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City of Ukiah

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City of Ukiah
Ukiah Civic Center
300 Seminary Avenue
Ukiah, CA 95482

RESOLUTION NO. 2015- 07**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH
ORDERING AND DIRECTING THE UKIAH DEPARTMENT OF PUBLIC
WORKS TO ABATE THE PUBLIC NUISANCE LOCATED AT 272
NORTH STATE STREET (PALACE HOTEL) BY REPAIR OR REMOVAL
AFTER THIRTY (30) DAYS****WHEREAS:**

1. On December 21, 2011, the City Council adopted Resolution No. 2011-55, declaring the property located at 272 North State Street in the City of Ukiah and also known as Mendocino County Assessor's Parcel Number 002-224-13 and the dilapidated hotel building located thereon ("the Property") a public nuisance and its intent to abate the public nuisance by repair or demolition ("Resolution of Intent"); and
2. The Notice of Hearing required by Ukiah City Code Section 3303, and a certified copy of the Resolution of Intent was posted on the Property and served on the Property owner at the address as shown on the last equalized Mendocino County assessment role in accordance with Ukiah City Code Section 3305; and
3. On February 15, 2012, the City Council opened a public hearing in accordance with Ukiah City Code Section 3306, and considered all objections or protests, and the testimony from owners, witnesses and interested parties addressing the proposed removal or repair of the Property; and
4. After hearing from Eladia Laines and her contractor Norm Hudson, the City Council continued the public hearing to March 21, 2012, to give Ms. Laines an opportunity to propose a plan for the abatement of the nuisance conditions on the Property. At the hearing on March 21 the staff reported that Ms. Laines had submitted three emails discussing how she intended to rehabilitate the hotel. Staff stated that the proposals fell short, in staff's opinion, of presenting a viable plan for the rehabilitation of the hotel and explained the process for appointing a receiver to undertake

abatement of nuisance conditions on the property. The Council voted to continue the hearing to April 18, 2012, and appointed an ad hoc committee to meet with Ms. Laines where she was expected to clarify title to the Property and to provide information about stabilizing the roof and removing debris from inside the hotel. At the April 18, 2012, meeting Ms. Laines provided a letter from a title company confirming that it was reviewing documents to clear title and that she had contacted the Mendocino County Air Quality Management District ("Air Quality District") for a list of asbestos consultants who would need to assist in obtaining a demolition permit to remove debris from inside the building. The public hearing was continued to May 16, 2012 at which time the ad hoc committee reported on and Ms. Laines described her progress in abating nuisance conditions on the Property. After hearing from the ad hoc committee and Ms. Laines, the City Council continued the public hearing to June 20, 2012, to hear a report from the ad hoc committee and Ms. Laines on progress in abating the nuisance conditions at the hotel. For the next 22 months the City Council heard monthly reports from the ad hoc committee and Ms. Laines on her progress in abating nuisance conditions at the hotel. During that time Ms. Laines appeared to be making progress toward abating the nuisance conditions. She obtained an encroachment permit to place scaffolding within the public right of way to remove ivy from the Smith Street side of the building and the ivy was removed. However, by July 18, 2012, she had not obtained a demolition permit for removal of debris from inside the building, because she had not gotten an asbestos clearance from the Air Quality District. By December 19, 2012, Ms. Laines had not received a demolition permit. During this time Ms. Laines did report that plastic sheeting had been placed on the roof and window openings to reduce water infiltration during the winter. Subsequently, a demolition permit was issued and some debris was removed from the building, but at the City Council meeting on June 19, 2013, staff reported that the Air Quality District observed a possible violation of its Asbestos notification and Release approval, when one of its inspectors discovered workers sorting through piles of debris without a required Certified Site Surveillance Technician on site. The Air Quality District issued a Notice to Comply. At the July 17, 2013, City Council meeting, staff reported that debris removal has been slow and methodical and in apparent compliance with the Air Quality District asbestos demolition/renovation clearance. Debris removal was to take place in three phases. At the August 21, 2013, City Council meeting, staff reported that Phase I had been completed and Ms. Laines was discussing Phase II with the Air Quality District. At the October 16, 2013, City Council meeting staff reported that debris removal had far exceeded the work approved for Phase I and the scope of the approved demolition permit. The contractor was directed to receive the necessary clearance from the Air Quality District and an additional demolition permit from the City before performing additional work. The City's building official also reiterated his strong concern about immediately repairing the roof. At the December 18, 2013, City Council meeting, staff reported that the Air Quality District had approved a Phase II debris removal plan and on December 10, 2013, the Building Official issued a demolition permit for Phase II debris removal. At the January 14, 2014, City Council meeting, staff reported that they were

alerted on December 27, 2013, that Air Quality district inspector had observed uncertified workers performing asbestos removal in violation of the District-approved Revised Asbestos Removal Plan for Phase II. At its February 19, 2014, meeting the City Council was informed that Cal OSHA had red-tagged the Property to prevent any workers from entering the building based on Cal OSHA testing which detected asbestos at unsafe levels. A further report on obtaining Cal OSHA approval to continue asbestos removal and abatement was made to the City Council on March 14, 2014. On April 16, 2014, the City Council considered a resolution ordering the Public Works Director to abate the nuisance conditions on the property not sooner than thirty (30) days from the adoption of the resolution. The City Council also considered entering a retainer agreement with Cota Cole to represent the City in a proceeding under Health and Safety Code Section 17980.7 to appoint a receiver to abate the nuisance conditions on the property. After hearing from Ms. Laines and her contractor, Norm Hudson, the City Council agreed to continue the hearing until June 4, 2014, to give Ms. Laines time to obtain a termination of a Cal OSHA cease and desist order, barring workers from the building due the presence of asbestos. On June 4, the Council learned that Ms. Laines has not obtained a termination of the Cal OSHA cease and desist order. The Council directed staff to propose a Compliance Schedule for the abatement of the nuisance conditions at the Palace Hotel. Staff returned with a proposed compliance schedule at the June 18, 2014, City Council meeting. After hearing from the contractor, Norm Hudson, the Council directed staff to consult with Mr. Hudson on revisions to the Compliance Schedule and return to the City Council at its August 6, 2014, meeting with a revised schedule. Staff consulted with Mr. Hudson, but he did not recommend any changes to the proposed schedule. However, the dates for complying with the first two milestones on the schedule had already passed by August 6. At that meeting the City Council approved the Compliance Schedule, attached hereto as Exhibit B, and continued the hearing to September 3, 2014, to determine, if Ms. Laines had complied with the first three milestones on the schedule, which are:

Milestone Compliance	Deadline	Evidence of
Secure hotel structure from unauthorized	August 20, 2014	Inspection by Building Official
Enter a written contract ("Contract") with Bluewater Environmental Services to perform a work plan approved by Cal OSHA and MCAQMD to abate asbestos contamination in the hotel and open escrow account with a federally or state chartered bank with sufficient funds to pay	August 27, 2014	Planning Director's receipt of copy of fully executed Contract and documents from the bank showing that (1) the escrow account is opened, including the account number (2) the balance in the account and (3) the funds in the account may only be withdrawn to pay amounts due

Submission of work Cal OSHA and County Air Quality Management District (MCAQMD)	September 2, 2014	Evidence of transmittal OSHA and MCAQMD copy of plan filed with Planning Director
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The Compliance Schedule was sent to Ms. Laines by registered mail, return receipt requested and returned to the City unopened. On August 8, 2014, the Compliance Schedule was emailed to Ms. Laines. In an August 28, 2014, email from Ms. Laines local representative Pinky Kushner, Ms. Laines was quoted as acknowledging receipt of the Compliance Schedule.

On or before August 20, 2014, the Building Official learned from Norm Hudson that he was not currently performing as Ms. Laines' contractor. The Building Official inspected the building on August 20 and found that the building was not secure. On Sunday, August 24, Ms. Laines emailed Councilmember Scalmanini that plywood had been attached to two openings in the Palace Hotel. On August 25, Council member Scalmanini forwarded the email to the Planning Director. The Building Official inspected the building on August 25 and determined that the two openings were adequately secured, but the ground floor door on the Smith Street side of the building had not been secured, nor had a number of windows/openings. On August 25, the Planning Director notified Ms. Laines of the Building Official's findings. The email notified Ms. Laines that the Building Official was available to meet with her to discuss how to properly secure the building and gave her the Building Official's contact information. She left him a voice mail message on August 27 that she would have the remaining points of access to the building secured on August 27. The Planning Director emailed Ms. Laines that the Building Official would inspect the building in the afternoon on August 27 and reminded her that under the Compliance Schedule she was required to submit to the Planning Director on August 27 a fully executed contract with Bluewater Environmental Services to abate asbestos contamination in the building and documents from a federally or state chartered bank showing that an escrow account has been opened, including the account number, and the balance of the account, and evidence that the funds in the account will only be used to pay amounts due under the contract with Bluewater. These conditions were based on letters from Ms. Laines presented to the City Council at its June 18, 2014, meeting that she was securing funds for the asbestos abatement and that Blue Water could complete the work in 3-6 weeks, once it and Ms. Laines entered a contract and payment for its services was secured.

The Building Official inspected the exterior of the building on August 27, 2014 and found that most of the doors and openings had been adequately secured against unauthorized entry. However, he remained concerned about the window on the Smith Street side of the building because it had 1/4" plywood instead of 3/4" and was not secured tightly. He

also could not tell if the upstairs windows on the south side of the building had been secured because they were not visible from the street. The Planning Director emailed the owner on August 27th and informed her of these concerns and requested that she contact the Building Official and allow him to tour the building so that a comprehensive assessment could be made as to whether or not the building has been adequately secured against unauthorized entry.

On September 5, 2014, staff was alerted by a citizen that a door on the ground floor was wide open and it look as though the building had been broken into. The Building Official inspected the building and the building and observed damage and concluded that the building had been broken into. On September 8, 2014, staff was alerted by the owner that the building had again been broken into. On September 12, 2015, staff emailed the owner requesting cooperation in performing a comprehensive tour of the building and developing a strategy for securing it against unauthorized entry. In a September 15, 2014 email, the owner expressed her opinion that the building was adequately secure.

On November 5, 2014, Cal OSHA approved the asbestos removal work plan and the owner's indicated that work would begin in early December. On December 18, 2014, the owner indicated that work was delayed and that they anticipate "a start of staging shortly." At the City Council meeting on January 7, 2015, staff reported to the City Council that the required permits for the asbestos removal had not been applied for and the work had not started. As of January 13, 2015, the required permits had not been applied for and staff had not heard from the owner or asbestos removal contractor.

As of January 13, 2015, the plastic on the windows remained torn and tattered, and photos taken on December 12, 2014, and submitted to the City Council on December 17, 2014, show that the plastic on the roof was similarly still torn and tattered. The windows and roof were in this condition during heavy rains in December 2014, resulting in substantial additional intrusion of water into the building.

On December 18, 2014, staff received a copy of a Preliminary Structural Evaluation, prepared by LACO Associates under contract with the potential receiver that the City may request the court to appoint. The engineer did not enter the building. His work consisted of a detailed review of all past structural reports and exterior observations of the structure. This evaluation identified a number of concerns, one of which was the cracking in the northeast corner of the building at the intersection of North State Street and Smith Street. The report stated that the cracks were apparently the result of a window being added sometime in the past without an adequate lintel being installed above it. The masonry above this area is acting as "a gravity support arch...and the resultant force is pushing the easterly wall of the building towards North State Street." The report recommends that, at a minimum, "this condition should be repaired by restoring the vertical support of the masonry above the added window opening" and that "additional steel strapping or other ties may be required to tie the separated portion together, based

on conditions discovered during construction.”

In a follow-up conversation with the engineer who prepared the Evaluation, staff inquired about the urgency of this condition of the building and the engineer responded that in his opinion, it “should be repaired or stabilized as soon as possible.”

On December 16, 2014, Staff sent a letter to the owner urgently requesting that she: 1) Secure the entire building against unauthorized entry to the satisfaction of the City’s Building Official; 2) Secure the windows with water tight material to prevent further rainwater intrusion; 3) Repair or replace the roof to prevent further rainwater intrusion; 4) Arrange for a licensed structural engineer to inspect the building, particularly the northeast corner to determine its structural integrity and whether or not there is an immediate need for repairs to prevent an imminent threat of structural failure and submit a written report from the engineer to the Planning Department. If immediate repairs are necessary, the letter requested the owner to secure the required permit and complete the necessary repairs; 5) Submit to the Planning Department a copy of the contract with Bluewater Environmental Services and evidence that an escrow account has been established with the funds needed to fund the asbestos removal project; and 6) Secure the required permits and remove the asbestos from the building. In a December 19, 2014 email, the owner indicated she would like to discuss the letter. As of January 13, 2015, the owner had not contacted staff to discuss the letter and none of the items requested in the letter had been accomplished; and

5. Based on the evidence presented and the records of the Ukiah Planning and Building Departments and the monthly reports to the Palace Hotel Nuisance Abatement Ad Hoc Committee and the full City Council, the City Council finds that:

- A. The Property contains one dilapidated hotel structure of approximately 60,000 square feet, and consists of three stories. The original hotel, constructed in 1891 contains unreinforced masonry walls. A later addition, constructed in the 1920’s, contains reinforced concrete walls. The hotel was last occupied more than 20 years ago and has since remained vacant, boarded up and unheated.

- B. The 2002 Point 2 Structural Engineers Seismic Analysis of the building revealed that the perimeter unreinforced masonry walls of the older portions of the building were found to be deficient to adequately support the vertical and probable earthquake loads of the region. The mortar shear tests determined the unreinforced masonry walls could not sustain minimum loads without failure, and that although they are not necessary for the stability of the overall structure, the parapets presented a very real falling hazard during a seismic event.

C. An inspection of the Property by the City Building Official and Fire Marshal on May 26, 2011, determined that the building on the Property constitutes a public nuisance. As set forth in more detail in the letter to the Property owner from David Willoughby, Building Official, dated September 26, 2011, attached here to as Exhibit A: (1) The hotel building is an unoccupied, unsafe structure in a dilapidated condition that has deteriorated wood, visible dry rot, broken windows, mold, deteriorated flooring and floor supports, deteriorated ceilings and roof supports, significant water damage that is beginning to compromise the structural integrity of the building; (2) the structure is not adequately protected against water intrusion and will continue to deteriorate in its present condition; (3) the structure is not adequately protected against unauthorized entry and as a result, trespassers have deposited garbage and trash in the structure, which poses a threat to public health and safety; (4) there is evidence that the building has been occupied by homeless persons; and (4) The existing fire sprinkler system has not been properly maintained, has fallen into disrepair as described in the attached Exhibit A.

D. Over the 35 months since the City Council commenced its hearing under Ukiah City Code Section 3306, Ms. Laines placed plastic sheeting over the roof and windows and removed some debris from inside the building. In removing lathe and plaster on all three floors of the hotel, Ms. Laines caused asbestos to become intermingled with other debris which created an unsafe working environment, culminating in Cal OSHA barring all debris removal until it approved a plan that complies with its workplace safety rules. Despite promises to commence asbestos removal first in October, then in December, the owner has not applied for a building permit required to commence the removal process, all of the windows in the building on the second and third floors are uncovered and the plastic sheeting on the roof no longer provides any protection against water intrusion. Heavy rains in December have increased water intrusion. The owner has failed to comply with any of the requirements in the Compliance Schedule adopted by the City Council and has not made satisfactory progress toward abating the nuisance conditions or presenting and following a viable plan for the full abatement of the nuisance conditions on the Property. Moreover, this unacceptably slow and erratic progress follows over 20 years of inaction during which the Palace Hotel remained vacant, in deteriorating condition, creating blight in the City's historic downtown, and inhibiting its revitalization. These facts convince the City Council that giving Ms. Laines additional time to abate the conditions is unlikely to result in abatement within a reasonable or even foreseeable time frame.

E. The conditions on the Property continue to violate section 116 of the California Building Code for dangerous buildings because the dilapidated hotel is unsecured and, therefore, unsafe; and the

structure is unsanitary because of the presence of debris remains. The conditions have actually been made worse and more time consuming and expensive to abate by the removal of lathe and plastic performed during the time this matter has been pending before the City Council.

F. The dilapidated hotel on the Property constitutes a public nuisance as defined in Ukiah City Code section 3300 and Health and Safety Code Section 17920; the conditions of the property violate Sections 1.14, 3.24, and 904 of Division 1, Title 19 of the California Code of Regulations; California Building Code section 901.6.1; and California Fire Code section 506.1, because the fire sprinkler system has not been adequately maintained, and emergency access keys that operate the locks on the property have not been provided in the knox box; and

6. Despite repeated efforts to gain voluntary compliance with the applicable codes and ordinances, the property owner has failed to make satisfactory progress in cleaning up and maintaining the Property, repairing and securing the hotel structure and otherwise in abating the nuisance conditions on the Property; and
7. The City Council overrules all objections and protests to the proposed abatement of the nuisance conditions on the Property;

NOW, THEREFORE, BE IT RESOLVED that:

1. The Ukiah Department of Public Works is hereby ordered and directed to abate the public nuisance located at 272 North State Street (APN 002-224-13) as described in this resolution. The Public Works Director is directed to seek the appointment of a receiver pursuant to Health and Safety Code Section 17980.7, if he determines that the property Owner or its authorized agent has failed to meet without good cause a compliance deadline in the Compliance Schedule attached hereto as Exhibit B. "Good cause" means an event beyond the reasonable control of the Owner, including governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause which could not with reasonable diligence be foreseen, controlled or prevented by the Owner. If a receivership is terminated without successfully abating said conditions, the Public Works Director is directed to seek further authority from the City Council before taking any other actions to repair or remove the hotel structure; and
2. The City Clerk is hereby directed to forward a certified copy of this resolution to the County Recorder of Mendocino County for recordation.

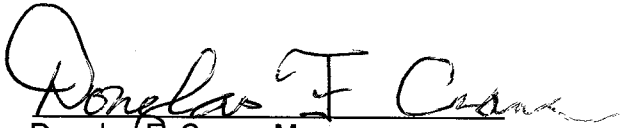
PASSED AND ADOPTED on February 4, 2015, by the following roll call vote:

Ayes: Councilmembers Mulheren, Doble, Brown, Scalmanini, Mayor Crane


Noes: None

Abstain: None

Absent: None


Douglas F. Crane, Mayor

ATTEST:


Cathy Elawadly, Deputy City Clerk



Eladia Laines/Leddy and Michael Leddy
PO Box 1309
Sausalito, CA 94966
Via Certified Mail

September 26, 2011

Subject: NOTICE OF SUBSTANDARD BUILDING
Location of Violation: Throughout the building
Address: 272 N. State St. (The Palace Hotel)
APN: 002-224-13
Owner: Qestex LTD/ Ms. Laines-Leddy and Mr. Mike Leddy

Dear Eladia Laines-Leddy and Mr. Mike Leddy

According to the Mendocino County Assessor's Office you are the record owner of the property listed above.

On May 18, 2011, an Inspection Warrant was obtained for the Palace Hotel. An inspection of the building was performed on May 26, 2011. During the inspection the following violations of Ukiah Municipal Code, California Building Code, and California Health and Safety Code were observed:

1. Water intrusion is evident in the basements at the exterior walls and at intersection of the floor/ceiling and the exterior wall.
2. The roof is leaking in many locations. The water entering the building from the failing roof is making its way all the way down through the building and affecting a large part of the structure because of this. This condition was occurring when I performed an inspection two years ago and has been going on for many years prior to that. Work was done on the roof to correct it, however it appears that the condition was not fixed and/or the maintenance has not been kept up since the repairs were made. Due to the water intrusion problem over the years, the structure is continuing to degrade.
3. A bathroom window on the southwest portion of the building at the second floor above Patrona's Restaurant roof is open. The opening is boarded up; however, water is able to get into the building at this point.
4. Most of the windows are broken and boarded up which still allows water to get into the building.

5. The roof has large splits and patches that have come loose and there are vent holes, skylights and other penetrations through the roof that are missing covers allowing water into the building. Also, some of the roofing on the parapet wall is missing.
6. The Ivy vine growing on the exterior of the building is degrading the brick and mortar as well as adding additional loads to an unreinforced masonry building.
7. The inspectors test drain valve for the automatic fire suppression system is inoperable.
8. There are no fire sprinklers installed in the large walk-in freezer.
9. Two sprinklers are painted and inoperable in the small room that is located at the southeast corner of the building facing State St.
10. The automatic fire suppression system is required to be electrically monitored. Our inspection reveals that it is not being electronically monitored.
11. The emergency access key security box (Knox box) is not present.

According to Section 17920.3 of the California Health and Safety code, due to the general dilapidated condition, lack of maintenance as noted above, defective or deteriorated flooring or floor supports, ceilings, and roof supports, and faulty weather protections this structure is declared to be a substandard building.

According to Division 3, Chapter 10, Section 3300 of the Ukiah Municipal Code, "All buildings or structures which are structurally unsafe, or are partially destroyed by fire, or are dilapidated from old age, neglect, decay or other causes within the City, which constitute a fire menace or are dangerous to human life, or a likely resort for vagrant or dissolute persons, may be declared a nuisance by the City Council of the City and thereafter abated as herein provided."

According to Division 3 Chapter 11, Section 3402 of the Ukiah Municipal Code, "It shall be unlawful, and it is hereby declared to be a public nuisance, for any person owning, leasing, occupying, or having charge of any commercially zoned business or commercially zoned property within the city of Ukiah, to maintain such premises in such a manner that any one or more of the conditions or activities described in the following subsections are found to exist:" The applicable subsections include:

- A. Any violation of this code.
- C. Buildings or structures which are partially destroyed, abandoned or permitted to remain in a state of partial construction for more than six (6) months, or beyond any period of extension, after the issuance of a building permit.
- F. Broken or cracked windows, windows boarded up with unpainted materials attached to the exterior of the building, or unattractive products adhered to/covering the inside of the window, unless the structure is undergoing a remodeling project. The property owner can have thirty (30) to ninety (90) days to correct the problem with the submittal and approval of a reasonable improvement strategy/plan.

G. Overgrown or dead, decayed or hazardous vegetation which: 3.) constitutes a blighted appearance and 4.) constitutes a fire hazard as determined by the city Fire Marshal.

H. Building exterior, roofs, landscaping, grounds, walls, retaining and crib walls, fences, or driveways which are defective, broken, torn, cracked, dilapidated, or in other similar blighted conditions. If that condition is readily visible from any public street or adjacent parcel of property and is unsightly so as to constitute a blighted condition detrimental to the property values in the immediate surrounding area or otherwise be detrimental to the public welfare.

P. Vegetation overgrowth which encroaches into, over or upon any public right of way including, but not limited to, streets, alley, or sidewalks, so as to constitute either a danger to the public safety or property or any impediment to public travel.

U. Any other condition declared by any state, county, or city statute, code or regulation to be a public nuisance.

X. Any dangerous, unsightly, or blighted condition which is detrimental to the health, safety or welfare of the public.

Y. Any condition recognized in law or in equity as constituting a public nuisance.

YOU ARE HEREBY NOTIFIED that you must abate the violations by taking the following steps within the time noted below from the date this notice is served upon you:

1. Submit a building permit application, fees, plans and documents for the repairs to the roof and repairs to the automatic fire sprinkler system required as noted above within thirty (30) days from the date of this notice; and

Complete the repairs needed on the roof, windows and exterior walls so that the building is waterproof and complete the repairs and monitoring of the automatic fire suppression system including the installation of the Knox Box within sixty (60) days from the date of this notice; and

Remove the Ivy vines growing on the building within ninety (90) days from the date of this notice; and

Submit a building permit application, fees, plans and documents for the restoration of this building within four (4) months from the date of this notice; and

Provide that the permit is issued within eight (8) months from the date of this notice; and

Provide that the building permit is finalized (final inspection) and a Certificate of Occupancy is issued within two (2) years from the date of this notice.

Or

2. Submit a building/demolition permit application with all required information, plans, fees, and documents for the demolition of the building within thirty (30) days from the date of this notice; and provide all required information and fees for compliance with the California Environmental Quality Act within thirty (30) days from the day formally requested by the City; and

Complete the demolition of the building within six (6) months from the date of the issuance of the building/demolition permit.

If you have not abated the violations within the time limits set above and by taking the actions described above, the City will take enforcement action as authorized by law which may include any or all of the following: (1) issuance of a citation for violation of Cal. Health & Safety Code §17995 (which makes violation of the building code a misdemeanor punishable for a first offense by a fine of \$1,000, six months in the county jail or by both a fine and imprisonment with the fine increasing to \$5,000 for a second or subsequent violation); (2) filing a civil action to enjoin the violation as a public nuisance. In a civil action you may become liable for the City's attorneys' fees in bringing the action; and (3) abatement of the violations through a resolution and assessment of costs against the property through a lien.

The Palace Hotel has been unoccupied for over fifteen years, has fallen into a dilapidated condition, and now represents a public nuisance. Efforts to correct violations in the past have been marginally successful and the building has continued to degrade into its current dilapidated and unsafe condition. The building has become a significant eyesore in the historic downtown, and conflicts with the City's plans to revitalize the downtown and promote positive economic development. The time has come for the violations to be once and for all fully and successfully abated and the building restored and put to productive use or, as owner of the building, you could propose to demolish the structure.

We are available to work with you to resolve the Palace Hotel dilemma. You can contact me Monday through Thursday at (707) 467-5718 to discuss this correspondence.

THIS IS THE ONLY FORMAL NOTICE THE CITY WILL PROVIDE BEFORE TAKING ENFORCEMENT ACTION.

Sincerely,



David Willoughby
Building Official

cc: David Rapport, City Attorney
Sage Sangiacomo, Assistance City Manager
Charley Stump, Director, Planning and Community Development

EXHIBIT B

COMPLIANCE SCHEDULE

Milestone	Deadline	Evidence of Compliance
<p>1. Obtain required building and encroachment permits and any other required permits to perform Asbestos Abatement Work Plan prepared by Bluewater Environmental Services, Inc. and approved by Cal OSHA and Mendocino County Air Quality Management District (MCAQMD)</p> <p>2. Restore fire sprinkler system to full function to the satisfaction of the Fire Marshall.</p> <p>3. Obtain approval by City Engineer of a written structural assessment of hotel by California licensed structural or civil engineer for conditions creating significant threat to structural integrity of building, including any conditions requiring immediate repair and a schedule for completing those immediate repairs.</p> <p>4. Complete any repairs designated in the approved report as requiring immediate repair in accordance with the schedule in the report.</p> <p>5. Secure the entire building from unauthorized entry to the satisfaction of the City Building Official.</p> <p>6. Patch roof and cover all window, door and other openings to effectively prevent water intrusion. Continuously maintain these measures to prevent water intrusion until completion of rehabilitation.</p> <p>7. Fully perform and complete the approved Asbestos</p>	<p>April 21, 2015</p>	<p>The following correspond to the numbered items in column, headed "Milestone." For example, #1 below is the evidence to establish compliance with Milestone # 1. The evidence of compliance must be provided by the April 21, 2015, deadline.</p> <p>1. Copy of issued permits on file in City Planning and Building Department.</p> <p>2. Inspection and approval of City Building Official and Fire Marshall.</p> <p>3. Copy of approved structural assessment on file with Planning and Building Department.</p> <p>4. Written approval from structural or civil engineer bearing engineer's stamp and signature on file with Planning and Building Department and inspection by City Building Official and/or City Engineer.</p> <p>5. Inspection by City Building Official.</p> <p>6. Inspection and on-going inspections by City Building Official.</p> <p>7. Written approval by Cal OSHA and MCAQMD on file with Planning and Building Department and inspection by City Building Official.</p>

EXHIBIT B

Abatement Work Plan to the satisfaction of Cal OSHA and MCAQMD.		
<p>Prepare plan for pre-development to include:</p> <ol style="list-style-type: none"> 1. Detail of steps required for pre-development 2. List of design professionals and consultants retained 3. Schedule for completing steps 4. Description of financing for pre-development work 	90 days from completion of Asbestos abatement	<p>File with Planning Director</p> <ol style="list-style-type: none"> 1. Written plan 2. Signed contracts with design professionals and consultants 3. Schedule for completion 4. Executed loan documents 5. Evidence of funding availability
Completion of pre-development work	180 days from submission of Work plan to Planning Director	Submission of completed application for permits required for rehabilitation work with required construction plans
Submit engineer's final estimate of construction cost, certified by California licensed and qualified design professional	To be submitted with work plan	File engineer's estimate with Planning Director
Secure financing for construction and obtain (pay for and have issued) the building permit	90 days from submission of application for required permits	Executed financing documents, evidence of funding availability filed with Planning Director, permit issued
Completion of seismic retrofit	180days from issuance of building permit	Structural work to seismically retrofit the building completed. Permit for work signed off by Building Official and owner's California licensed structural engineer.
Completion of roofing to make watertight	180 days from issuance of building permit	Includes any roof framing, sheathing and all roofing installed. Observed and noted by the Building Official.
Completion of interior framing and installation of windows to make exterior watertight	210 days from issuance of building permit	Includes all framing repairs and changes to the floors, ceilings, walls, stairways and installing windows. Rough frame is signed off by the Building Official.

EXHIBIT B

Completion of all rough electrical, mechanical and plumbing for the building.	365 days from issuance of building permit.	Building is ready for insulation and drywall. Rough electrical, mechanical and plumbing is signed off by the Building Official.
Completion of Drywall	1 year and 2 months from issuance of building permit.	Sheetrock and firewalls completed and signed off by the Building Official
Completion of the project	2 years from the issuance of the building permit.	Building permit is signed off and a Certificate of Occupancy is issued for all occupancies within the building.