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964-8768*

DATE: September 24, 2018

TO: Fort Bragg City Council
Tabitha Miller, City Manager
Marie Jones, Community Development Director

RE: **Comments Submitted for Public Hearing Regarding Imposition of Lien at 119 E Pine Street**

Dear City Council Members:

As you are aware, North Coast Brewing Company (NCBC) operates in four separate facilities that are immediate neighbors to 119 E Pine Street. NCBC has been significantly and negatively impacted by activities at 119 E Pine street both since the January 2018 fire and also over the past several years as garbage accumulated at the site. We feel that the negative impacts to NCBC were caused by inaction and botched process by the current property owner Nationstar/Mr. Cooper, by the prior property owner, by the demolition company Above All Property Services, Inc., and also by the City of Fort Bragg.

The NCBC properties impacted by 119 E Pine include:

- NCBC administrative offices at 123 E Pine Street (immediately neighbor to the west of 119 E Pine) where 10 employees are housed;
- Brewery Taproom and Restaurant located at Main and Pine Streets directly across the street from 119 E Pine;
- NCBC's Brewery Shop located at the north-east corner of Main and E Pine Streets;
- The Brewery production facility located at the south-east corner of Main and E Pine Streets.

The following provides information about specific impacts during as well as prior to the demolition NCBC's process.

Impacts to NCBC during the demolition process.

Demolition was initially projected to last up to 2 days by both the demolition company Above All Property Services and the City. With that projection, NCBC developed plans to house the 10 administrative employees working from 123 E Pine in various temporary workstations in our other 3 locations. Two employees were able to work from home, and two employees were provided paid leave for the one day when heavy equipment was expected to operate.

After the first two days of demolition work, NCBC was informed that demolition would be paused for a week then resume in the middle of the following week. This pattern was repeated several times, and demolition work ultimately encompassed 2 to 3 days per week for each of four consecutive weeks. With each extension of the work period, NCBC was informed that the projected work period would be the final work period. However, in each of the four demolition weeks, NCBC staff had to disconnect and move computers, phones, furniture and work products for 8 to 10 employees out of 123 E Pine; set up and reconnect equipment in alternative locations where space could be found, then disconnect and move all equipment back to 123 E Pine until the next work period. The cost of this disruption in work efficiency and employee morale cannot be quantified, but impacts were obviously substantial.

In addition, the demolition work created significant noise as well as airborne pollutants and dust that cause respiratory issues for our employees. To ensure the 123 E Pine offices were safe for our staff throughout the demolition process, NCBC rented two air scrubber machines to clean the air. The invoice from Mr. Klean totaled \$3,300 for the two machines for the 4-week period. Our total hard costs for the demolition, including payment for employee absences, was \$3,582. As requested by Above All Property Services, Inc., we submitted an invoice for this amount to Above All Property Services that they forwarded to Nationstar/Mr. Cooper. To date, we have received no response to our request for reimbursement of hard costs.

We agree that Nationstar/Mr. Cooper had responsibility for proper, efficient and timely clean-up of the property once they assumed ownership. It is unfortunate that it took over six months for the City to compel the cleanup.

In addition, we are disappointed that the City did not require better containment of airborne dust and particles during the demolition process. It was known to NCBC, to the City, and to many community members that the structure and yard at 119 E Pine were crammed full of "stuff" including food, appliances, electronic equipment, and garbage due to hoarding activities of the former owner. Debris and garbage including a decrepit trailer that had accumulated in the back yard was easily visible from both Pine Street and the alley.

Prior to the demolition, we were advised by Fort Bragg Fire personnel that cleanup was a "hazmat" process that should include full containment of dust through use of a tent over the site; that water should be sprayed throughout the entire process to keep dust and particles from leaving the site; and that workers would be required to wear full protective clothing and masks. We were advised that our employees should not be present at 119 E Pine if full tenting and containment of air particles did not occur.

Despite the Fire Department's recommendations, City staff made a determination that a reduced level of containment was appropriate. This decision contributed to NCBC's disruption and costs and also resulted in a significant amount of increased anxiety to our employees.

Impacts to NCBC prior to demolition

NCBC is extremely grateful for the hard work of the Fort Bragg Fire Department that isolated the fire to 119 E Pine Street. Our offices upstairs at 123 E Pine sustained water damage when a water canon blasted through our windows, but damage was relatively minor and quickly repaired. However, after the January 20 fire the rotting garbage and debris both in the partially burned structure and outside in the yard attracted rodents and created a stench that negatively impacted our employees. Staff was unable to open windows for ventilation on the west and south sides of our building due to fumes generated from the debris. The partially burnt house and exposed garbage was also a highly visible eyesore throughout the spring and summer for our City's visitors.

We appreciate the City's imposition of a daily fine to Nationwide Bank once the foreclosure was completed. However, the City's action was slow and late and created undue hardship to our employees and a poor impression to the tourists that help to support our local economy. The fire occurred after years of complaints from NCBC and others. City code enforcement efforts were unsuccessful and apparently lacked follow-through.

In conclusion, we do not oppose imposition of fines to Nationstar/Mr. Cooper for their slow and ultimately highly inefficient clean-up. However, we feel the City could have and should have moved more quickly to remove the hazardous waste without waiting for the bank to comply. In addition, we are very disappointed that the City apparently disregarded the safety of our staff as well as that of surrounding neighbors by reducing the containment requirements during the demolition.

Sincerely,

A handwritten signature in black ink that reads "Doug Moody". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Doug Moody

Senior Vice-President

North Coast Brewing Company, Inc.