



IBEW LOCAL 551

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS**

2525 Cleveland Ave., Suite B
Santa Rosa, California 95403

MARIN, SONOMA, MENDOCINO, LAKE,
HUMBOLDT AND DEL NORTE COUNTIES

Telephone (707) 542-3505
Fax Number (707) 542-9134
ibew551@ibewlocal551.org

0001202

RESOLUTION of the International Brotherhood of Electrical Workers Local Union 551.

**IN SUPPORT OF THE RETENTION OF GOLDMAN SACHS AS
"FINANCIAL ADVISOR AGENT" BY THE HUMBOLDT BAY HARBOR
RECREATION AND CONSERVATION DISTRICT TO SECURE
"CONCESSIONAIRES" AND FINANCIAL INVESTMENT FOR GREEN
PORT AND RAIL INFRASTRUCTURE REVITALIZATION AND A MODERN
MARINE TERMINAL**

- 1) **WHEREAS, The loss of traditional resource-based industry, including timber and fisheries, has left the economy of Humboldt County in dire need of revitalization, as measured by declining household income, a precipitous drop in school enrollments, loss of healthcare professionals, shocking rates of poverty for Humboldt County children, disappearance of well paying blue collar and non-government white collar jobs, an eroding tax base, and the exit of young families from the North Coast; and**

- 2) **WHEREAS, A modern, green port and a revitalized, green railroad could serve as the economic engine for stimulating the economy of Humboldt County and the entire North Coast region, provided sufficient capital can be found to finance the improved public infrastructure that would result in much needed living wage jobs in Humboldt County; and**

- 3) **WHEREAS, The largest investment banking firm in the world, Goldman Sachs, has informed the Humboldt Bay Harbor, Recreation and**

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JUL 29 2008

H.B.H.R. & C.D.

Conservation District and the general public that the firm believes the Port of Humboldt and the North Coast Railroad Authority have great potential for development and has proposed an exclusive engagement contract whereby the District, at no cost to itself, would engage Goldman Sachs as its exclusive financial advisor in connection with the possible concession, long term lease or other arrangement involving all or a portion of the District's Redwood Marine Terminal at Samoa and certain other terminal facilities currently owned by the District together with the 316 miles of connected rail line, rail yard and other facilities operated under a long-term arrangement by the Northwestern Pacific Railroad; and

4) WHEREAS, Goldman Sachs would function as advisor to the District in its consideration of financing and re-financing alternatives in connection with the Marine Terminal and railroad, as set forth in the May 9, 2008 letter from Mr. Jeffrey Holt, Goldman Sachs Vice President for Public Sector and Infrastructure Banking, a copy of which letter is attached hereto as Exhibit A.; and

5) WHEREAS, Although there has been much pessimism in the past as to the likelihood of restoring rail service to Humboldt Bay, a pessimism that was largely based on the belief that neither government nor private capital could ever be found in sufficient amounts to restore the former Northwestern Pacific Railroad to a reliable modern condition, it now appears that Goldman Sachs believes that sufficiently large amounts of private capital are available to do just that; and

6) WHEREAS, The revenue that the Harbor District, the County of Humboldt and local cities and surrounding counties will receive from economic activity associated with the port/rail revitalization would provide residents with increased confidence that there will be adequate revenue for county and city governments to fund vital law enforcement and fire safety

measures, as well as civic and other projects associated with the recreation and conservation mission of the Harbor District; and

7) WHEREAS, Without a minimum level of ship traffic the Port of Humboldt will lose vital support from the Army Corp of Engineers that currently enables the Port to maintain its viability and safety for recreational and commercial fisheries and the infrastructure for existing port commerce (i.e. Evergreen, Schmidbauer, barging of fuel, etc); and

8) WHEREAS, Since the tidelands within Humboldt Bay are owned or entrusted to the Harbor District as a public agency whose lands will only be leased and not sold due to State tideland restrictions; and

9) WHEREAS, the Harbor District, when acting as a landlord, must write their leasing contracts in such a way that insures local control of the Bay; and

10) WHEREAS, The revitalization of the Redwood Dock is consistent with and sets a new and/or precedential ecological standard for California's Coastal Act as stated in the California Public Resources Code (Section 30701): that the ports in the State of California, including the Port of Humboldt Bay constitute one of the state's primary economic and coastal resources and are an essential element of the national maritime industry; and

11) WHEREAS, When the Harbor District's Board of Commissioners approves a "project" as defined by CEQA the proposed project will be subject to full CEQA compliance, as are all other "projects" in California, and the public and all other stakeholders will have full access to define the project under consideration; and

NOW THEREFORE be it resolved, that;

The International Brotherhood of Electrical Workers Local Union 551 encourage and urge the Humboldt Bay Harbor, Recreation and Conservation District to pursue an agreement with Goldman Sachs for the revitalization of the Port of Humboldt, with the understanding that said agreement would insure that the District maintains local control over all assets, and that recreation and conservation aspects of the harbor, as outlined in the District's State charter, continue to receive their appropriate consideration.

July 23, 2008

A handwritten signature in black ink, appearing to read "Jack A. Buckhorn", is written over a horizontal line. The signature is stylized with a large initial "J" and "B".

Jack A. Buckhorn, Business Manager

International Brotherhood of Electrical

Workers, Local Union 551

Jeffrey Holt
Vice President
Public Sector and Infrastructure Banking



May 9, 2008

David Hull
Chief Executive Officer
Humboldt Bay Harbor Recreation & Conservation District
601 Startare Drive
P.O. Box 1030
Eureka, CA 95502

Dear David:

As you are probably aware, the valuations of US infrastructure assets have dramatically increased over the past three years. The work that the District has done on its basic dredging and infrastructure has been fortuitous as interest in port terminal facilities has never been greater. Several North American ports have been auctioning concessions or are in the process of preparing concessions on terminal facilities focusing on containers, freight and logistics warehousing for distribution centers. On the west coast many ports are participating in this new market for infrastructure concessions:

- The Port of Prince Rupert recently concessioned its greenfield container terminal to the Maher Terminal company. Maher Terminals was subsequently sold to RREEF, an infrastructure fund owned by Deutsche Bank.
- The Port of Portland is in the process of concessioning its T-6 container terminal and has announced that 10 bidders have responded to the Request for Qualifications of interested parties.
- The Port of Oakland has announced that it will concession Berth 20-24 in the next few months.

The concessions for all three of these facilities will likely require several hundred millions of dollars in mandatory investment as part of their full "build-outs" and are parallels to the needs of the District with respect to the Redwood terminal and the North Coast Rail line.

Over \$60 billion in investment equity capital has been gathering under the auspices of several US and international infrastructure funds. These funds are primarily comprised of investment capital from pension funds from around the world, with several of the funds capitalized to a significant degree by pension plans for teachers and government employees. Pension funds are focused on the long-term nature of infrastructure assets and of matching the longevity of these assets to their longer investment targets. The introduction of the pension money into the infrastructure space has dramatically increased the attractiveness of existing assets and has

increased the interest in these funds participating in the development and redevelopment of public infrastructure.

The port and rail assets of the District and the Railroad Authority make an attractive third California freight gateway. As the Ports of Los Angeles, Long Beach and Oakland fill their capacity with intermodal cargos destined for the mid and eastern parts of the US, there is a strong need for additional freight handling capacity for goods coming from the Pacific Rim. While British Columbia and Mexico can add some capacity, there is a genuine need for adding capacity in California. The Port of Oakland is fast filling with intermodal containers, and additional gateway capacity is needed for the export of produce and commodities from the Central Valley. Humboldt is a natural gateway for such exports, as well as an attractive additional source for container capacity. Making the improvements to the port and rail assets will potentially bring thousands of jobs to the region, including jobs in warehousing, distribution centers and light manufacturing.

With no ability to fund these improvements through District funds, the new source of private equity infrastructure funds is the best possible source to fund those improvements going forward. Since the Railroad is now controlled and operated entirely by NWP Inc. ("NWP") under a long-term contract with the North Coast Railroad Authority, the District would need to make arrangements with NWP to jointly offer a long-term concession on the combined Port/Rail assets. Such a concession would require that the minimum improvements be made to bring the Port and Rail facilities in full service within three to four years, according to the District's timetable for construction.

In order to accomplish this joint concession, the District will need to engage a Wall Street firm with expertise in the infrastructure funds, the asset auction process and the maritime and freight rail sectors. This firm would act as the sell-side advisor to the District for the concession and would be compensated only if and when the concession is successful.

Goldman, Sachs & Co. ("Goldman Sachs") is the only firm with sufficient expertise in each of these areas. We have studied the two assets and are confident that there will be significant interest from potential concessionaires to invest the required capital and to more fully develop a third California freight and rail gateway into the Central Valley and beyond.

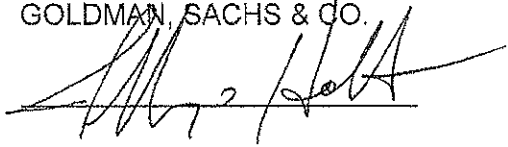
Therefore, Goldman Sachs would like to propose an exclusive engagement whereby the Humboldt Bay Harbor Recreation & Conservation District (the "District") engages Goldman Sachs as their exclusive financial advisor in connection with the possible concession, long-term lease or other arrangement involving all or a portion of the District's Redwood Marine Terminal and certain other properties ("Terminal Facilities") currently owned by the District together with the 316 mile connecting rail line, yards and facilities ("the Railroad") owned by the North Coast Railroad Authority ("NCRA") and operated under a long-term arrangement by NWP, and the District's consideration of financing and refinancing alternatives in connection therewith. In conjunction with this potential transaction, we anticipate that the District will form an arrangement with the NCRA and NWP whereby the District may offer a long-term operating concession on the combined assets and facilities of the Terminal Facilities and the Railroad (a "Transaction").

Our scope of services would include financial advice and assistance in connection with this potential Transaction, which may include performing financial analyses, searching for a concessionaire acceptable to the District, conducting a formal auction, coordinating due-diligence visits of potential concessionaires and assisting you in negotiating the financial aspects of the Transaction.

The fees for our engagement will depend on the outcome of the assignment. A transaction fee will be paid to us in cash upon consummation of each Transaction. We would propose that if this arrangement is acceptable to you, the fees, indemnification provisions and other terms of the engagement would be negotiated pursuant to a separate agreement.

Very truly yours,

GOLDMAN, SACHS & CO.

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**Building and Construction Trades Council
of Humboldt and Del Norte Counties**

840 E Street, Eureka, California 95501

Telephone: (707) 443-8128 Fax: (707) 442-3456

**RESOLUTION of the Building and Construction Trades Council of Humboldt
and Del Norte Counties**

**IN SUPPORT OF THE RETENTION OF GOLDMAN SACHS AS
"FINANCIAL ADVISOR AGENT" BY THE HUMBOLDT BAY HARBOR
RECREATION AND CONSERVATION DISTRICT TO SECURE
"CONCESSIONAIRES" AND FINANCIAL INVESTMENT FOR GREEN
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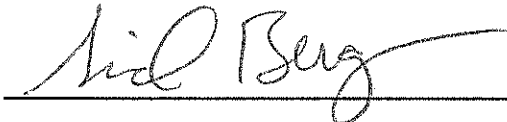
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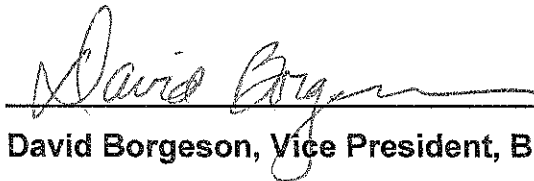
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July 8, 2008



Sid Berg, President, Building and Construction Trades Council



David Borgeson, Vice President, Building and Construction Trades Council

Jeffrey Holt
Vice President
Public Sector and Infrastructure Banking



May 9, 2008

David Hull
Chief Executive Officer
Humboldt Bay Harbor Recreation & Conservation District
601 Startare Drive
P.O. Box 1030
Eureka, CA 95502

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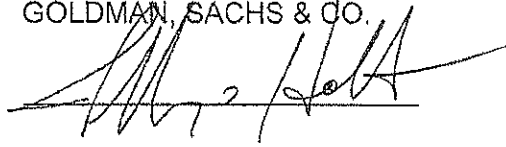
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**Building and Construction Trades Council
of Sonoma, Mendocino and Lake Counties**

1702 Corby Avenue, Santa Rosa, CA 94307

Telephone: (707) 576-7299

Fax: (707) 544-6336

**RESOLUTION of the Building and Construction Trades Council of Sonoma,
Mendocino and Lake Counties**

**IN SUPPORT OF THE RETENTION OF GOLDMAN SACHS AS
"FINANCIAL ADVISOR AGENT" BY THE HUMBOLDT BAY HARBOR
RECREATION AND CONSERVATION DISTRICT TO SECURE
"CONCESSIONAIRES" AND FINANCIAL INVESTMENT FOR GREEN
PORT AND RAIL INFRASTRUCTURE REVITALIZATION AND A MODERN
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July 23, 2008

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***Jack A. Buskhorn, Secretary-Treasurer
Sonoma, Mendocino and Lake Counties
Building & Construction Trades Council***

Jeffrey Holt
Vice President
Public Sector and Infrastructure Banking



May 9, 2008

David Hull
Chief Executive Officer
Humboldt Bay Harbor Recreation & Conservation District
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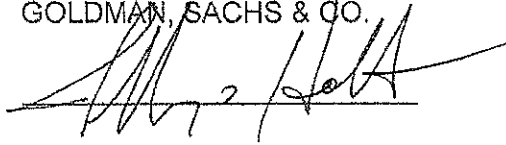
Therefore, Goldman Sachs would like to propose an exclusive engagement whereby the Humboldt Bay Harbor Recreation & Conservation District (the "District") engages Goldman Sachs as their exclusive financial advisor in connection with the possible concession, long-term lease or other arrangement involving of all or a portion of the District's Redwood Marine Terminal and certain other properties ("Terminal Facilities") currently owned by the District together with the 316 mile connecting rail line, yards and facilities ("the Railroad") owned by the North Coast Railroad Authority ("NCRA") and operated under a long-term arrangement by NWP, and the District's consideration of financing and refinancing alternatives in connection therewith. In conjunction with this potential transaction, we anticipate that the District will form an arrangement with the NCRA and NWP whereby the District may offer a long-term operating concession on the combined assets and facilities of the Terminal Facilities and the Railroad (a "Transaction").

Our scope of services would include financial advice and assistance in connection with this potential Transaction, which may include performing financial analyses, searching for a concessionaire acceptable to the District, conducting a formal auction, coordinating due-diligence visits of potential concessionaires and assisting you in negotiating the financial aspects of the Transaction.

The fees for our engagement will depend on the outcome of the assignment. A transaction fee will be paid to us in cash upon consummation of each Transaction. We would propose that if this arrangement is acceptable to you, the fees, indemnification provisions and other terms of the engagement would be negotiated pursuant to a separate agreement.

Very truly yours,

GOLDMAN, SACHS & CO.

A handwritten signature in black ink, appearing to be "M. J. Holt", is written over a horizontal line. The signature is stylized and cursive.

Plasterers' and Cement Masons' Local Union No. 300

Operative Plasterers and Cement Masons International Association

A.F. of L. - C. I. O.

0001205

703 South 'B' Street, Suite 200 • San Mateo, California 94401

Phone: (650) 343-5671 • Fax: (650) 348-3670

July 18, 2008

Mr. David Hull
Humboldt Bay Harbor Recreation Conservation District
P. O. Box 1030
Eureka, CA 95502

Dear Mr. Hull:

I'm writing to inform you that we support the retention of Goldman Sachs as "Financial Advisor Agent" by the Humboldt Bay Harbor Recreation and Conservation District to secure "concessionaires" and financial investment for green port and rail infrastructure revitalization and a modern marine terminal.

Sincerely,



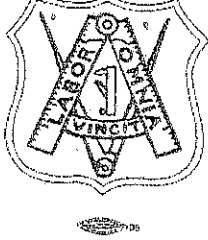
Steven Scott
Financial Secretary/Business Manager

SS/ss
Opeiu-3-afi-cio

RECEIVED

JUL 24 2008

H.B.H.R. & C.D.



UNITED BROTHERHOOD OF
CARPENTERS AND JOINERS OF AMERICA
LOCAL UNION NO. 751
840 'E' Street, Suite #12
Eureka, California 95501
Phone: (707) 442-4286 - FAX: (707) 442-3456

RECEIVED

JUL 22 2008

H.B.H.R. & C.D.

0001206

**RESOLUTION OF CARPENTERS LOCAL 751
IN SUPPORT OF THE RETENTION OF GOLDMAN SACHS
AS "AGENT" BY THE HUMBOLDT BAY HARBOR
RECREATION AND CONSERVATION DISTRICT TO
SECURE "CONCESSIONAIRES" FOR A GREEN PORT AND
GREEN RAIL FUTURE FOR HUMBOLDT COUNTY'S
ECONOMY**

- 1) WHEREAS, The loss of traditional resource-based industry, including timber and fisheries, has left the economy of Humboldt County in dire need of revitalization, as measured by declining household income, a precipitous drop in school enrollments, shocking rates of poverty for Humboldt County children, disappearance of well paying non-government blue collar and white collar jobs, an eroding tax base, and the exit of young families from the Northcoast; and
- 2) WHEREAS, A modern, *environmentally sensitive*, green port and a revitalized, *environmentally sensitive*, "green" railroad could serve as the economic engine for stimulating the economy of Humboldt County and the entire Northcoast region, provided sufficient capital can be found to finance the improved public infrastructure that would result in much needed living wage jobs in Humboldt County; and
- 3) WHEREAS, The investment and innovation required to develop a green port would further the environmental leadership of our region and encourage the growth of other green industries; and
- 4) WHEREAS, The Humboldt Bay Harbor, Recreation and Conservation District currently owns underutilized port assets including the Redwood Marine Terminal and certain other terminal facilities; and



UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA
LOCAL UNION 751 • EUREKA OFFICE

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RECREATION AND CONSERVATION DISTRICT TO
SECURE “CONCESSIONAIRES” FOR A GREEN PORT AND
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- 3) **WHEREAS, The investment and innovation required to develop a green port would further the environmental leadership of our region and encourage the growth of other green industries; and**

- 4) **WHEREAS, The Humboldt Bay Harbor, Recreation and Conservation District currently owns underutilized port assets including the Redwood Marine Terminal and certain other terminal facilities; and**

5) WHEREAS, The North Coast Railroad Authority currently owns 316 miles of connected and unused rail line; and

6) WHEREAS, Goldman Sachs is the Largest Investment Bank in the world and has the most extensive experience in infrastructure financing, particularly with regard to port investments; and

7) WHEREAS, Goldman Sachs has informed the Humboldt Bay Harbor, Recreation and Conservation District and the general public that they believe the existing Port of Humboldt and the North Coast Railroad Authority have great potential for development as a green transportation resources; and

8) WHEREAS, Goldman Sachs has proposed an exclusive engagement contract whereby the District, at no cost to itself, would engage Goldman Sachs as its financial advisor to explore potential alternatives to finance green port improvements; and

9) WHEREAS, Goldman Sachs would function as advisor to the District in its consideration of financing and re-financing alternatives in connection with the Marine Terminal and railroad, as set forth in the May 9, 2008 letter from Mr. Jeffrey Holt, Goldman Sachs Vice President for Public Sector and Infrastructure Banking, a copy of which letter is attached hereto as Exhibit A. ; and

10) WHEREAS, Although there has been much pessimism in the past as to the likelihood of restoring rail service to Humboldt Bay, a pessimism that was largely based on the belief that neither government nor private capital could ever be found in sufficient amounts to restore the former Northwestern Pacific Railroad to a reliable modern condition, it now appears that Goldman Sachs believes that sufficiently large amounts of private capital are available to do just that; and

11) WHEREAS, Goldman Sachs is only proposing to act as a financial advisor to explore the potential for private investment capital and our local community will have the key role in

determining the scope and objectives of any future project involving a green port and railroad; and

12) WHEREAS, The revenue that the Harbor District, the County of Humboldt and local cities and surrounding counties will receive from economic activity associated with the port/rail revitalization would provide residents with increased confidence that there will be adequate revenue for county and city governments to fund vital law enforcement and fire safety measures, as well as civic and other projects associated with the recreation and conservation mission of the Harbor District, including for example, trails; and

13) WHEREAS, Significant competitive benefit to local businesses that ship products out of Humboldt County such as the producers of forest products, dairy products, and beer, can be derived from “green” rail transport which is far less polluting and is more fuel-efficient than alternative methods of *land* transport; and

14) WHEREAS, The commitment to a green port and green railroad on the part our District and our community afford a welcomed opportunity for Humboldt County to once again provide national and international leadership in demonstrating how a community coalition of organized labor, local businesses, and environmentally-conscious citizens can, in the tradition of the widely acclaimed, world renowned Arcata Marsh Project, work together to enhance economic opportunities in an environmentally beneficial manner through innovative, cutting edge green technologies.

15) WHEREAS, Without a minimum level of ship traffic the Port of Humboldt will lose vital support from the Army Corp of Engineers that currently enables the Port to maintain its viability and safety for recreational and commercial fisheries and the infrastructure for existing port commerce (i.e. Evergreen, log shipments, barging of fuel, etc); and

16) WHEREAS, Since the tidelands within Humboldt Bay are owned or entrusted to the Harbor District as a public agency

whose lands will only be leased and not sold due to State tideland restrictions; and

17) WHEREAS, The Harbor District, when acting as a landlord, must write their leasing contracts in such a way that insures local control of the Bay; and

18) WHEREAS, The revitalization of the Redwood Dock is consistent with California's Coastal Act as stated in the California Public Resources Code (Section 30701): that the ports in the State of California, including the Port of Humboldt Bay constitute one of the state's primary economic and coastal resources and are an essential element of the national maritime industry; and

19) WHEREAS, When the Harbor District's Board of Commissioners approves a "project" as defined by CEQA the proposed project will be subject to full CEQA compliance, as are all other "projects" in California, and the public and all other stakeholders will have full access to define the project under consideration; and

NOW THEREFORE be it resolved, that;

We, Carpenters Local 751, encourage and urge the Humboldt Bay Harbor, Recreation and Conservation District to pursue an agreement with Goldman Sachs for the revitalization of the Port of Humboldt, with the understanding that said agreement would insure that the District maintains local control over all assets, and that recreation and conservation aspects of the harbor, as outlined in the District's State charter, continue to receive their appropriate consideration.

July 9, 2008



Mariann T. Hassler, Carpenters Local 751,
Executive Committee Representative