided by law, if Lessor reasonably determines that the Premises may have been used during the term of this Lease or any prior lease with Lessee for all or any portion of the Premises, or are being used for any Hazardous Substance use, with or without Lessor's consent thereto, and that a release or other contamination may have occurred, Lessor may, at its election and at any time during the life of this Lease or thereafter (i) cause the Premises and/or any adjacent premises of Lessor to be tested, investigated, or monitored for the presence of any Hazardous Substance, (ii) cause any Hazardous Substance to be removed from the Premises and any adjacent lands of Lessor, (iii) cause to be performed any restoration of the Premises and any adjacent lands of Lessor, and (iv) cause to be performed any remediation of, or response to, the environmental condition of the Premises and the adjacent lands of Lessor, as Lessor reasonably may deem necessary or desirable, and the cost and expense thereof shall be reimbursed by Lessee to Lessor within thirty (30) days after rendition of Lessor's bill. In addition, Lessor may, at its election, require Lessee, at Lessee's sole cost and expense, to perform such work, in which event, Lessee shall promptly commence to perform and thereafter diligently prosecute to completion such work, using one or more contractors and a supervising consulting engineer approved in advance by Lessor.

F. For purposes of this Section 7, the term "Hazardous Substance" shall mean (i) those substances included within the definitions of "hazardous substance", "pollutant", "contaminant", or "hazardous waste", in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601, *et seq.*, as amended or in RCRA, the regulations promulgated pursuant to either such Act, or state laws and regulations similar to or promulgated pursuant to either such Act, (ii) any material, waste or substance which is (A) petroleum, (B) asbestos, (C) flammable or explosive, or (D) radioactive; and (iii) such other substances, materials and wastes which are or become regulated or classified as hazardous or toxic under any existing or future federal, state or local law.

Section 8. UTILITIES.

A. Lessee will arrange and pay for all utilities and services supplied to the Premises or to Lessee.

B. All utilities and services will be separately metered to Lessee. If not separately metered, Lessee shall pay its proportionate share as reasonably determined by Lessor.

Section 9. LIENS.

Lessee shall not allow any liens to attach to the Premises for any services, labor or materials furnished to the Premises or otherwise arising from Lessee's use of the Premises. Lessor shall have the right to discharge any such liens at Lessee's expense.

Section 10. ALTERATIONS AND IMPROVEMENTS; CLEARANCES.

A. No alterations, improvements or installations may be made on the Premises without the prior consent of Lessor. Such consent, if given, shall be subject to the needs and requirements of the Lessor in the operation of its Railroad and to such other conditions as Lessor determines to impose. In all events such consent shall be conditioned upon strict conformance with all applicable governmental requirements and Lessor's then-current clearance standards.

B. All alterations, improvements or installations shall be at Lessee's sole cost and expense.

C. Lessee shall comply with Lessor's then-current clearance standards, except (i) where to do so would cause Lessee to violate an applicable governmental requirement, or (ii) for any improvement or device in place prior to Lessee taking possession of the Premises if such improvement or device complied with Lessor's clearance standards at the time of its installation.

D. Any actual or implied knowledge of Lessor of a violation of the clearance requirements of this Lease or of any governmental requirements shall not relieve Lessee of the obligation to comply with such requirements, nor shall any consent of Lessor be deemed to be a representation of such compliance.

Section 11. AS-IS.

Lessee accepts the Premises in its present condition with all faults, whether patent or latent, and without warranties or covenants, express or implied. Lessee acknowledges that Lessor shall have no duty to maintain, repair or improve the Premises.

Section 12. RELEASE AND INDEMNITY.

A. As a material part of the consideration for this Lease, Lessee, to the extent it may lawfully do so, waives and releases any and all claims against Lessor for, and agrees to indemnify, defend and hold harmless Lessor, its affiliates, and its and their officers, agents and employees ("Indemnified Parties") from and against, any loss, damage (including, without limitation, punitive or consequential damages), injury, liability, claim, demand, cost or expense (including, without limitation, attorneys' fees and court costs), fine or penalty (collectively, "Loss") incurred by any person (including, without limitation, Lessor, Lessee, or any employee of Lessor or Lessee) (i) for personal injury or property damage caused to any person while on or about the Premises, or (ii)

arising from or related to any use of the Premises by Lessee or any invitee or licensee of Lessee, any act or omission of Lessee, its officers, agents, employees, licensees or invitees, or any breach of this Lease by Lessee.

B. The foregoing release and indemnity shall apply regardless of any negligence, misconduct or strict liability of any Indemnified Party, except that the indemnity, only, shall not apply to any Loss determined by final order of a court of competent jurisdiction to have been caused by the sole active direct negligence of any Indemnified Party.

C. Where applicable to the Loss, the liability provisions of any contract between Lessor and Lessee covering the carriage of shipments or trackage serving the Premises shall govern the Loss and shall supersede the provisions of this Section 12.

D. No provision of this Lease with respect to insurance shall limit the extent of the release and indemnity provisions of this Section 12.

Section 13. TERMINATION.

A. Lessor may terminate this Lease for Lessee's default by giving Lessee notice of termination, if Lessee (i) defaults under any obligation of Lessee under this Lease and, after written notice is given by Lessor to Lessee specifying the default, Lessee fails either to immediately commence to cure the default, or to complete the cure expeditiously but in all events within thirty (30) days after the default notice is given, or (ii) Lessee abandons the Premises for a period of one hundred twenty (120) consecutive days.

B. Notwithstanding the terms of this Lease set forth in Article II, Lessor or Lessee may terminate this Lease without cause upon thirty (30) day's written notice to the other party; provided, however, that at Lessor's election, no such termination by Lessee shall be effective unless and until Lessee has vacated and restored the Premises as required in Section 15A, at which time Lessor shall refund to Lessee, on a pro rata basis, any unearned rental paid in advance. **Notwithstanding anything to the contrary in this Lease, if Lessee has not complied with the requirements of Section 15 A, this Lease, together with all terms contained herein (including payment of rent) will remain in effect until the requirements of Section 15A are met, unless Lessor, in its sole discretion, elects to terminate this Lease.**

Section 14. LESSOR'S REMEDIES.

Lessor's remedies for Lessee's default are to (a) enter and take possession of the Premises, without terminating this Lease, and relet the Premises on behalf of Lessee, collect and receive the rent from reletting, and charge Lessee for the cost of reletting, and/or (b) terminate this Lease as provided in Section 13 above and sue Lessee for damages, and/or (c) exercise such other remedies as Lessor may have at law or in equity. Lessor may enter and take possession of the Premises by self-help, by changing locks, if necessary, and may lock out Lessee, all without being liable for damages.

Section 15. VACATION OF PREMISES; REMOVAL OF LESSEE'S PROPERTY.

A. Upon termination howsoever of this Lease, Lessee (i) shall have peaceably and quietly vacated and surrendered possession of the Premises to Lessor, without Lessor giving any notice to quit or demand for possession, and (ii) shall have removed from the Premises all structures, property and other materials not belonging to Lessor, including all personal property and restored the surface to as good a condition as the same was in before such structures were

erected, including, without limitation, the removal of foundations, the filling in of excavations and pits, and the removal of debris and rubbish.

B. If Lessee has not completed such removal and restoration prior to termination of this Lease, Lessor may, at its election, and at any time or times, (i) perform the work and Lessee shall reimburse Lessor for the cost thereof within thirty (30) days after bill is rendered, (ii) take title to all or any portion of such structures or property by giving notice of such election to Lessee, and/or (iii) treat Lessee as a holdover tenant at will until such removal and restoration is completed.

Section 16. FIBER OPTICS.

Lessee shall telephone Lessor during normal business hours (7:00 a.m. to 9:00 p.m., Central Time, Monday through Fridays, except for holidays) at 1-800-336-9193 (also a 24-hour, 7-day number for emergency calls) to determine if fiber optic cable is buried on the Premises. Lessor may change the telephone number and hours of operation by giving Lessee notice of the change. If cable is buried on the Premises, Lessee will telephone the telecommunications company(ies), arrange for a cable locator, and make arrangements for relocation or other protection of the cable. Notwithstanding compliance by Lessee with this Section 16, the release and indemnity provisions of Section 12 above shall apply fully to any damage or destruction of any telecommunications system.

Section 17. NOTICES.

Any notice, consent or approval to be given under this Lease shall be in writing, and personally served, sent by facsimile to (402) 501-0340, by email or by reputable courier service, or sent by certified mail, postage prepaid, return receipt requested, to Lessor at: Union Pacific Railroad Company, Attn: AVP - Real Estate, Real Estate Department, 1400 Douglas Street, Stop 1690, Omaha, Nebraska 68179; and to Lessee at the above address, or such other address as a party may designate in notice given to the other party. Mailed notices shall be deemed served five (5) days after deposit in the U.S. Mail. Notices which are faxed, emailed, are personally served or sent by courier service shall be deemed served upon receipt.

Section 18. ASSIGNMENT.

A. Lessee shall not sublease the Premises, in whole or in part, or assign, encumber or transfer (by operation of law or otherwise) this Lease, without the prior consent of Lessor, which consent may be denied at Lessor's sole and absolute discretion. Any purported transfer or assignment without Lessor's consent shall be void and shall be a default by Lessee.

B. Subject to this Section 18, this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 19. CONDEMNATION.

If, as reasonably determined by Lessor, the Premises cannot be used by Lessee because of a condemnation or sale in lieu of condemnation, then this Lease shall automatically terminate. Lessor shall be entitled to the entire award or proceeds for any total or partial condemnation or sale in lieu thereof, including, without limitation, any award or proceeds for the value of the leasehold estate created by this Lease. Notwithstanding the foregoing, Lessee shall have the right to pursue recovery from the condemning authority of such compensation as may be separately awarded to Lessee for Lessee's relocation expenses, the taking of Lessee's personal property and fixtures, and the interruption of or damage to Lessee's business.

Section 20. ATTORNEY'S FEES.

If either party retains an attorney to enforce this Lease (including, without limitation, the indemnity provisions of this Lease), the prevailing party is entitled to recover reasonable attorney's fees.

Section 21. RIGHTS AND OBLIGATIONS OF LESSOR.

If any of the rights and obligations of Lessor under this Lease are substantially and negatively affected by any changes in the laws applicable to this Lease, whether statutory, regulatory or under federal or state judicial precedent, then Lessor may require Lessee to enter into an amendment to this Lease to eliminate the negative effect on Lessor's rights and obligations to the extent reasonably possible.

Section 22. MODIFICATION, WAIVER OF DEFAULT, ENTIRE AGREEMENT.

No waiver, modification or amendment to this Lease, including specifically but not limited to, any indemnity and/or insurance requirement herein, shall be of any force or effect unless made in writing, signed by Lessor and Lessee and specifying with particularity the nature and extent of such waiver, modification or amendment. This Lease is the entire agreement between the parties, and supersedes all other oral or written agreements between the parties pertaining to this transaction, and any other lease under which all or any portion of the Premises was leased to Lessee. Notwithstanding the prior sentence, Lessee shall retain any and all obligations and liabilities which may have accrued under any other such agreements prior to the commencement of the term of this Lease.

Section 23. WATER WELL(S).

The installation of new water well(s) or use of existing water well(s) or other equipment or facilities designed to secure potable or non-potable water from sources on the leased premises, or from any adjoining property owned or operated by Lessor, is prohibited.

Approved: Insurance Group
 Created: 2/10/06
 Last Modified: 7/2/07

EXHIBIT C
Union Pacific Railroad
Contract Insurance Requirements

Lease of Land

Lessee shall, at its sole cost and expense, procure and maintain during the life of this Lease (except as otherwise provided in this Lease) the following insurance coverage:

A. Commercial General Liability insurance. Commercial general liability (CGL) with a limit of not less than \$2,000,000 each occurrence and an aggregate limit of not less than \$4,000,000. CGL insurance must be written on ISO occurrence form CG 00 01 12 04 (or a substitute form providing equivalent coverage). The policy must also contain the following endorsement, which must be stated on the certificate of insurance: Contractual Liability Railroads ISO form CG 24 17 10 01 (or a substitute form providing equivalent coverage) showing "Premises" as the Designated Job Site.

B. Business Automobile Coverage insurance. Business auto coverage written on ISO form CA 00 01 10 01 (or a substitute form providing equivalent liability coverage) with a combined single limit of not less \$2,000,000 for each accident, and coverage must include liability arising out of any auto (including owned, hired, and non-owned autos).

The policy must contain the following endorsements, which must be stated on the certificate of insurance:

- Coverage For Certain Operations In Connection With Railroads ISO form CA 20 70 10 01 (or a substitute form providing equivalent coverage) showing "Premises" as the Designated Job Site.
- Motor Carrier Act Endorsement - Hazardous materials clean up (MCS-90) if required by law.

C. Workers Compensation and Employers Liability insurance. Coverage must include but not be limited to:

Contractor's statutory liability under the workers' compensation laws of the state(s) affected by this Agreement.

Employers' Liability (Part B) with limits of at least \$500,000 each accident, \$500,000 disease policy limit \$500,000 each employee.

If Lessee is self-insured, evidence of state approval and excess workers compensation coverage must be provided. Coverage must include liability arising out of the U. S. Longshoremen's and Harbor Workers' Act, the Jones Act, and the Outer Continental Shelf Land Act, if applicable.

In any and all Claims against Lessor by any employee of Lessee, Lessee's indemnification obligation under this section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable under any workers compensation acts, disability benefits acts or other **employee benefits acts.**

D. Pollution Liability insurance. If permitted use as defined in this Lease includes any generation, handling, enrichment, storage, manufacture, or production of hazardous materials pollution liability insurance is required. Pollution liability coverage must be written on ISO form Pollution Liability Coverage Form Designated Sites CG 00 39 12 04 (or a substitute form providing equivalent liability coverage), with limits of at least \$5,000,000 per occurrence and an aggregate limit of \$10,000,000.

If hazardous materials are disposed of from the Premises, Lessee must furnish to Lessor evidence of pollution legal liability insurance maintained by the disposal site operator for losses arising from the insured facility accepting the materials, with coverage in minimum amounts of \$1,000,000 per loss, and an annual aggregate of \$2,000,000.

E. **Umbrella or Excess** insurance. If Lessee utilizes umbrella or excess policies, these policies must “follow form” and afford no less coverage than the primary policy.

Other Requirements

F. All policy(ies) required above must include Lessor as “Additional Insured” using ISO Additional Insured Endorsement CG 20 11 (or a substitute form providing equivalent coverage). The coverage provided to Lessor as additional insured shall, to the extent provided under ISO Additional Insured Endorsement CG 20 11, provide coverage for Lessor’s negligence whether sole or partial, active or passive, and shall not be limited by Lessee’s liability under the indemnity provisions of this Lease.

G. Lessee waives all rights against Lessor and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers’ liability or commercial umbrella or excess liability insurance obtained by Lessee required by this agreement.

H. Punitive damages exclusion, if any, must be deleted (and the deletion indicated on the certificate of insurance), unless (a) insurance coverage may not lawfully be obtained for any punitive damages that may arise under this Lease, or (b) all punitive damages are prohibited by all states in which the Premises are located.

I. All insurance policies must be written by a reputable insurance company acceptable to Lessor or with a current Best’s Insurance Guide Rating of A- and Class VII or better, and authorized to do business in the state where the Premises are located.

J. The fact that insurance is obtained by Lessee, or by Lessor on behalf of Lessee, will not be deemed to release or diminish the liability of Lessee, including, without limitation, liability under the indemnity provisions of this Lease. Damages recoverable by Lessor from Lessee or any third party will not be limited by the amount of the required insurance coverage.

