### MENDOCINO RAILWAY

Foot of Laurel Street Fort Bragg, California 95437 707 964 6371 TEL 707 964 6428 FAX

#### FOR IMMEDIATE RELEASE

## Mendocino Railway completes acquisition of former millsite from Georgia Pacific.

**FORT BRAGG, CALIFORNIA**, - (November 22, 2021) – The 136-year-old Mendocino Railway completed the acquisition from Georgia Pacific (GP) of its former millsite in Fort Bragg on November 19, 2021. While once employing 2,000 workers, the GP millsite has been shuttered for two decades. The successful reuse of the millsite would be a huge economic catalyst for the City of Fort Bragg and the North Coast.

This acquisition reunifies the railroad and millsite. Mike Hart, CEO of Sierra Railroad Company (Mendocino Railway's parent company) stated, "The railroad and millsite successfully worked together for over a century. Unfortunately, they both fell on hard times after the railroad was sold off. The millsite closed in 2002 and the railroad went bankrupt in 2003."

"For the past two decades, we've been trying to put the pieces back together," added Hart. Mendocino Railway purchased the assets of the California Western Railroad out of bankruptcy in 2004 with the approval of the United States Surface Transportation Board.

"While the railroad suffered from neglect, we've spent years fixing it up and we now have record ridership. We're now completing a federal loan that will enable us to address the last big obstacle: the reopening of Tunnel #1.

While Mendocino Railway was improving the railroad, it has also been in negotiations with GP to purchase the millsite. Hart said, "One of the first calls we made after getting the railroad was to GP to begin negotiations to purchase the millsite to restore the business as a single entity. While we were close to a deal for some time, I think GP wanted to first complete its environmental remediation of the site."

While GP worked through their remediation, they provided the City with 85 acres of the millsite in 2009. In 2019 GP sold 15 acres to the Harvest Market, a local grocery store. GP then sold the 77-acre northern portion to Mendocino Railway in June 2019. Since Mendocino Railway had been working within the City's planning process, Mendocino Railway was within months able to present the City with detailed plans for the reuse of the property, to very positive reviews.

One of the key features of the millsite is a 70,000 square foot historic "Dryshed" building. The city almost allowed this building to be demolished in 2018 but Mendocino Railway and local advocates helped save it. Mendocino is now rehabilitating the Dryshed and placing it back into service. Mendocino Railway will relocate its locomotive work to the Dryshed while rebuilding its historic Roundhouse. Once the locomotives can move back into the Roundhouse, Mendocino Railway will then begin work to repurpose the building, potentially as a community theater and marketplace.

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The City's Planning Process for reusing the millsite has had its setbacks. In 2019 the City let go of the Community Development Director who had led the process for 15+ years. In 2020 the Harvest Market canceled their development following concerns. In 2021 the city abandoned its own planning process and directed Mendocino Railway to submit its own master plan for review.

Despite these setbacks, Mendocino Railway pressed on. Mendocino first acquired Harvest Market's 15-acre site. Mendocino is considering building a station at this site with a visitors' center. Mendocino then worked with GP to acquire the balance of the millsite so it could complete a single master plan for the property as requested by the City, recently acquiring that property.

Mendocino Railway has taken on responsibility for completing the remediation of the millsite. Robert Pinoli, CEO of Mendocino Railway, stated, "Mendocino Railway has worked with the DTSC since 2004 when we acquired the railroad, and we look forward to continuing to work with the DTSC to ensure that remediation of the millsite is appropriately completed. We also look forward to working with the City of Fort Bragg, local partners, and our community at large to do our best to ensure that development of the former millsite meets our community's needs. We also plan to work with the California Coastal Commission to ensure that the property's final plans reflect the best interest of all parties."

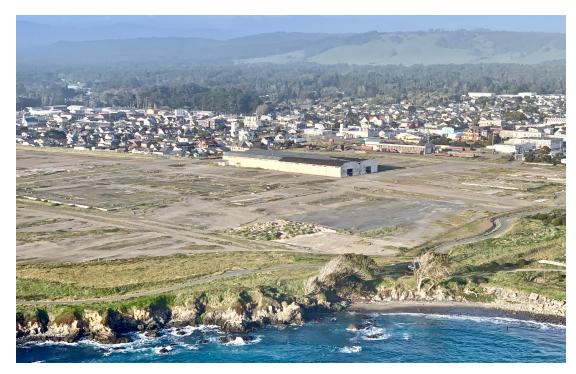
Hart concluded, "We believe that we are the only local organization that is both willing and able to take on this project. We hope that we succeed and are an asset to Fort Bragg and the North Coast."

Mendocino Railway is the owner and operator of the historic Skunk Train and California Western Railroad and the provider of more than 50 local jobs. Mendocino Railway is a Class III common carrier railroad and is a wholly owned subsidiary of Sierra Railroad Company.

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