



City of Ukiah

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CITY OF UKIAH TO FILE PETITION FOR RECEIVERSHIP FOR THE PALACE HOTEL

UKIAH, CA. July 1, 2015. City Attorney David Rapport has announced that the City of Ukiah will be filing a petition in the Mendocino County Superior Court to appoint a receiver for the Palace Hotel. Rapport expects a hearing on whether to appoint the receiver within 35-45 days after the petition is filed. Rapport said there has been some delay in filing the petition due to difficulties in serving all parties with a recorded interest in the Palace Hotel property.

Once service is complete, the City will file the petition with the court, which will set a hearing to determine whether the court will approve the appointment of Mark Adams as requested by the City. Mr. Adams is a professional receiver from Los Angeles who specializes in receiverships to repair dilapidated properties.

If appointed, Mr. Adams will have the power, subject to court supervision, to take control of the hotel and hire engineers and contractors to design and perform repair work. He will also have the power to borrow funds, secured by the hotel property, to pay all costs of the receivership.

This will be the first receivership sought by the City for a dilapidated property.

The Palace has been vacant and boarded up since it was purchased at a tax sale in 1990. Based on an inspection conducted by the Ukiah Building Official in May 2011, the City Council commenced proceedings in December 2011 under the Ukiah City Code to abate conditions at the hotel, which the Building Official had determined to constitute a public nuisance and a violation of building and other codes.

The City Council appointed an ad hoc committee of two council members to monitor the owner's efforts to abate the nuisance conditions at the hotel and for the next four years

held frequent public hearings to receive reports on the owner's progress. In March 2013 the owner was issued a demolition permit to remove lathe and plaster from inside the hotel. Over the next two years, the owner removed vines growing on the north side of the hotel, removed lathe and plaster and other debris from inside the hotel, and covered the windows and roof with plastic sheeting. However, the owner did not correct any of the other conditions in the Building Official's 2011 report.

Dissatisfied with the owner's slow efforts to abate the nuisance conditions of the hotel, the City Council adopted a compliance schedule on August 16, 2014. Under the schedule, the owner had until April 21, 2015 to:

- (1) obtain all permits required to perform the approved Asbestos Abatement Work Plan;
- (2) complete the removal of asbestos from the building,
- (3) restore the fire sprinkler system to full function,
- (4) obtain a written structural assessment of the hotel by a California licensed structural or civil engineer,
- (5) complete any structural repairs recommended by the engineer to correct structural defects creating an imminent threat of injury or property damage,
- (6) secure the building against unauthorized entry and
- (7) patch the roof and cover all windows, doors and other openings to prevent water intrusion and continuously maintain these measures to prevent water intrusion.

Public Works Director Tim Eriksen reports that the owner completed only one of the seven required items by the April 21 deadline (obtaining permits for asbestos removal). Following the April 21 deadline, asbestos removal was completed; however, City staff learned that not only had the owner failed to repair the fire sprinkler system, she had substantially removed the system.



Sage Sangiacomo, City Manager

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