



City Council

Special Meeting AGENDA

Civic Center Council Chamber ♦ 300 Seminary Avenue ♦ Ukiah, CA 95482

To participate or view the virtual meeting, go to the following link: <https://us06web.zoom.us/j/97199426600>

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November 1, 2023 - 4:00 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

2. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

The City Council welcomes input from the audience. If there is a matter of business on the agenda that you are interested in, you may address the Council when this matter is considered. If you wish to speak on a matter that is not on this agenda that is within the subject matter jurisdiction of the City Council, you may do so at this time. In order for everyone to be heard, please limit your comments to three (3) minutes per person and not more than ten (10) minutes per subject. The Brown Act regulations do not allow action to be taken on audience comments in which the subject is not listed on the agenda.

3. NEW BUSINESS

- 3.a. Adoption of Resolution Approving the Building Official's Recommendations Regarding Palace Hotel Property and Exemption Determinations under Ukiah City Code Section 3016(b)(2) and the California Environmental Quality Act.

Recommended Action: Adopt Resolution approving the Building Official's recommendations regarding Palace Hotel property and exemption determinations under Ukiah City Code Section 3016(b)(2) and the California Environmental Quality Act.

Attachments:

1. 2015-07 CC Resolution
2. Receivership Chronology
3. 2022.04.06 State - Discharge Order
4. Draft Discharge Notice and Order
5. Determination of Exemption- signed cbo and cdd 10-24-23
6. 1.31.23-Winter-Storms-EO
7. 3.8.23-SOE-Storms-Additional-Counties (002)
8. Proposed Resolution
9. Power Point Presentation - Palace Hotel Inspection

4. CLOSED SESSION

- 4.a. **Conference with Legal Counsel – Anticipated Litigation**
(Government Code Section 54956.9(d)(4))
Initiation of litigation (1 case)

5. ADJOURNMENT

Please be advised that the City needs to be notified 72 hours in advance of a meeting if any specific accommodations or interpreter services are needed in order for you to attend. The City complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection at the front counter at the Ukiah Civic Center, 300 Seminary Avenue, Ukiah, CA 95482, during normal business hours, Monday through Friday, 8:00 am to 5:00 pm. Any handouts or presentation materials from the public must be submitted to the clerk 12 hours in advance of the meeting; for handouts, please include 10 copies.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Ukiah City Hall, located at 300 Seminary Avenue, Ukiah, California, not less than 24 hours prior to the meeting set forth on this agenda.

Kristine Lawler, CMC
Dated: 10/26/23



AGENDA SUMMARY REPORT

SUBJECT: Adoption of Resolution Approving the Building Official's Recommendations Regarding Palace Hotel Property and Exemption Determinations under Ukiah City Code Section 3016(b)(2) and the California Environmental Quality Act.

DEPARTMENT: City Attorney

PREPARED BY: David Rapport, City Attorney

PRESENTER: David Rapport, City Attorney

ATTACHMENTS:

1. 2015-07 CC Resolution
2. Receivership Chronology
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7. 3.8.23-SOE-Storms-Additional-Counties (002)
8. Proposed Resolution
9. Power Point Presentation - Palace Hotel Inspection

Summary: Council will consider adopting a Resolution approving the Building Official's recommendations regarding Palace Hotel property and exemption determinations under Ukiah City Code Section 3016(b)(2) and the California Environmental Quality Act.

Background: In Resolution No. 2015-07 adopted in 2015, the City Council found that the Palace Hotel Property (at that time owned by Questex Corporation) was a dangerous building under Ukiah City Code ("UCC") § 3300 et seq. and a public nuisance and directed the City Engineer to petition the Mendocino County Superior Court for the appointment of a receiver to take control of the property and abate the public nuisance conditions. (See Resolution No. 2015-07 (Attachment 1).) The resolution directed the City Engineer to return to the City Council for further instructions if the receivership failed to remedy the condition of the property.

A receiver was appointed on January 9, 2017, who subsequently borrowed funds, secured by a receivership certificate on the Palace property. The receiver used the borrowed funds to pay receivership expenses, including engineered plans to seismically retrofit the unreinforced masonry walls, repair the roof and make other necessary repairs to the roof and window and door openings. (See chronology in Attachment 2 which are taken verbatim from the recitals in the Settlement Agreement among the receiver, the property owner and the City pursuant to which the receiver was discharged and the receivership terminated.) However, the receivership could not raise sufficient funds to construct these improvements and title to the hotel changed when Questex Corporation could not repay the loan and the lender foreclosed on the receivership certificate.

The receiver has been discharged and the receivership terminated. (See Order Discharging Court-Appointed Receiver, and Dismissing Action When Conditions Stated in the Settlement Agreement Are Met ("Discharge Order"), attached as Attachment 3.)

Discussion: CURRENT CONDITIONS

On September 29, 2023, the City's Chief Building Official and its Fire Chief and two Battalion Chiefs, with the Owner's consent, conducted an inspection of the Property and recorded their observations in photographs, which are contained in a Power Point Presentation prepared by the Chief Building Official. ("Power Point Presentation.") Based on that inspection, the Building Official has determined that the former hotel has deteriorated dramatically since the City Council adopted Resolution 2015-07. (See Power Point Presentation; included as Attachment #9.) Based on that inspection, in his opinion, the building poses an imminent risk of damage to persons or property due to its advanced stage of deterioration. In the Building Official's opinion, heavy rains from last winter's storms have caused or substantially contributed to the building's current unstable condition. It appears that the heavy rains last winter resulted in major water intrusion into the building, which has accelerated its deterioration. (See Attachments 5 and 6.)

As can be seen in the photographs taken by the Building Official official, some flooring has collapsed and is hanging vertically. Substantial portions of the floors on all three stories of the building have buckled and cracked. Wooden crossbeams providing lateral support have cracked or broken. In the Building Official's opinion, any weight on substantial portions of the flooring on all three stories could cause them to collapse. Some portions of the unreinforced masonry in interior walls have collapsed. Portions of the roof are sagging. Rainwater enters the building from the deteriorated roof and open windows. There has been substantial deterioration of the mortar in the outside brick walls of the Palace fronting State and Smith Streets and contiguous to the back of buildings on Standley Street.

Given that the building fronts on State, Smith and School Streets and is contiguous to buildings on Standley Street, any outward failure of the structure could injure people on those streets or in those buildings and cause property damage to vehicles on the streets and to the adjacent buildings and their contents.

BUILDING OFFICIAL RECOMMENDATIONS

The Building Official recommends that he issue a notice to the Building Owner pursuant to the Building Official's authority under Sections 116 and 117 of the California Building Code. The order will require the Owner to submit within 30 days after service of the order a plan and application for permits to stabilize and demolish the hotel structure. The plan must include interim measures to prevent damage to persons or property and a reasonable timeline for completing the work. In the alternative, the notice will allow the property owner to submit a study from a California licensed structural engineer providing an alternative to demolition that will abate the imminent risk of collapse posed by the structure's current condition and applications for the permits required to perform the work recommended by the study. (See draft Notice and Order, attached as Attachment 4.)

EXEMPTION FROM HISTORICAL REVIEW UNDER UKIAH CITY CODE SECTION 3016.B(4)

The Palace Hotel is over 50 years old and listed on the National Register of Historic Places. Under Ukiah City Code ("UCC") section 3016.D, a review of the building's historic significance is required before a building permit can be issued for its demolition. However, under UCC §3016.C, if the Planning Director or his designee determines that immediate demolition of the building is necessary to protect the public health or safety and the failure to immediately demolish the building would constitute a serious threat to the public health or safety, no review of the building's historic significance is required.

Based on the September 29 inspection, in the Building Official's opinion, as the designee of the Director of Community Development, demolition of the building is necessary to prevent an imminent risk and serious threat to public health or safety. (See Determination of Exemption from Review for Historical and Architectural Significance under Ukiah City Code Section 3016) (Attachment 5.)

EXEMPTION FROM ENVIRONMENTAL REVIEW UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT.

The California Environmental Quality Act ("CEQA") requires environmental review of projects either undertaken by or subject to approval of the City.¹ The issuance of a demolition permit by the City's Building

Official would ordinarily be considered a ministerial project exempt from environmental review under CEQA.² However, Ukiah has modified the California Building Code as adopted in Ukiah to require the City Council to determine the historical significance of buildings, like the Palace Hotel, that are over 50 years old,³ and Public Resources Code Section 5028 requires approval from the State Historic Preservation Office (“SHPO”) before a building listed on the National Register of Historic Places is demolished. Under these authorities, issuance of the demolition permit may not qualify as a ministerial project.⁴

Based on the condition of the Palace Hotel, however, two exemptions from environmental review under CEQA apply: (1) Projects undertaken or approved by the City to maintain, repair, restore, demolish, or replace a building damaged or destroyed as a result of a disaster in a disaster-stricken area in which a state of emergency has been proclaimed by the Governor pursuant to the Emergency Services Act⁵ and (2) Specific actions necessary to prevent or mitigate an emergency.⁶

Both of these statutory exemptions apply to the Building Official’s recommendations and the subsequent actions taken to implement the actions recommended by the Building Official.

1. The significant deterioration of the Palace Hotel resulting in its current unstable condition likely resulted from the heavy rains last winter causing heavy water intrusion.

PRC § 21060.3 defines “Emergency” as a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services. Under PRC §21080(b)(1) demolition or stabilization of the Palace Hotel is subject to this statutory exemption from CEQA, if damage is the result of a disaster in a disaster-stricken area in which the Governor has proclaimed an emergency under the California Emergency Services Act. §15269 of the CEQA Guidelines⁷ adds that: This includes projects that will remove, destroy, or significantly alter an historical resource when that resource represents an imminent threat to the public of bodily harm or of damage to adjacent property.”

In Executive Order N-2-23, on January 16, 2023, the Governor did declare an emergency under the Emergency Services Act in response to the impact of the severe winter storms on “impacted communities across the State . . . causing [flooding and] infrastructure damage”. (See copy of emergency declaration. (Attachment 6.) On March 1, 2023, the Governor made an additional emergency declaration for 13 identified counties, including Mendocino County and on March 8, 2023, he extended that proclamation based on the forecasted impact of atmospheric rivers on those counties. (See Proclamation of State of Emergency attached as Attachment 7.)

In the Building Official’s opinion, based on the current condition of the building as compared to the conditions observed in the 2017 inspection and his opinion that the observed conditions are caused by water intrusion which weakens the wooden floors, joists and beams and increases the weight load on these structures, the unusually heavy rains in the 2022-23 rainy season substantially contributed to the current condition of the building. The deterioration of the building since its last inspection by the Building Official and the extensive buckling and cracking of flooring and wooden support structures can only be explained by extensive water damage. While damage from water intrusion likely occurred between 2017 and 2022, the storms in the 2022-23 season were historically severe, especially as compared to the drought conditions in 2019, 2020 and 2021. A preponderance of the evidence supports a finding that the need for immediate action to stabilize and demolish the building has been caused by the storms last winter. These same facts support the need to take action before the rainy season this winter.

The Building Official’s recommendation allows the building owner 30 days to submit a plan and permit application to stabilize and demolish the building or a study from a licensed California structural engineer to demonstrate an alternative that will abate the current imminent risk of public harm posed by the property’s current condition. If the Owner submits a plan and permit application to demolish the hotel, SHPO approval may be required. If the Owner proposes an alternative, SHPO approval may not be required.

2. Demolition or repair is exempt from environmental review under CEQA because specific actions have been found by the Building Official to be necessary to prevent or mitigate an emergency.

PRC §21080(b)(4) provides an additional statutory exemption from environmental review under CEQA for demolition or repair if such work is necessary to prevent or mitigate an emergency. There must be a likelihood of damage to persons or property if the existing condition of the Palace Hotel is not abated by temporary protective measures followed by demolition or other measures, if capable of timely performance.⁸

Based on the Building Official's investigation and opinion,⁹ the work is necessary to prevent an emergency that will occur, if the building were to collapse in a way that impacts areas outside the building, including as a result of rain this winter.¹⁰ In the Building Official's opinion, based on his inspection of the property as reported to the City Council, there is a likelihood of such damage occurring, unless the measures he is recommending are taken. Unlike the statutory exemption in PRC §21080(b)(1), the exemption in Subd. (b)(4) does not require that the damage be caused by a natural disaster, only that the work is necessary to prevent or mitigate an emergency condition.¹¹

CONCLUSION

The City Council's approval is not required for the Building Official to take the actions he is proposing under Sections 116 and 117 of the California Building Code. Given the Palace Hotel's listing on the National Register of Historic Places and the many efforts that the City and the Ukiah community have made to preserve this historic resource, City Staff wanted to present the Building Official's findings and recommendations to the City Council and the general public at a City Council meeting and for the City Council to determine whether the statutory exemptions from environmental review apply to the actions required to abate the existing hazard posed by the building's current condition.

The recommendation is for Council to adopt the proposed resolution seen in Attachment 8.

FOOTNOTES:

1. Public Resources Code ("PRC") §21080(a).

2. PRC §21080(b)(1).

3. UCC §3016.

4. See 14 California Code of Regulations ("CCR") § 15369.

5. Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code

6. PRC §21080(b)(4).

7. 14 California Administrative Code § 15000 et seq.

8. *Western Mun. Water Dist. v. Superior Court* (1986) 187 Cal. App. 3d 1104, 1113-1114 [statutory exemption for prevention of emergency applied and exempted from environmental review under CEQA the drilling and operation of two "dewatering" wells, the sole purpose of which was to pump groundwater from the saturated pressure zone in the aquifer beneath the City of San Bernardino to prevent subsidence and contamination of drinking water wells.]

9. The Building Official will present his opinions and the factual basis for them during the City Council meeting.

10. According to the National Oceanic and Atmospheric Administration ("NOAA"), there is an equal chance of below or above normal precipitation in Ukiah this winter. (<https://www.msn.com/en-us/weather/topstories/noaa-releases-2023-2024-winter-predictions/ar-AA1hoj0k>.) A four-month advance prediction by the National Center for Atmospheric Research ("NCAR") predicts a super El Nino this winter on a par with the severe El Nino in the 1997-98 winter. (<https://news.ucar.edu/132912/ncar-experimental-prediction-system-calls-super-el-nino-winter>.)

11. (See *CREED-21 v. City of San Diego* (2015) 234 Cal.App.4th 488 [emergency repair to a storm drain to prevent future flooding of private property subject to the exemption from environmental review under PRC §21080(b)(4).]; (*County of Ventura v. City of Moorpark* (2018) 24 Cal.App.5th 377, 386 [The emergency exemption from environmental review under Pub. Resources Code, § 21080, subd. (b)(4), applied to a geologic hazard abatement district's entire beach restoration project].)

Recommended Action: Adopt Resolution approving the Building Official's recommendations regarding Palace Hotel property and exemption determinations under Ukiah City Code Section 3016(b)(2) and the California Environmental Quality Act.

BUDGET AMENDMENT REQUIRED: N/A

CURRENT BUDGET AMOUNT: N/A

PROPOSED BUDGET AMOUNT: N/A

FINANCING SOURCE: N/A

PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A

COORDINATED WITH: Community Development Department, Public Works Department, Ukiah Valley Fire Authority, and City Manager's Office

DIVERSITY-EQUITY INITIATIVES (DEI):N/A

CLIMATE INITIATIVES (CI): N/A

GENERAL PLAN ELEMENTS (GP): GP-A6 - Safety Element

☐ Approved: 
Sage Sangiacomo, City Manager

Recorded at request of:

City of Ukiah

When recorded, return to:

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:

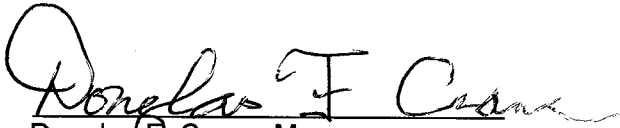
1. The Ukiah Department of Public Works is hereby ordered and directed to abate the public nuisance located at 272 North State Street (APN 002-224-13) as described in this resolution. The Public Works Director is directed to seek the appointment of a receiver pursuant to Health and Safety Code Section 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
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) 2. Restore fire sprinkler system to full function to the satisfaction of the Fire Marshall. 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. 4. Complete any repairs designated in the approved report as requiring immediate repair in accordance with the schedule in the report. 5. Secure the entire building from unauthorized entry to the satisfaction of the City Building Official. 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. 7. Fully perform and complete the approved Asbestos	April 21, 2015	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. 1. Copy of issued permits on file in City Planning and Building Department. 2. Inspection and approval of City Building Official and Fire Marshall. 3. Copy of approved structural assessment on file with Planning and Building Department. 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. 5. Inspection by City Building Official. 6. Inspection and on-going inspections by City Building Official. 7. Written approval by Cal OSHA and MCAQMD on file with Planning and Building Department and inspection by City Building Official.

EXHIBIT B

Abatement Work Plan to the satisfaction of Cal OSHA and MCAQMD.		
Prepare plan for pre-development to include: 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	File with Planning Director 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.

ATTACHMENT 2

CHRONOLOGY FROM SETTLEMENT AGREEMENT

A) After remaining vacant and unmaintained since 1995, the real property located at 272 North State Street in Ukiah, California, Mendocino County Assessor Parcel No. ("APN") 002-224-13, otherwise known as "the Palace Hotel," ("Subject Property") had become a public nuisance and posed a threat to public health and safety. Pursuant to Ukiah City Code Section 3300 et seq. on or about December 21, 2011, the City Council adopted a resolution declaring the Subject Property a dangerous building and ordered its owner to abate the nuisance conditions.

B) After attempting unsuccessfully over period of four years to get its owner to voluntarily abate the public nuisance condition of the Subject Property, on July 10, 2015, the City filed *Ukiah v. Questex, Ltd*, Mendocino County Superior Court Case No. SCUk-CVPT-15-66036. Pursuant to the provisions of Code Civ. Proc. § 568 and Health and Safety Code § 17980.7, the City requested that the court appoint a receiver to take full and complete control of the Subject Property and take all steps necessary to rehabilitate the Subject Property and bring it into compliance with the Health and Safety Code and the Ukiah City Code.

C) On January 9, 2017, the Court issued its Order ("the Order") Appointing Mark S. Adams as the Receiver to take full and complete possession and control of the Subject Property, develop and implement a plan to rehabilitate the property and borrow funds as necessary to pay for the cost of the rehabilitation work and secure that debt with a recorded super priority first lien on the Subject Property for the amount borrowed. The Receiver was authorized to issue and record Receiver's Certificates of Indebtedness to evidence and secure such debt, which were to become a first lien on the Subject Property superior to all preexisting private liens and encumbrances. A form of such a certificate was attached to the Order as Exhibit A. The Receiver's Certificate was to be issued for such items as the Court expressly authorized, upon notice and after hearing.

D) Pursuant to the Order, the Receiver borrowed from Jitu Ishwar \$438,000 on May 16, 2017 and \$139,576 on February 27, 2018, totaling \$577,576, which loans were secured by a Receiver's Certificate and Deed of Trust recorded with the Mendocino County Recorder on May 19, 2017, with an amended Deed of Trust recorded on December 22, 2017. After Notice of Default was given on December 12, 2018, the Palace Hotel was sold to Jitu Ishwar on January 11, 2019, in a non-judicial foreclosure for a bid of \$972,084.94 which included the loans from Mr. Ishwar and unpaid receivership fees and expenses.

E) On or about January 22, 2019, Mr. Ishwar filed Articles of Organization with the California Secretary of State establishing Twin Investments, LLC and on January 28, 2019, he conveyed title to the Subject Property to Twin Investments.

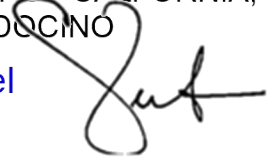
FILED

04/06/2022

MARK S. ADAMS, SBN 68300
 California Receivership Group
 2716 Ocean Park Blvd., Suite 3010
 Santa Monica, CA 90405
 Tel. (310) 471-8181
 Fax (310) 471-8180
madams@calreceivers.com
 Court-Appointed Receiver

KIM TURNER, CLERK OF THE COURT
 SUPERIOR COURT OF CALIFORNIA,
 COUNTY OF MENDOCINO

Delgado, Samuel
 DEPUTY CLERK



**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 IN AND FOR THE COUNTY OF MENDOCINO**

CITY OF UKIAH, a municipal corporation,

Petitioner,

v.

QUESTEX, LTD., et al.

Respondents.

Case No. SCU-K-CVPT-15-66036

**(PROPOSED) ORDER DISCHARGING
 COURT-APPOINTED RECEIVER, AND
 DISMISSING ACTION WHEN
 CONDITIONS STATED IN THE
 SETTLEMENT AGREEMENT ARE MET**

Judge: Hon. Ann Moorman
 Dept.: G

Based on the Stipulation of Parties Re: Approving Stipulation and Settlement Agreement and Discharging Receiver dated March 21, 2022 (“Stipulation”) and good cause appearing therefor, the Court hereby enters its order as follows

1. IT IS HEREBY ORDERED that the Settlement Agreement and Stipulation are approved, and their content and the actions described therein are hereby approved and ratified. Receiver Mark Adams, (“Receiver”) appointed by court order, filed January 9, 2017, for the property located at 272 North State Street, Ukiah, CA 95482 (APN 002-224-13) (“Property”) is discharged as provided herein.

2. IT IS FURTHER ORDERED that effective upon satisfaction of the conditions stated in the Sections 2, 3.a. 3.b and 4 of the Settlement Agreement, the receivership estate is terminated, and the Receiver is formally discharged of all further duties, liabilities, and responsibilities in this matter.

IT IS FURTHER ORDERED that all acts, transactions, and actions of the Receiver, California Receivership Group and their counsel herein for the receivership period are confirmed, ratified and approved. This discharge order is res judicata as to any claim that may have been brought or could be brought by any Party or non-Party person or entity against the Receiver, California Receivership Group, Petitioner City of Ukiah (“Petitioner”), Twin Investments, LLC, current owner of the Property (“Owner”) arising out of the establishment or administration of the Receivership.

3. IT IS FURTHER ORDERED that the Receiver is hereby discharged from all further duties, liabilities, and responsibilities as Receiver herein upon satisfaction of the conditions stated in the Sections 2, 3.a. 3.b and 4 of the Settlement Agreement.

4. IT IS FURTHER ORDERED that all further liability on any bonds heretofore filed by the Receiver is hereby released and the sureties exonerated thereon.

5. IT IS FURTHER ORDERED that upon discharge the court retains jurisdiction pursuant to California Code of Civil Procedure Section 664.6 to enforce the Settlement Agreement. Notwithstanding dismissal of the action , the prevailing party in an action to enforce the Settlement Agreement shall be awarded reasonable attorneys’ fees and other recoverable costs as determined by the court pursuant to California Code of Civil Procedure Section 664.6.

6. IT IS FURTHER ORDERED that all receivership certificates, deeds of trust, liens, mechanics liens, notices of lis pendens, and other interests in the Property, recorded in the Official Records of Mendocino County against the Property prior to January 11, 2019 and recorded before or after said date in connection with or as a result of the administration of the receivership, except the 2019 Deed of Trust and lis pendens providing notice of the receivership proceedings, which are subject to Section 3(d) and 4 of the Settlement Agreement, are hereby extinguished and removed from the chain of title to the Property. Notice of this provision of this order, attached hereto as Exhibit A, may be recorded by Petitioner, City of Ukiah with the Mendocino County Recorder.

7. IT IS FURTHER ORDERED that pursuant to Health and Safety Code Section 17980.7, the Court retains jurisdiction for 18 consecutive months from the date of this order to

reinstate the receivership, unless escrow has closed under the Purchase and Sale Agreement as contemplated by the Letter of Intent, approved the Court in its sealed order. If said escrow has not closed and the Purchase and Sale Agreement is terminated, not later than 15 months from said date, Petitioner and Owner shall submit reports to the Court on the condition of the Property, and the status of its rehabilitation.

The status hearing currently set for May 9, 2022 is hereby vacated.

IT IS SO ORDERED.

DATED: ~~March~~ ^{4/5/2022} ~~2022~~



Honorable Ann Moorman
Judge of the Superior Court

EXHIBIT A

RECORDING REQUESTED BY
AND MAIL TO:

City Clerk
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

ASSESSOR'S PARCEL NO. 002-224-13

No fee pursuant to Government Code Section 6103; the value is less than \$100.00

NOTICE IS HEREBY GIVEN that on March __, 2022, in *City of Ukiah v. Questex Ltd., et al*, Mendocino County Superior Court Case No. SCUK-CVPT-66036 (“the Action”), the Court signed and filed its Order Approving Settlement Agreement, Discharging Court-Appointed Receiver, and Dismissing Action When Conditions Stated in the Settlement Agreement Are Met (“the Order”). A true and accurate copy of the Order is attached hereto.

Section 6 of the Order affects the real property located at 272 North State Street, Ukiah, CA 95482 located at 272 North State Street, Ukiah, CA 95482, also known as Mendocino County Assessor’s Parcel Number 002-224-13 (the “Property”) and described as follows:

Parcel One:

Beginning at the Southwesterly corner of State of Smith Streets in said City, and running thence Westerly on the Southerly line of Smith Street, 200 feet, more or less, to the Southeasterly corner of Smith and School Street, 60 feet; thence at right angles Easterly 200 feet, more or less, to the Westerly line of State Street; thence Northerly on the Westerly line of State Street, 60 feet to the place of beginning.

Parcel Two:

Commencing at a point on the Westerly line of State Street in Block 14 of Ukiah City, 60 feet Southerly from the Southwest corner of the intersection of Smith and State Street; thence Southerly along the Westerly line of State Street, 40 feet to the Northeast corner of land of A.R. Steiert; thence at right angles Westerly along the North line of land of A.R. Steiert, 80 feet; thence continuing Westerly on the same course 120 feet to the East line of School Street; thence Northerly along the East line of School Street, 40 feet; thence at right angles 200 feet to the place of beginning.

Parcel Three:

Commencing at the Northeast corner of the Lot formerly owned by J.R. Mathews in Block 14 of the City of Ukiah; thence Northerly at right angles to the North line of Standley Street, 25 feet to the South line of Parcel 2 hereinabove described; thence Westerly along the South line of said Parcel 2, 24 feet; thence Southerly at right angles to Standley Street, 25 feet to the Northwest corner of said Lot formerly owned by J.R. Mathews, 24 feet to the place of beginning.

Said Section 6 provides that all receivership certificates, deeds of trust, liens, mechanics liens, notices of lis pendens, and other interests in the Property, recorded in the Official Records of Mendocino County against the Property prior to January 11, 2019, and any documents recorded before or after January 11, 2019 in connection with or as a result of the administration of the receivership, are here by extinguished and removed from the chain of title to the Property, except for the August 9, 2019, Court approved a Receiver's Certificate and a deed of trust in the amount of \$120,000 in favor of California Receivership Group as beneficiary ("2019 Deed of Trust") and the notice of lis pendens providing notice of the receivership proceedings, which are subject to being removed from the chain of title to the Property pursuant to Sections 3(d) and 4 of the Settlement Agreement.

The Order authorizes this Notice to be filed in the Official Records of the County of Mendocino.

Dated:

David J. Rapport, City Attorney
Attorney for Petitioner City of Ukiah

NOTARY ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Mendocino

On _____ before me, _____, Notary Public, personally appeared David J. Rapport, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the

foregoing paragraph is true and correct.

Witness my hand and official seal.

(Signature) _____

(Seal)

PROOF OF SERVICE

I am employed in the County of Mendocino; my business address is 405 West Perkins Street, Ukiah, California 95482. I am over the age of eighteen years and not a party to the foregoing action.

On March 30, 2022, I served the below listed document described as:

STIPULATION TO APPROVE SETTLEMENT AGREEMENT, TO DISCHARGE COURT-APPOINTED RECEIVER, AND TO DISMISS ACTION WHEN CONDITIONS STATED IN THE SETTLEMENT AGREEMENT ARE MET; (PROPOSED) ORDER

By the following described below:

☒ **by mail** on the following party(ies) in said action, in accordance with Code of Civil Procedure § 1013a(3), by placing a true copy thereof enclosed in a sealed envelope in a designated area for outgoing mail, addressed as set forth below. Mail placed in that designated area is given the correct amount of postage and is deposited that same day, in the ordinary course of business, in a United States mailbox in the City of Ukiah, California.

☐ **by personally delivering** a true copy thereof, in accordance with Code of Civil Procedure § 1011, to the person(s) and at the address(es) set forth below.

☐ **by overnight delivery** on the following party(ies) in said action, in accordance with Code of Civil Procedure § 1013(c), by placing a true copy thereof enclosed in a sealed envelope, with delivery fees paid or provided for, and delivering that envelope to an overnight express service carrier as defined in Code of Civil Procedure § 1013(c).

☒ **by electronic mail pursuant to stipulation as follows.**

James King
Stephen F. Johnson
Michaelyn P. Wipf
Zachary S. Stephens
MANNON, KING, JOHNSON & WIPF LLP
200 North School Street, Suite 304
PO Box 419
Ukiah CA 95482
steve@mkjlex.com

Sam Emerson
Scott E. Huber
Sean D. De Burgh
COTA COLE & HUBER, LLP
2261 Lava Ridge Court
Roseville CA 95661
shuber@cotalawfirm.com
sdeburgh@cotalawfirm.com
semerson@cotalawfirm.com

Mark S Adams, Esq.
California Receivership Group
3435 Ocean Park Blvd., Suite 107
Santa Monica, CA 90405
madams@calreceivers.com

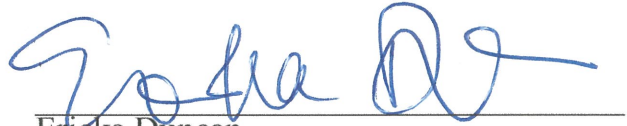
Robert Green
GREEN 7 NOBLIN, P.C.
2200 Larkspur Landing Circle, Suite 101
Larkspur CA 94939
rsg@classcounsel.com

Courtesy Copies:

Todd Schapmire
c/o 101 Property Management
390 W. Standley Street
Ukiah CA 95482
toddscapmire@gmail.com

Roger J. Brothers
Brothers & Smith
2033 N. Main St. #720
Walnut Creek CA 94596
rbrothers@brotherssmithlaw.com

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this document was executed on March 30, 2022.


Ericka Duncan



TWIN INVESTMENTS LLC
 494 KENWOOD DR
 UKIAH CA 95482

DATE POSTED: _____

**Subject: NOTICE OF VIOLATION –
 HAZARDOUS CONDITION - PUBLIC NUISANCE**

Location of Violation: Entire Property
 Address: 272 N STATE ST
 Assessor's Parcel Number: 002-224-13
 Owner: TWIN INVESTMENTS LLC
 Attention: JITU ISHWAR, LLC Member

Dear Owner:

PLEASE TAKE NOTICE that on 09/29/23, an inspection of the interior and exterior of the above-referenced property was performed with the owner representative present. The inspection team was made up of the Chief Building Official, the Fire Chief, and two Battalion Chiefs. The determinations made by the inspection team are as follows.

1. The building at 217 N State St. is structurally unsound, deteriorated, and constitutes a menace to public safety. Since the City Council findings adopted by Resolution No. 2015-07, a true and correct copy of which is attached to this Notice, the condition of the building has deteriorated to such an extent that it poses an imminent risk of collapse endangering life, limb, health, and property of the public.
2. The condition of the above property has been deemed a public nuisance due to its hazardous condition and immediate action is necessary to abate the nuisance to protect public safety.

As a result of the above-described conditions, the historical significance of this building cannot impede the protection of public safety which is of paramount importance. You must take all necessary steps to ensure the safe and timely demolition or stabilization of this building.

In accordance with Section 116.1 of the 2022 California Building Code YOU ARE HEREBY NOTIFIED: that the City of Ukiah is hereby issuing a formal order requiring you as the property owner and managing member of the owner to initiate

300 SEMINARY AVENUE UKIAH, CA 95482-5400
 Phone # (707)463-6200 Fax# (707)463-6204 Web Address: www.cityofukiah.com

the demolition or stabilization of the structurally unsound building. Respond to this notice with a permit application and your proposed plan within 30 days.

If you have not taken steps to abate the violation in the time given above 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); and (2) filing a civil action to enjoin the violation as a public nuisance, to recover from you the costs to demolish the building and to take any other actions necessary to protect public health and safety, to impose the penalties prescribed by Cal. Health & Safety Code §17995, to prevent you from taking a tax deduction for interest, expenses, depreciation or amortization arising from your ownership of the property, or the City can request reinstatement of the receivership recently terminated and the appointment of a receiver to take possession and control of the property, make all repairs, impose those costs as a lien on the property and seek to recover any deficiency from you. In a civil action you may become liable for the City's attorneys' fees and costs in bringing the action. THIS IS THE ONLY NOTICE THE CITY WILL GIVE BEFORE TAKING ENFORCEMENT ACTION.

Sincerely,

Matt Keizer
Chief Code Enforcement Officer

Posted on building
Sent Via: Certified mail
cc: City Attorney

ATTACHMENT 5

DETERMINATION OF EXEMPTION FROM REVIEW FOR HISTORICAL AND ARCHITECTURAL SIGNIFICANCE UNDER UKIAH CITY CODE SECTION 3016

I have determined that failure to immediately demolish the building located at 272 North State Street, Ukiah, Ca 95482 (Mendocino County APN 002-224-13), also known as the Palace Hotel, will constitute a serious threat to public safety. For that reason, demolition together with interim safety measures should take place as soon as possible.

I base this determination on the inspection of the Palace Hotel on September 29, 2023, by the undersigned Chief Building Official for the City of Ukiah and consultation with the Fire Chief and two Battalion Chiefs of the Ukiah Valley Fire Authority who participated in the inspection and my examination of the files in the Community Development Department containing information about the Palace Hotel, including the inspection of the interior and exterior of the building conducted in 2011, the inspection conducted of the building's interior and exterior on December 12, 2015, by then Building Official David Willoughby, and the findings in City Council Resolution No. 2015-07.

Based on the most recent inspection and my professional opinion as the City's Chief Building Official, the stability of the Palace Hotel has deteriorated and poses a significant risk of collapse.

Accordingly, under UCC Section 3016.C no further review of the building's historical or architectural significance is required before a demolition permit can be issued in accordance with the provisions of the California Building Code.

DATED:

 10-24-23
MATTHEW KEIZER, CHIEF BUILDING OFFICIAL

DESIGNATION BY COMMUNITY DEVELOPMENT DIRECTOR

Based on his greater familiarity with and his expertise in evaluating the physical condition of buildings in the City, I have designated Matthew Keizer, Chief Building Official, to make the determinations required by Ukiah City Code Section 3016.B.

DATED: 10-24-23


CRAIG SCHLATTER,
DIRECTOR OF COMMUNITY DEVELOPMENT

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-2-23

WHEREAS on January 4, 2023, I proclaimed a State of Emergency to exist throughout California as a result of severe winter storms related to the Atmospheric River event beginning on December 24, 2022; and

WHEREAS starting around December 27, 2022, this Atmospheric River event resulted in significant impacts to the State including, but not limited to, widespread flooding and power outages, downed trees, hazardous debris flows, mudslides, landslides, swelling of waterways, dam overflows, and levee failures; and

WHEREAS on January 16, 2023, I signed Executive Order N-1-23 to further bolster the emergency response to the severe winter storms and support impacted communities across the State; and

WHEREAS the impacts of this Atmospheric River event, including widespread flooding and infrastructure damage, have left many residents out of work; and

WHEREAS on January 8, 2023, I requested a Presidential Emergency Declaration related to this Atmospheric River event, which was expeditiously approved by President Joseph R. Biden, Jr.; and

WHEREAS on January 12, 2023, I also requested the President issue an Expedited Major Disaster Declaration related to this Atmospheric River event, which was again expeditiously approved by President Joseph R. Biden, Jr., for certain designated counties and types of assistance; and

WHEREAS the State of California and local governments, in collaboration with the Federal government, continue sustained efforts to respond to and mitigate the effects of this Atmospheric River event, while at the same time beginning long term recovery efforts; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with the various statutes and regulations specified in this Order would prevent, hinder, or delay the mitigation of the effects of this Atmospheric River event.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, and in particular, Government Code sections 8567, 8571, and 8627 do hereby issue the following Order to become effective immediately.

IT IS HEREBY ORDERED THAT:

1. The provisions of Unemployment Insurance Code section 1253(d) imposing a one-week waiting period for unemployment insurance applicants are suspended as to all applicants who are unemployed as a direct result of this Atmospheric River event who applied for unemployment insurance benefits during the time period beginning December 24, 2022, and ending on the

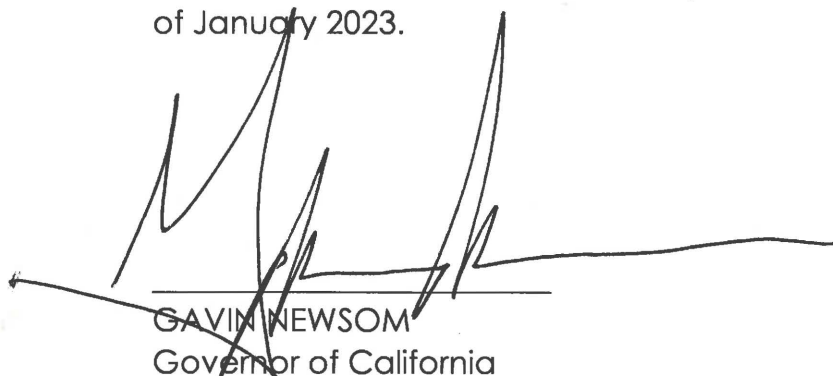
close of business on June 26, 2023, and who are otherwise eligible for unemployment insurance benefits.

2. The suspension of statutes identified in Paragraph 1 of Executive Order N-1-23, issued on January 16, 2023, shall also apply to local governments, as applicable, to ensure adequate staffing to appropriately respond to this Atmospheric River event.
3. Paragraphs 8 and 9 of my State of Emergency proclaimed on January 4, 2023, related to hours-of-service limitations for those drivers engaged in fuel transportation in support of emergency relief efforts, will terminate at 11:59 p.m. on February 1, 2023.
4. Paragraph 10 of my State of Emergency proclaimed on January 4, 2023, related to out-of-state contractors and other utilities driving their own vehicles to provide mutual assistance for the restoration of electrical power, is terminated.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 31st day of January 2023.



GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, Ph.D.
Secretary of State

EXECUTIVE DEPARTMENT STATE OF CALIFORNIA

PROCLAMATION OF A STATE OF EMERGENCY

WHEREAS on March 1, 2023, I proclaimed a State of Emergency to exist in 13 counties as a result of winter storms that struck California beginning in late February, and which have continued to significantly impact those 13 identified counties, as well as several additional counties across California; and

WHEREAS these storms, including an atmospheric river system, are forecasted to continue through mid-March, and, in addition to previously issued freeze warnings and frost advisories due to rapidly declining temperatures, the National Weather Service has issued flood watch warnings in recent days; and

WHEREAS heavy rain, snow, and gusty winds caused by these storms continue throughout the State, especially in the mountains and foothill regions, resulting in significant travel impacts and residents being snowed in or stranded; and

WHEREAS these storms continue to bring significant precipitation, avalanche and flood concerns, and triggered evacuation warnings; and

WHEREAS these storms continue to damage and force the closure of federal and state highways and roads, and have also damaged and continue to threaten critical infrastructure, homes, and buildings; and

WHEREAS these storms, including the forecasted atmospheric river system, will compound the complexities of recovery in the affected counties that are still responding and continue to respond to impacts of these storms; and

WHEREAS due to the sustained force and longevity of persistent heavy rain and snow, there are multiple cumulative and compounding effects which have already strained local and state resources, and the impacts of these storms will be exacerbated by the upcoming atmospheric river system; and

WHEREAS under the provisions of Government Code section 8558(b), I find that conditions of extreme peril to the safety of persons and property exist due to these storms; and

WHEREAS under the provisions of Government Code section 8558(b), I find that the conditions caused by these storms, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment, and facilities of any single local government and require the combined forces of a mutual aid region or regions to appropriately respond; and

WHEREAS under the provisions of Government Code section 8625, I find that local authority is inadequate to cope with the magnitude of the damage caused by these storms; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Proclamation would prevent, hinder, or delay the mitigation of the effects of these storms.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and

statutes, including the California Emergency Services Act, and in particular, Government Code section 8625, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist in Butte, El Dorado, Fresno, Humboldt, Imperial, Inyo, Lake, Mendocino, Merced, Monterey, Napa, Placer, Plumas, Sacramento, San Francisco, San Mateo, Santa Clara, Santa Cruz, Stanislaus, Tuolumne, and Yuba counties.

IT IS HEREBY ORDERED THAT:

1. All operative provisions contained in my March 1, 2023, State of Emergency Proclamation are hereby incorporated and applicable, as appropriate, to Butte, El Dorado, Fresno, Humboldt, Imperial, Inyo, Lake, Mendocino, Merced, Monterey, Napa, Placer, Plumas, Sacramento, San Francisco, San Mateo, Santa Clara, Santa Cruz, Stanislaus, Tuolumne, and Yuba counties as a result of the storms identified in this and the previous Proclamation.
2. Any fairgrounds the Office of Emergency Services determines suitable to assist individuals impacted by these storms in the counties identified in this and the March 1, 2023, State of Emergency Proclamation, shall be made available to the Office of Emergency Services pursuant to the Emergency Services Act, Government Code section 8589. The Office of Emergency Services shall notify the fairgrounds of the intended use and may immediately utilize the fairgrounds without the fairground board of directors' approval.

I FURTHER DIRECT that as soon as hereafter possible, this Proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Proclamation.

This Proclamation is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have
hereunto set my hand and caused
the Great Seal of the State of
California to be affixed this 8th day
of March 2023.



GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, Ph.D.
Secretary of State

RESOLUTION NO. 2023-**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH FINDING STATUTORIALLY EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT BUILDING OFFICIAL ENFORCEMENT ACTION UNDER CBC SECTIONS 116 AND 117 TO REMEDY EMERGENCY CONDITIONS AFFECTING THE PROPERTY LOCATED AT 272 NORTH STATE STREET, UKIAH, CA 95482 (APN 002-224-13)****WHEREAS:**

1. The building located at 272 North State Street, Ukiah, Ca 95482, also known as Mendocino County Assessor Parcel No. 002-224-13 ("the Palace Hotel") is registered on the National Register of Historic Places; and
2. In Resolution 2015-07, the City Council found that the Palace Hotel is a dangerous building and public nuisance under Ukiah City Code ("UCC") Section 3300); and
3. Resolution 2015-17 authorized a petition in the Mendocino County Superior Court to appoint a receiver to abate the dangerous and public nuisance conditions at the Palace Hotel; and
4. The City of Ukiah filed a petition for the appointment of a receiver, but the dangerous and public nuisance conditions were not abated before the receiver was discharged and the receivership terminated by court order on April 4, 2023; and
5. Resolution 2015-07 required the matter returned to the City for further instructions, if the dangerous and public nuisance conditions remained upon termination of the receivership; and
6. Upon inspection of the Palace Hotel on September 29, 2023, by the Building Official, Fire Chief and two Battalion Chiefs, the Building Official determined that the condition of the Palace Hotel has deteriorated to such an extent since the adoption of Resolution 2015-17 that it is no longer stable and poses an imminent risk of damage to persons or property due to its instability; and
7. The Building Official has presented his recommendations for enforcement action to the City Council; and
8. The City Council as reviewed the information presented by the Building Official at a special meeting of the City Council's on November 1, 2023;

NOW, THEREFORE, the City Council for the City of Ukiah hereby finds, determines, and declares as follows:

1. FINDINGS:

- a. The enforcement actions recommended by the Building Official, as stated below, are statutorily exempt from environmental review under the California Environmental Quality Act ("CEQA") under Public Resources Code 21080(b)(3) as a project undertaken, carried out, or approved by the City to maintain, repair, restore, demolish, or replace property or facilities damaged or destroyed as a result of a disaster in a

disaster-stricken area in which a state of emergency has been proclaimed by the Governor pursuant to Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code.

- i. While the Palace Hotel has been declared by the City Council to be a dangerous building and public nuisance since 2015, and many of the conditions shown in the pictures of the September 29, 2023, inspection by the City's Building Official were noted in the earlier inspection on December 17, 2015, the condition at that time did not cause the degree of instability evident in the inspection on September 29. Water intrusion has and continues to cause deterioration, but the particularly heavy rains which prompted the Governor to issue three Proclamation of Emergency in January and March 2023, is the most recent cause of damage. As a result of that damage the building is no longer structurally stable, posing an imminent risk of damage to persons and property in its vicinity.
 - ii. From the September 29, 2023, inspection as described in the Building Official's report to the City Council, this recent deterioration is the result of additional water intrusion from last winter's storms which were declared a State of Emergency in the California Governor's Executive Order No N-2-23, dated January 16, 2023, and Emergency Proclamations on March 3 and March 8 for 13 counties, including Mendocino County..
 - b. The enforcement action recommended by the Building Official is also exempted from environmental review under CEQA by Public Resources Code Section 21080(B)(4): Specific actions necessary to prevent or mitigate an emergency.
 - i. The unstable condition of the Palace Hotel caused by the unreinforced masonry exterior walls on 2/3 of the structure, the exposure to water intrusion resulting from the collapsing roof and the loss of internal stability due to collapsing and buckled floors and cracking and broken lateral wooden support beams poses a risk of collapse, particularly if this winter brings substantial rain.
 - ii. The action recommended by the Building Official is necessary to mitigate existing emergency conditions and future emergencies likely to result from substantial winter rains and the unstable condition of the structure.
2. While the Building Official has the authority without City Council approval to take the enforcement actions under Building code Sections 116 and 117, the City Council approves his proposed action.

PASSED AND ADOPTED this 1st day of November 2023, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Mari Rodin, Mayor

ATTEST:

Kristine Lawler, City Clerk

Palace Hotel Inspection 9/29/2023



SMITH ST



SMITH ST



SMITH ST



SMITH ST



SMITH ST



SMITH / N SCHOOL ST



N SCHOOL ST



N SCHOOL ST



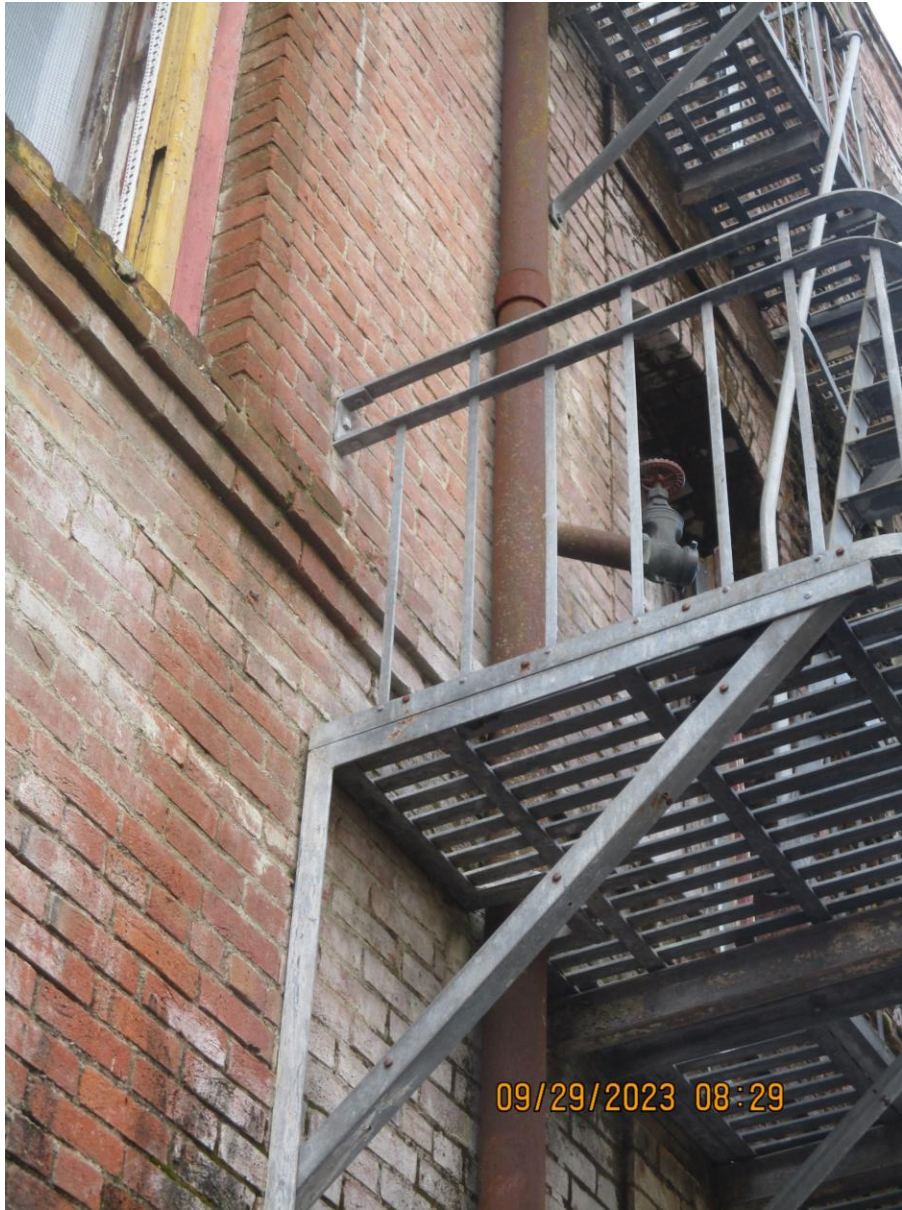
N SCHOOL ST



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SMITH ST FDC



SMITH ST FDC AND STANDPIPE



SMITH ST



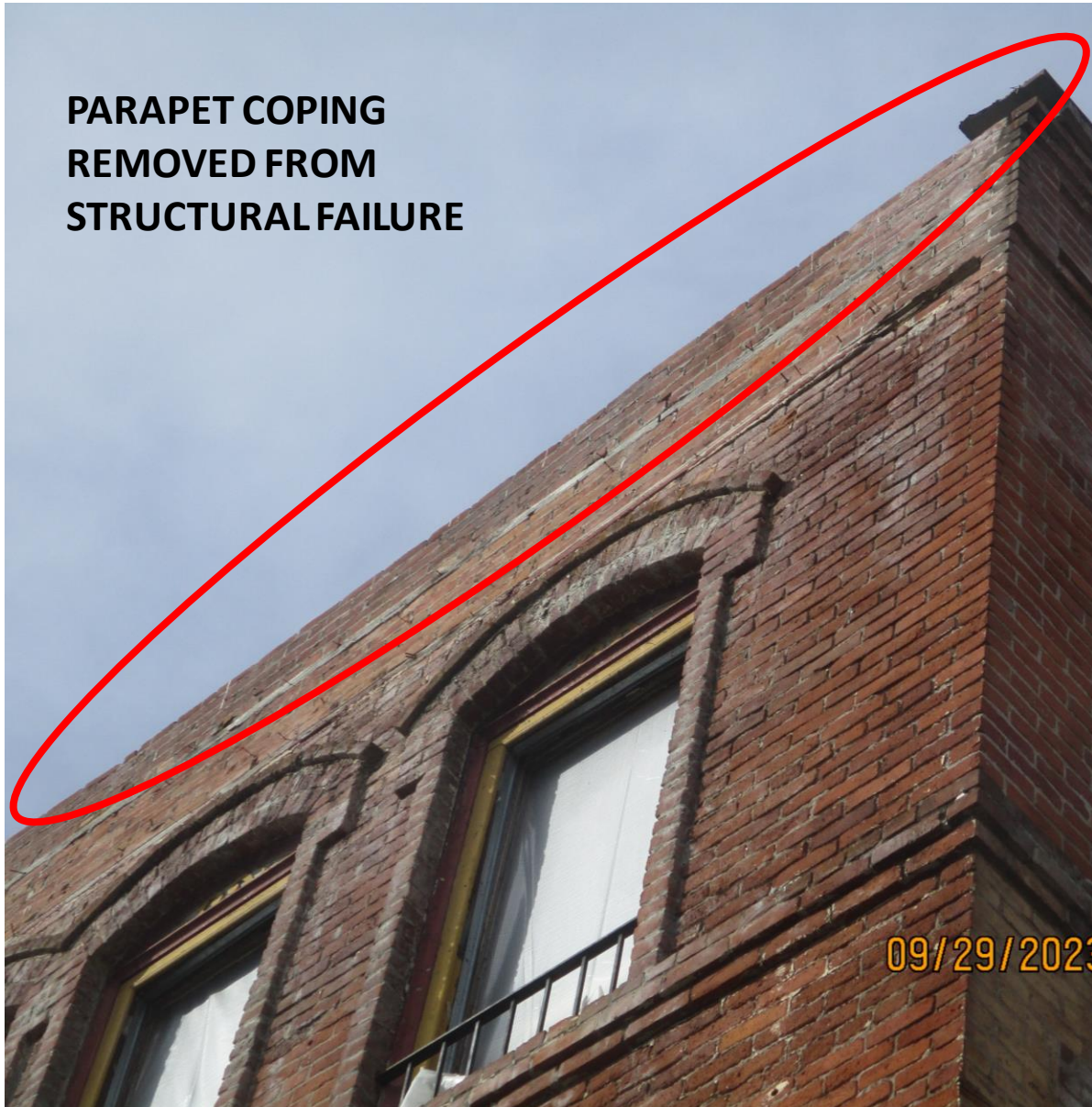
FAILING MORTAR THROUGHOUT BUILDING



STATE ST



SMITH ST



STATE ST



LEAD GLASS FAILURE STATE ST



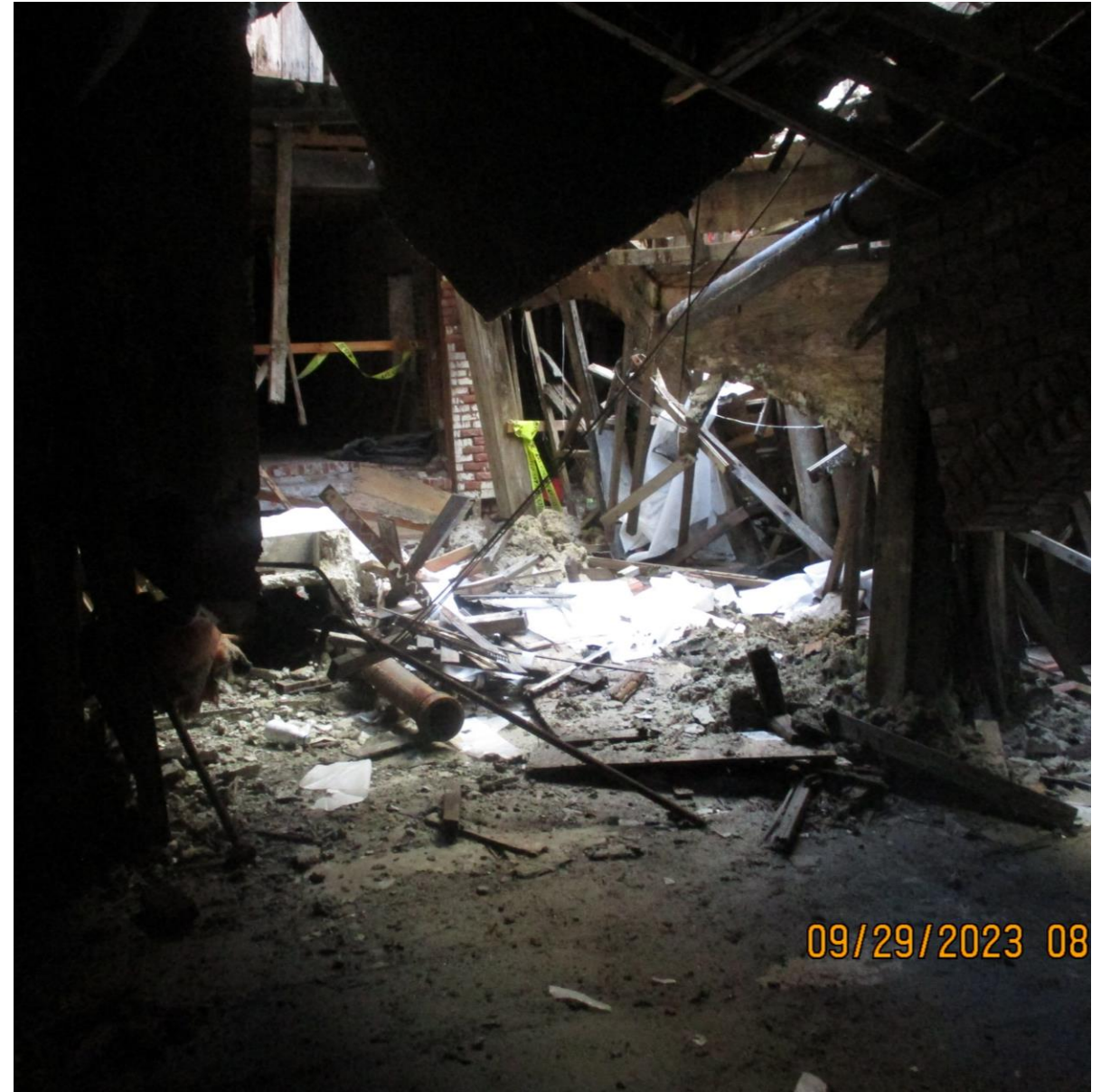
STATE ST



STRUCTURAL FAILURE AND PARTIAL COLLAPSE OF THE ATRIUM ROOF. LOCATION 1 FLOOR.



ROOF FROM APOVE
2ND FLOOR



1ST FLOOR: 2ND FLOOR STRUCTURAL FAILURE





1ST FLOOR LOOKING AT 2ND FLOOR, AT STATE ST SIDE OF BUILDING. FLOOR JOIST STRUCTURAL FAILURE



1ST FLOOR LOOKING AT 1ST FLOOR, AT STATE ST SIDE OF BUILDING. FLOOR JOIST STRUCTURAL FAILURE



1ST FLOOR. AT STATE ST SIDE OF BUILDING. BRICK WALL STRUCTURAL FAILURE



1ST FLOOR LOOKING AT 2ND FLOOR, AT STATE ST SIDE OF BUILDING. FLOOR JOIST STRUCTURAL FAILURE



1ST FLOOR LOOKING THROUGH ATRIUM, FLOOR JOIST STRUCTURAL FAILURE, AND OPEN TO WEATHER.



1ST FLOOR BRICK WALL STRUCTURAL FAILURE



2ND FLOOR LOOKING AT WEATHER PROOFING FAILURE



2ND FLOOR, FLOOR JOIST STRUCTURAL FAILURE, AND ROT



2ND FLOOR UNEVEN AND COMPROMISED, SMITH ST SIDE. DRY-ROT FLOOR ALSO COMPROMISED



2ND FLOOR UNEVEN AND COMPROMISED, SMITH ST SIDE. DRY-ROT FLOOR ALSO COMPROMISED







2ND FLOOR UNEVEN AND COMPROMISED, SMITH ST SIDE. DRY-ROT FLOOR ALSO COMPROMISED, STRUCTURAL FAILURE



2ND FLOOR FIRE HAZARD EXPOSED WOOD

2ND FLOOR COLLAPSED ATRIUM FROM ABOVE





09/29/2023 09:14



3RD FLOOR COLLAPSED ATRIUM FROM ABOVE



3RD FLOOR STATE ST SIDE: FLOOR JOIST STRUCTURAL FAILURE, AND ROT

WALL STUDS BUCKLING FROM STRUCTURAL INSTABILITY ABOVE



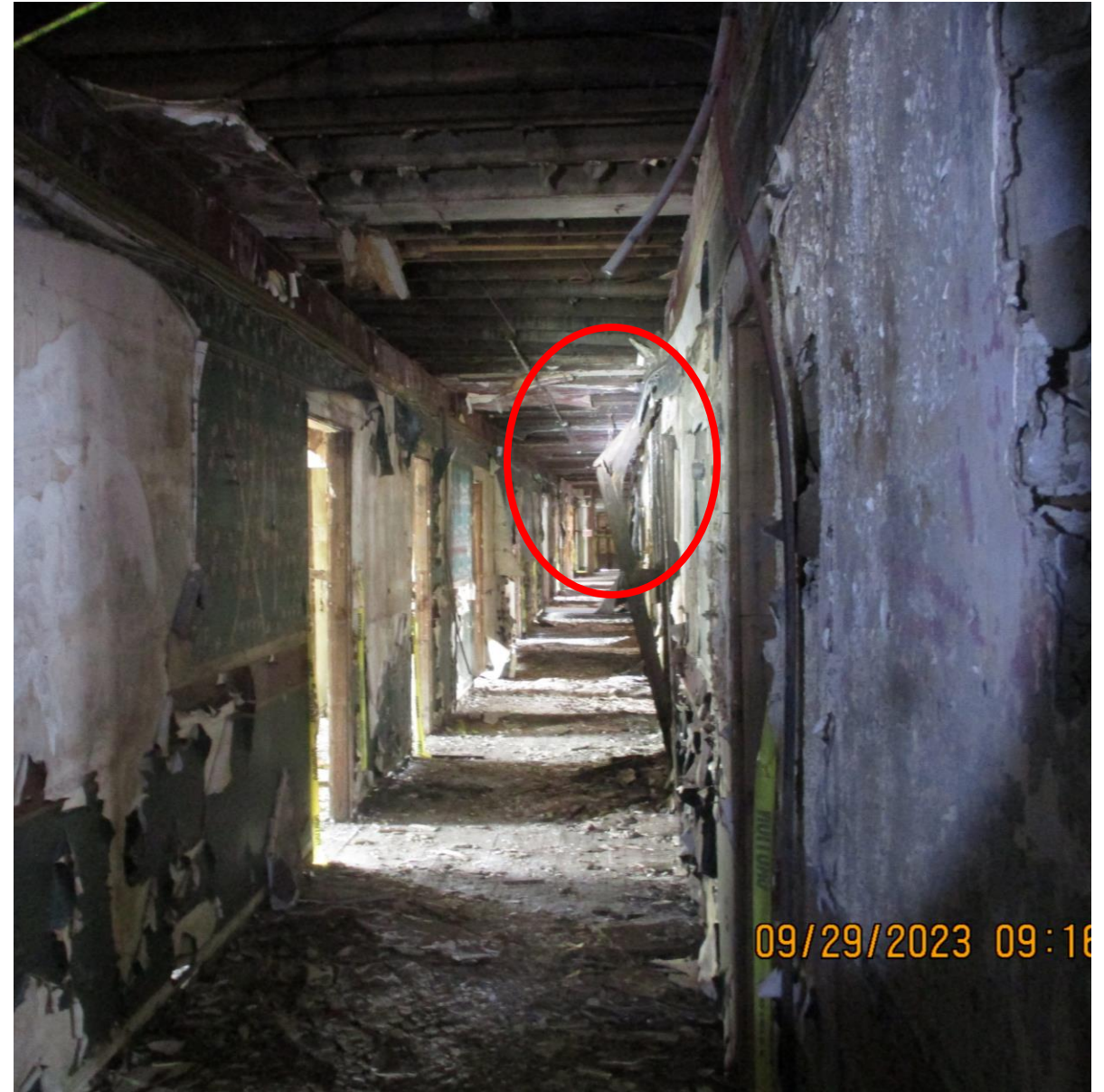
09/29/2023 09:21



3RD FLOOR STATE ST SIDE: FLOOR JOIST STRUCTURAL FAILURE, AND ROT



3RD FLOOR STATE ST SIDE: FLOOR JOIST STRUCTURAL FAILURE,
AND ROT



WALL STUDS BUCKLING FROM STRUCTURAL INSTABILITY ABOVE



2nd FLOOR LOOKING AT 3rd FLOOR. FLOOR JOIST STRUCTURAL FAILURE



3rd FLOOR LOOKING AT 2ND FLOOR ATRIUM. FLOOR JOIST/ROOF STRUCTURAL FAILURE



3RD FLOOR: OPEN TO WEATHER



STRUCTURALLY COMPROMISED FLOOR



3RD FLOOR UNEVEN AND COMPROMISED, SMITH ST SIDE. DRY-ROT FLOOR ALSO COMPROMISED, STRUCTURAL FAILURE



3RD FLOOR UNEVEN AND COMPROMISED, SMITH ST SIDE. DRY-ROT FLOOR ALSO COMPROMISED, STRUCTURAL FAILURE



3RD FLOOR UNEVEN AND COMPROMISED, SMITH ST SIDE. DRY-ROT FLOOR ALSO COMPROMISED, STRUCTURAL FAILURE



3RD FLOOR UNEVEN AND COMPROMISED, SMITH ST SIDE. DRY-ROT FLOOR ALSO COMPROMISED, STRUCTURAL FAILURE



3RD FLOOR UNEVEN AND COMPROMISED, SMITH/STATE . DRY-ROT FLOOR ALSO COMPROMISED, STRUCTURAL FAILURE



3RD FLOOR UNEVEN AND COMPROMISED, SMITH/STATE. DRY-ROT FLOOR ALSO COMPROMISED, STRUCTURAL FAILURE



3RD FLOOR UNEVEN AND COMPROMISED, SMITH/STATE. DRY-ROT FLOOR ALSO COMPROMISED, STRUCTURAL FAILURE



09/29/2023 10:5



09/29/2023

3RD FLOOR UNEVEN AND COMPROMISED, SMITH/STATE. DRY-ROT FLOOR ALSO COMPROMISED, STRUCTURAL FAILURE



3RD FLOOR UNEVEN AND COMPROMISED, STATE. DRY-ROT FLOOR ALSO COMPROMISED, STRUCTURAL FAILURE



3RD FLOOR UNEVEN AND COMPROMISED, STATE. DRY-ROT FLOOR ALSO COMPROMISED, STRUCTURAL FAILURE





1ST FLOOR BRICK WALL STRUCTURAL FAILURE

09/29/2023 10:02



PLEASE TAKE NOTICE that on 09/29/23, an inspection of the interior and exterior of the above-referenced property was performed with the owner representative present. The inspection team was made up of the Chief Building Official, the Fire Chief, and two Battalion Chiefs. The determinations made by the inspection team are as follows.

1. The building at 272 N State St. is structurally unsound, deteriorated, and constitutes a menace to public safety. Since the City Council findings adopted by Resolution No. 2015-07, a true and correct copy of which is attached to this Notice, the condition of the building has deteriorated to such an extent that it poses an imminent risk of collapse endangering life, limb, health, and property of the public.
2. The condition of the above property has been deemed a public nuisance due to its hazardous condition and immediate action is necessary to abate the nuisance to protect public safety.

As a result of the above-described conditions, the historical significance of this building cannot impede the protection of public safety which is of paramount importance. You must take all necessary steps to ensure the safe and timely demolition or stabilization of this building.

In accordance with Section 116.1 of the 2022 California Building Code, YOU ARE HEREBY NOTIFIED: that the City of Ukiah is hereby issuing a formal order requiring you as the property owner and managing member of the owner to initiate the demolition or stabilization of the structurally unsound building. Respond to this notice with a permit application and your proposed plan within 30 days.

Staff recommended action as follows:

The Chief Building Official recommends issuing a notice under the authority of Sections 116 and 117 of the 2022 California Building Code to the Building owner and its managing member to submit within 30 days after service of the order a plan and application for permits to stabilize and demolish the hotel structure.

The plan must include interim measures to prevent damage to persons or property and a reasonable timeline for completing the work. In the alternative, the notice will allow the property owner to submit a study from a California licensed structural engineer providing an alternative to demolition that will abate the imminent risk of collapse posed by the structure's current condition and applications for the permits required to perform the work recommended by the study.