

CITY OF OAKLAND
Office of the Community Economic Development Agency

Memorandum 2005 JUL 14 PM 7: 15

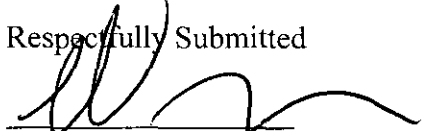
TO: Office of the City Administrator
ATTN: Deborah A. Edgerly
FROM: Commercial Lending
DATE: July 19, 2005

SUBJECT: A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE LOAN RESTRUCTURING REQUEST WITH UNION STREET MANUFACTURING, LLC, dba COMET SKATEBOARDS FOR OUTSTANDING PRINCIPAL NOTES TOTALING \$225,000.

The Community Economic Development Committee directed staff to separate two loan restructuring requests and proceed only with the attached Resolution authorizing Union Street Manufacturing, LLC dba Comet Skateboards for loan restructuring at the July 19, 2005 City Council meeting.

It is staff's recommendation that the City Council approve the attached resolution authorizing the City Administrator to consider loan restructuring requests by Union Street Manufacturing, LLC, dba Comet skateboards for outstanding principal notes totaling \$225,000.

Respectfully Submitted



Daniel Vanderprie
Director of Redevelopment, Economic
Development, Housing and Community Development

Reviewed by:
Gregory Hunter, Manager
Commercial Lending

Prepared by:
Lisa Brown, Project Manager
Commercial Lending

**APPROVED FOR FORWARDING TO
CITY COUNCIL:**


Office of the City Administrator

Item: _____
City Council
July 19, 2005

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C. M. S.

INTRODUCED BY COUNCILMEMBER _____

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE LOAN RESTRUCTURING REQUEST BY UNION STREET MANUFACTURING, LLC, DBA COMET SKATEBOARDS FOR OUTSTANDING PRINCIPAL NOTES TOTALING \$225,000.

WHEREAS, The City Council, on May 7, 2002, authorized by Resolution No. 77103 C.M.S two loans to Union Street Manufacturing, LLC dba Comet Skateboards, totaling \$225,000, which are described as follows:

1. A loan of HUD 108 Enhanced Enterprise Community ("EEC") revolving loan funds in an amount of \$160,000 to finance the acquisition equipment and working capital;
2. A loan of Economic Development Initiative ("EDI") funds in the amount of \$65,000 to finance the acquisition equipment and working capital; and

WHEREAS, Comet Skateboards is delinquent in excess of 90 days forcing the City to pursue collection action to recover the outstanding loan principal totaling \$225,000 of combined HUD EEC 108 and EEC EDI loan funds; and

WHEREAS, the Union Street Manufacturing, LLC loans are secured by manufacturing equipment and personal guarantees of Union Street Manufacturing, LLC principles, and

WHEREAS, the Union Street Manufacturing, LLC has requested their loan be restructured to assist with satisfying the agreed debt repayment schedule; and

WHEREAS, the Union Street Manufacturing, LLC has developed a business liquidation plan to effectively repay outstanding balances on both loans; and

WHEREAS, staff has reviewed the Union Street Manufacturing, LLC business liquidation plan and determined that a proposed structure could be developed to meet the requirements of the existing promissory note; now therefore be it

RESOLVED: That the City Administrator is authorized to negotiate and execute terms associated with a restructuring of the HUD EEC 108 and EDI loans to Union Street Manufacturing, LLC dba Comet Skateboards; 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.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2005

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE,

NOES-

ABSENT-

ABSTENTION-

Attest: _____

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