

MISSING ORIGINAL LEGISLATION

Resolution / Ordinance Number: 79543

City Council Meeting Date 10-18-05

Agenda Item No. 15 (05-0555-1a)

Recorded Vote 6 Ayes, 1 NO- Nadel
1 EXCUSED - Chang

Reason for Missing Legislation:

- Draft submitted in agenda packet, original never received
- Council amended legislation at the meeting

Responsible Contact Information:

Department CEDA

Contact Person/Ext. _____

Notes (if any)

Bluiett

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

2005 SEP 15 PM 12:19

RESOLUTION No. _____ C. M. S.

INTRODUCED BY COUNCILMEMBER _____

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE A LOAN RESTRUCTURING WITH STANTON D. BLUIETT dba PILL HILL PRINTING FOR OUTSTANDING PRINCIPAL NOTES TOTALING \$240,000.

WHEREAS, THE City Council on July 24, 2001 authorized by Resolution No. 76605 C.M.S., two loans to Stanton D. Bluiett dba Pill Hill Printing totaling \$240,000, which are described as follows:

1. A loan of HUD 108 Enhanced Enterprise Community ("EEC") revolving loan funds in an amount of \$120,000 to finance the acquisition of equipment and working capital;
2. A loan of HUD Economic Development Initiative ("EDI") funds in the amount of \$120,000 to finance the acquisition of equipment and working capital; and

WHEREAS, since Pill Hill Printing has been delinquent in excess of 90 days, the City has begun to pursue collection action to recover re-payment of loan amounts issued by the City of Oakland for \$120,000 in HUD 108 funds and \$120,000 in EDI loan funds, totaling \$240,000 in outstanding principal; and

WHEREAS, the Pill Hill Printing loans are secured by real property and other collateral available for the City to recover delinquent and defaulted loan balances; and

WHEREAS, Pill Hill Printing has requested their loan repayments to be restructured to assist with their compliance with agreed debt structures; and

WHEREAS, Pill Hill Printing has sufficient collateral to effectively repay outstanding balances on both loans; and

WHEREAS, staff reviewed the Pill Hill Printing request to restructure the \$120,000 HUD Section 108 loan and the \$120,000 EEC EDI loan and has evaluated the fiscal impact to the City under multiple restructuring scenarios and recommends the following restructuring of the Pill Hill Printing loans,

- 1) Provide immediate and full repayment of outstanding HUD Section 108 loan balance totaling \$148,915.71
- 2) Defer for up to one year HUD EDI loan payments to provide borrower necessary time to execute restructuring plans for greatest opportunity of resuming regular payment
- 3) Cancel Key Life Insurance policy requirement
- 4) Reduce opportunity for an escalation of City's cost related to required collection actions for defaulted loans
- 5) Retain Pill Hill Printing as an Oakland based business;

NOW, THEREFORE, BE IT

RESOLVED: That the City Administrator is authorized to negotiate, execute, revise, and amend an agreement with terms as specified above associated with the agreed upon restructuring of the Stanton D. Bluiett DBA. Pill Hill Printing loans; and be it

FURTHER RESOLVED: That the restructured terms are intended to continue to protect the City of Oakland's financial interest, as well as the City's interest in maintaining a diverse business base; and be it

FURTHER RESOLVED: That prior to execution, all restructuring loan documents shall be reviewed and approved as to form and legality by the Office of the City Attorney.

OCT 18 2005

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2005

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, [REDACTED], KERNIGHAN, [REDACTED], QUAN, REID, AND CHAIRPERSON DE LA FUENTE, - 6

NOES- NADEL - 1

ABSENT-

ABSTENTION-

EXCUSED - CHANG - 1

Attest: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California