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Office of the City Attorney
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March 1, 2011

HONORABLE CITY COUNCIL
Oakland, California

**Subject: City of Oakland v. Sutter Health Inc, Sutter East Bay Hospitals,
PCAM, LLC. et al.
Superior Court of California, Alameda County No. RG10498597**

President Reid and Members of the City Council:

Pursuant to §401 of the Charter, and the Council's approval of the settlement at its February 1, 2011 closed session, of litigation the City filed against Sutter East Bay Hospitals (Alta Bates) regarding the ownership, management and revenue of the City-owned garage located at 426 29th St., Oakland CA ("Garage"). Pursuant to the settlement, Alta Bates will lease the garage from the City for a two- year term with options to extend for two additional one-year periods, for a possible total of four (4) years. Alta Bates will pay the City Forty Thousand Dollars (\$40,000) per month during the term of the lease and any exercised option.

In addition, Alta Bates waived any right, interest or claim it has to an account being held by the City for over-assessment of bond payments. Alta Bates agreed to transfer all of its interest in that money to the City, in the amount of approximately Six Hundred and Fifty Thousand Dollars (\$650,000). The entire settlement if both options are exercised totals Two Million Six Hundred Thousand Dollars (\$2.6 million).

The City Attorney has prepared and recommends adoption of a resolution authorizing compromise and settlement of the above-entitled action for the sum of Two million six hundred thousand dollars, over a period of four years, received by the City. The City pays no money.

Honorable City Council
Re: City of Oakland v. Sutter Health
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This action arises out of a dispute between the City and Alta Bates regarding ownership, management and revenue of the Garage.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "JOHN A. RUSSO". The signature is stylized with a large, sweeping loop at the end.

JOHN A. RUSSO
City Attorney

Attorneys Assigned:
Susan H. Mosk

OAKLAND CITY COUNCIL



RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING AND DIRECTING THE CITY ATTORNEY TO COMPROMISE AND SETTLE THE CASE OF CITY OF OAKLAND V. SUTTER HEALTH INC, SUTTER EAST BAY HOSPITALS, PCAM, LLC. ET AL., SUPERIOR COURT OF CALIFORNIA, ALAMEDA COUNTY NO. RG10498597 AND RECEIVE PAYMENT OF \$2.6 MILLION DOLLARS OVER A PERIOD OF FOUR YEARS (CEDA).

RESOLVED: That the City Attorney is authorized and directed to compromise and settle the case, City of Oakland v. Sutter Health Inc, Sutter East Bay Hospitals, PCAM, LLC. et al. Superior Court of California; Alameda County No. RG10498597 and receive payment in the amount of Forty Thousand Dollars (\$40,000) per month pursuant to the Lease term of two years and two one-year options, for a possible total of four (4) years. Additionally the City receives a one-time sum of approximately Six Hundred Fifty Thousand Dollars (\$650,000). The City pays no money

FURTHER RESOLVED: That the City Attorney is further authorized and directed to take whatever steps may be necessary to effect said settlement.

IN COUNCIL, OAKLAND, CALIFORNIA, 2011

PASSED BY THE FOLLOWING VOTE:

AYES: BRUNNER, DE LA FUENTE, KERNIGHAN, NADEL, SCHAAF, BROOKS, KAPLAN AND PRESIDENT REID

NOES:
ABSENT-
ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
CITY CLERK AND CLERK OF THE COUNCIL
OF THE CITY OF OAKLAND, CALIFORNIA