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AGENDA REPORT

TO: John A. Flores
INTERIM CITY ADMINISTRATOR

FROM: Rachel Flynn

SUBJECT: Assignment of Ground Lease for
Oakland Marriott to AGRE DCP
Oakland City Center Owner LLC

DATE: February 13, 2015

City Administrator
Approval

Date

2/26/15

COUNCIL DISTRICT: 3

RECOMMENDATION

Staff recommends that the City Council adopt:

A Resolution Authorizing the Interim City Administrator to Execute A Consent to an Assignment of the Oakland Marriott Hotel City Center Ground Lease to AGRE DCP Oakland City Center Owner LLC, or a Related Entity

OUTCOME

Adoption of the proposed resolution will allow the City Administrator to facilitate the sale of the Marriott to AGRE DCP Oakland City Center LLC ("AGRE DCP"), and enable AGRE DCP's designated management company, Marriott International Inc. ("Marriott International"), to assume responsibility for the operation of the hotel.

EXECUTIVE SUMMARY

Staff is recommending that the City Council adopt legislation authorizing the Interim City Administrator (the "City Administrator") to approve the assignment of a ground lease (the "Ground Lease") between the City of Oakland (the "City") and CIM Group, Inc. ("CIM") for the Oakland Marriott Hotel City Center (the "Marriott") by CIM to a new buyer - AGRE DCP Oakland City Center LLC ("AGRE DCP") - a company consisting of Apollo Global Management ("Apollo") and DiNapoli Capital Partners, LLC ("DiNapoli").

Item: _____
CED Committee
March 10, 2015

The City has a Ground Lease with CIM for a term of 66 years for certain City-owned property (the "Property") on which a Hyatt Regency Oakland Hotel, now the Marriott, was constructed in 1981. The City must approve any assignment of the Ground Lease by CIM to a new buyer of the Marriott as long as the assignee is an experienced and reputable operator of one or more hotels comparable to the Marriott. CIM has requested City approval to assign the Ground Lease to AGRE DCP. AGRE DCP, as well as its designated hotel management company, Marriott International, Inc. ("Marriott International"), are very experienced real estate investment, development and hotel management firms that are fully capable of operating the Marriott and by extension, the City-owned George P. Scotlan Memorial Convention Center (the "Convention Center").

BACKGROUND/LEGISLATIVE HISTORY

On August 12, 1981, pursuant to Ordinance No. 10117 C.M.S., the City entered into the Ground Lease with Oakland Hotel Associates, Ltd. ("OHAL"), for the development of a Hyatt Regency Oakland Hotel, now the Marriott, on the Property. The Ground Lease gives the lessee the option to purchase the Property at its fair market value.

On December 29, 1986, as part of an effort by the City and OHAL to restructure the hotel finances, the Ground Lease was amended and assigned from OHAL to Oakland Renaissance Associates ("ORA"), a limited partnership.

On November 1, 1997, the City entered into the Convention Center and Convention Center Garage Management Agreement (the "Management Agreement") with Integrated Services Corporation, Inc. ("ISC"), a company that was created by ORA to manage the hotel and Convention Center. The Management Agreement was designed to provide coordinated use of the Convention Center and the Marriott. ISC has contracted out the hotel and Convention Center management operations to a qualified third party. Most recently, ISC enlisted Rim Hospitality to manage the Marriott and Convention Center. The Management Agreement will expire on June 30, 2015, but the agreement allows for automatic one-year annual extensions of the term thereafter, unless terminated in writing by either party.

In 2007, ORA sold the Marriott and ISC to CIM. On March 6, 2007, pursuant to Resolution No. 80446 C.M.S., the City Council approved an assignment of the Ground Lease from ORA to CIM. Since ISC, under the new ownership of CIM, continued to manage the Convention Center, no assignment of the Management Agreement was required at the time. Since 2007, CIM and ISC have operated the Marriott and also managed the Convention Center for the City. At this time, CIM intends to sell the Marriott Hotel to AGRE DCP.

KEY ISSUES

Section 10 of the Ground Lease requires the City's written consent prior to assignment of the Ground Lease to a new buyer. The City has to approve the assignment if the new buyer is an experienced, reputable and responsible operator of an existing hotel of a type comparable to the Marriott. If the prospective buyer does not have these qualifications, it must enter into an operating agreement with a reputable and experienced hotel management company to satisfy the requirement.

The issue is to determine whether AGRE DCP and its proposed hotel management company, Marriott International, are qualified to operate the hotel.

The current sale of the Marriott will also include the sale of all stock in ISC owned by CIM to AGRE DCP. Since the Management Agreement for the Convention Center is the only major asset of ISC, AGRE DCP will in effect assume ISC's responsibilities under the terms of the Management Agreement for the Convention Center. As a result, there is no assignment of the Management Agreement to a new entity, although it is important to review AGRE DCP and Marriott International's qualifications and experience in managing convention centers.

Ground Lease Amendment and Management Agreement

As this report was being published, AGRC DCP requested that certain terms in the Ground Lease and Management Agreement be clarified. These terms include references to financing provided to prior owners of the Marriott that are discussed in the Ground Lease, which should have been eliminated with the prior sale, as well as the remaining term of the Management Agreement that should be extended one year. These terms are more substantial than what the City is required to verify in an Estoppel Certificate per the terms of the Ground Lease. After discussion with AGRC DCP, CIM and the City Attorney's Office, it has been determined that an amendment to the Ground Lease may be more appropriate. Given the short term for the closing of the sale, which is currently scheduled to occur by March 31, 2015, staff is proposing to bring a separate item directly to Council for these additional actions. This time is necessary for staff of the City Attorney's Office and Economic & Workforce Development to review all of the proposed changes to the Ground Lease. The report would include an ordinance to amend the Ground Lease and a resolution to amend the Management Agreement to extend the term by one year.

Item: _____
CED Committee
March 10, 2014

ANALYSIS

AGRE DCP, as well as its designated hotel management company, Marriott International, are experienced real estate investment, development and hotel management firms that are highly qualified to operate the Marriott. AGRE DCP plans to make significant capital improvements to the hotel in order to enhance further its attractiveness and marketability to new patrons.

Apollo Global Management

Founded in 1990, Apollo is a global investment manager with \$163.9 billion of assets under management as of September 30, 2014. The firm has three primary business segments: private equity, credit and real estate. Apollo has an established history of investing in the leisure and hospitality industries, with corporate investments in its private equity funds comprised of approximately 200,000 rooms in hotels, cruise ships and resorts over time.

DiNapoli Capital Partners

DCP was founded in 2005 and is a privately held real estate investment firm based in the Bay Area that is engaged in the acquisition, development and management of hotels, multi-family apartments and other commercial real estate assets. DCP is currently focused on value-added hotel, multi-family housing, senior housing and office building investments. At present, DCP owns six hotels comprised of over 2,000 rooms, including the Portland Marriott Downtown Waterfront, Hyatt Regency Phoenix, Hilton San Jose, Hotel Teatro (Denver), Hilton Irvine and Aloha Beach Hotel - Kauai (Hilton Garden Inn conversion). In addition, DCP manages some of its hotels including the Hotel Teatro and Hilton San Jose. DCP formerly owned the Hyatt Regency San Francisco Embarcadero, the Fairmont Dallas, the Fremont Marriott, the Hyatt Place San Jose and the Hyatt Place Denver/Cherry Creek.

DCP also has a long history of hotel and real estate ownership in the Bay Area. The Hilton San Jose that DCP owns and manages is physically connected to the San Jose Convention Center and hotel patrons use parking facilities owned by the City of San Jose (very similar to the Oakland Marriott). The Hilton San Jose is also subject to a ground lease with the City of San Jose, almost identical to Oakland Marriott. In addition, DCP formerly owned the Hyatt Regency San Francisco Embarcadero with approximately 802 rooms and 66,000 square feet of meeting space.

Hotel/Convention Center Management

AGRE DCP/ISC will enlist the services of Marriott International, a leading global lodging company based in Bethesda, Maryland, with more than 4,100 properties in 79 countries and territories. The company operates and franchises hotels and licenses vacation ownership resorts under 18 brands, including: *Marriott Hotels, The Ritz-Carlton, JW Marriott, Bulgari, EDITION, Renaissance, Gaylord Hotels, Autograph Collection, AC Hotels by Marriott, Moxy Hotels,*

Item: _____
CED Committee
March 10, 2014

Courtyard, Fairfield Inn & Suites, SpringHill Suites, Residence Inn, TownePlace Suites, Protea Hotels, Marriott Executive Apartments and Marriott Vacation Club timeshare brand.

Marriott has a worldwide reputation for planning and managing meetings and conventions. Since 2012, Marriott has planned over 100,000 events. Including only their Convention & Resort Network, a premier collection of over 60 JW Marriott, Autograph Collection, Renaissance, Marriott and Gaylord Hotels and Resorts, Marriott is involved with 6.5 million square feet of meeting space. Attached to this report (***Attachment A***) is a list of the hotels in the Convention & Resort Network managed by Marriott, which includes the number of keys and meeting spaces. The list is not an exhaustive list of all "convention center" hotels, but includes the largest facilities in Marriott's portfolio (hotels with over 600 keys and with a 12,000 SF or larger ballroom).

Marriott also manages a number of City or County-owned conference centers, including the following (this is not an exhaustive list):

- Coralville Marriott Hotel & Conference Center, Coralville, IA (hotel and conference center are owned by the City of Coralville)
- Bethesda North Marriott Hotel & Conference Center, Bethesda, MD (hotel is privately owned while the conference center is owned by Montgomery County)
- Renaissance Schaumburg Convention Center Hotel, Schaumburg, IL (hotel and conference center are owned by the Village of Schaumburg)

Marriott currently manages 193 Marriott hotels (including only the Marriott Hotels & Resorts core brand) with a total of 59,595 rooms in the United States alone (***Attachment B***). Marriott manages a total of 639 hotels (with over 177,000 rooms) across their various brands in the United States.

The Convention Center Management Agreement

The current term of the Management Agreement expires on June 30, 2015, with year-to-year extensions thereafter. Given the complexity of negotiating a new Management Agreement for the Convention Center with AGRE DCP, staff plans to allow the agreement to be automatically extended by its terms for one year, from July 1, 2015 to June 30, 2016, and present a new Management Agreement for approval to the City Council in the spring of 2016.

Item: _____
CED Committee
March 10, 2014

PUBLIC OUTREACH/INTEREST

There is no public outreach required in connection with the proposed approval to assign the Ground Lease to AGRE DCP, further than what is required by the City's Sunshine Ordinance and Brown Act for publication of this report to the City Council.

COORDINATION

The Economic and Workforce Development Department's Project Implementation Division consulted with the Office of the City Attorney, the Budget Office and the City Administrator's Office in the coordination and preparation of this report.

COST SUMMARY/IMPLICATIONS

There is no direct fiscal impact associated with the assignment of the Ground Lease to AGRE DCP since the lease terms, including rent payments to the City, are fixed until 2047. However, the sale of the hotel to AGRE DCP will generate substantial transfer taxes for the City during Fiscal Year 2014/15. Moreover, the sale to AGRE DCP will increase the taxable value of the Marriott and thus generate additional property taxes for the City. Given the purchase price in 2007 and the improvements made since, the estimated sales price is in excess of \$60 million. The City should receive over \$900,000 in transfer tax from this sale.

SUSTAINABLE OPPORTUNITIES

Economic: There are no sustainable economic opportunities that apply to this particular action, since there will be no significant change in the operations of the Marriott.

Environmental: There are no sustainable environmental opportunities that apply to this particular action.

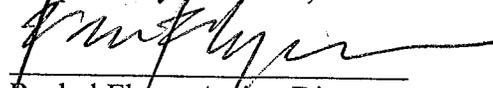
Social Equity: There are no social equity opportunities related to the proposed Council action.

CEQA

The City has determined, after independent review and consideration, that the proposed approval to assign the Ground Lease from CIM to AGRE DCP complies with CEQA because this action on the part of the City is exempt from CEQA pursuant to Section 15301 (existing facilities) of the CEQA guidelines.

For questions regarding this report, please contact Jens Hillmer, Urban Economic Coordinator at 238-3317.

Respectfully submitted,



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Attachment A – Full Service Hotels managed by Marriott International in the US and Canada

Attachment B – Managed Hotels (Hotels with over 600 Keys and with a 12,000 sf or Larger Ballroom) in the Convention & Resort Network (a Group of large Marriott Convention Center Hotels and Resort Hotels in North America)

Item: _____
CED Committee
March 10, 2014

ATTACHMENT A

MARRIOTT INTERNATIONAL

**Full Service Hotels managed by
Marriott International in the US and Canada**

Property Name	Brand	Total Rooms	City	State	Country
The Algonquin Hotel Times Square, Autograph Collection®	Autograph Collection	181	New York	NY	USA
Gaylord Opryland Resort & Convention Center	Gaylord Hotels	2,882	Nashville	TN	USA
Gaylord National Resort & Convention Center	Gaylord Hotels	1,996	National Harbor	MD	USA
Gaylord Palms Resort & Convention Center	Gaylord Hotels	1,406	Kissimmee	FL	USA
The Inn at Opryland, A Gaylord Hotel	Gaylord Hotels	303	Nashville	TN	USA
Aspen Wye River Conference Center	Marriott Conference Centers	86	Queenstown	MD	USA
Towson University Marriott Conference Hotel	Marriott Conference Centers	192	Towson	MD	USA
Atlanta Evergreen Marriott Conference Resort	Marriott Conference Centers	336	Stone Mountain	GA	USA
College Park Marriott Hotel & Conference Center	Marriott Conference Centers	237	Adelphi	MD	USA
MeadowView Conference Resort & Convention Center	Marriott Conference Centers	305	Kingsport	TN	USA
Stone Mountain Inn	Marriott Conference Centers	92	Stone Mountain	GA	USA
JW Marriott New Orleans	JW Marriott Hotels and Resorts	494	New Orleans	LA	USA
JW Marriott Essex House New York	JW Marriott Hotels and Resorts	509	New York	NY	USA
JW Marriott Orlando Grande Lakes®	JW Marriott Hotels and Resorts	998	Orlando	FL	USA
JW Marriott Atlanta Buckhead	JW Marriott Hotels and Resorts	371	Atlanta	GA	USA
JW Marriott Washington, DC	JW Marriott Hotels and Resorts	772	Washington	DC	USA
Princeton Marriott at Forrestal	Marriott Hotels & Resorts	302	Princeton	NJ	USA
Marriott Marquis Washington, DC	Marriott Hotels & Resorts	1,175	Washington	DC	USA
Bridgewater Marriott	Marriott Hotels & Resorts	347	Bridgewater	NJ	USA
Charlotte Marriott SouthPark	Marriott Hotels & Resorts	195	Charlotte	NC	USA
Atlanta Airport Marriott Gateway	Marriott Hotels & Resorts	403	Atlanta	GA	USA
New Orleans Downtown Marriott at the Convention Center	Marriott Hotels & Resorts	331	New Orleans	LA	USA
Bethesda North Marriott Hotel & Conference Center	Marriott Hotels & Resorts	450	North Bethesda	MD	USA
West Palm Beach Marriott	Marriott Hotels & Resorts	352	West Palm Beach	FL	USA
Atlanta Airport Marriott	Marriott Hotels & Resorts	638	College Park	GA	USA
Atlanta Marriott Alpharetta	Marriott Hotels & Resorts	318	Alpharetta	GA	USA
Atlanta Marriott Century Center/Emory Area	Marriott Hotels & Resorts	287	Atlanta	GA	USA
Atlanta Marriott Marquis	Marriott Hotels & Resorts	1,663	Atlanta	GA	USA
Atlanta Marriott Suites Midtown	Marriott Hotels & Resorts	254	Atlanta	GA	USA
Baltimore Marriott Inner Harbor at Camden Yards	Marriott Hotels & Resorts	524	Baltimore	MD	USA
Baltimore Marriott Waterfront	Marriott Hotels & Resorts	753	Baltimore	MD	USA
BWI Airport Marriott	Marriott Hotels & Resorts	309	Baltimore	MD	USA
Bethesda Marriott	Marriott Hotels & Resorts	407	Bethesda	MD	USA
Miami Marriott Biscayne Bay	Marriott Hotels & Resorts	602	Miami	FL	USA
Boston Marriott Cambridge	Marriott Hotels & Resorts	433	Cambridge	MA	USA
Boston Marriott Peabody	Marriott Hotels & Resorts	257	Peabody	MA	USA
Boston Marriott Quincy	Marriott Hotels & Resorts	464	Quincy	MA	USA
Charleston Marriott Town Center	Marriott Hotels & Resorts	352	Charleston	WV	USA
Boston Marriott Copley Place	Marriott Hotels & Resorts	1,145	Boston	MA	USA
Crystal City Marriott at Reagan National Airport	Marriott Hotels & Resorts	343	Arlington	VA	USA
Crystal Gateway Marriott	Marriott Hotels & Resorts	697	Arlington	VA	USA
Washington Marriott at Metro Center	Marriott Hotels & Resorts	459	Washington	DC	USA
Falls Church Marriott Fairview Park	Marriott Hotels & Resorts	395	Falls Church	VA	USA
Gaithersburg Marriott Washingtonian Center	Marriott Hotels & Resorts	284	Gaithersburg	MD	USA

Property Name	Brand	Total Rooms	City	State	Country
Greenbelt Marriott	Marriott Hotels & Resorts	284	Greenbelt	MD	USA
Fort Lauderdale Marriott Harbor Beach Resort & Spa	Marriott Hotels & Resorts	650	Fort Lauderdale	FL	USA
Key Bridge Marriott	Marriott Hotels & Resorts	582	Arlington	VA	USA
New York LaGuardia Airport Marriott	Marriott Hotels & Resorts	438	East Elmhurst	NY	USA
Long Island Marriott	Marriott Hotels & Resorts	617	Uniondale	NY	USA
Boston Marriott Long Wharf	Marriott Hotels & Resorts	412	Boston	MA	USA
Marco Island Marriott Beach Resort, Golf Club & Spa	Marriott Hotels & Resorts	727	Marco Island	FL	USA
Miami Airport Marriott	Marriott Hotels & Resorts	366	Miami	FL	USA
Marriott Stanton South Beach	Marriott Hotels & Resorts	236	Miami Beach	FL	USA
Nashville Airport Marriott	Marriott Hotels & Resorts	392	Nashville	TN	USA
New Orleans Marriott	Marriott Hotels & Resorts	1,329	New Orleans	LA	USA
New York Marriott at the Brooklyn Bridge	Marriott Hotels & Resorts	666	Brooklyn	NY	USA
New York Marriott East Side	Marriott Hotels & Resorts	646	New York	NY	USA
New York Marriott Downtown	Marriott Hotels & Resorts	497	New York	NY	USA
New York Marriott Marquis	Marriott Hotels & Resorts	1,949	New York	NY	USA
Newark Liberty International Airport Marriott	Marriott Hotels & Resorts	591	Newark	NJ	USA
Newport Marriott	Marriott Hotels & Resorts	319	Newport	RI	USA
Orlando Airport Marriott Lakeside	Marriott Hotels & Resorts	485	Orlando	FL	USA
Orlando World Center Marriott	Marriott Hotels & Resorts	2,000	Orlando	FL	USA
Park Ridge Marriott	Marriott Hotels & Resorts	289	Park Ridge	NJ	USA
Atlanta Marriott Perimeter Center	Marriott Hotels & Resorts	341	Atlanta	GA	USA
Philadelphia Marriott Downtown	Marriott Hotels & Resorts	1,408	Philadelphia	PA	USA
Philadelphia Airport Marriott	Marriott Hotels & Resorts	419	Philadelphia	PA	USA
Philadelphia Marriott West	Marriott Hotels & Resorts	287	West Conshohocken	PA	USA
Sawgrass Marriott Golf Resort & Spa	Marriott Hotels & Resorts	508	Ponte Vedra Beach	FL	USA
Springfield Marriott	Marriott Hotels & Resorts	265	Springfield	MA	USA
Bethesda Marriott Suites	Marriott Hotels & Resorts	272	Bethesda	MD	USA
Tampa Airport Marriott	Marriott Hotels & Resorts	296	Tampa	FL	USA
Tampa Marriott Waterside Hotel & Marina	Marriott Hotels & Resorts	719	Tampa	FL	USA
Trumbull Marriott Merritt Parkway	Marriott Hotels & Resorts	323	Trumbull	CT	USA
Tysons Corner Marriott	Marriott Hotels & Resorts	396	Tysons Corner	VA	USA
Washington Marriott Georgetown	Marriott Hotels & Resorts	470	Washington	DC	USA
Washington Dulles Airport Marriott	Marriott Hotels & Resorts	368	Dulles	VA	USA
Washington Marriott Wardman Park	Marriott Hotels & Resorts	1,152	Washington	DC	USA
Westchester Marriott	Marriott Hotels & Resorts	444	Tarrytown	NY	USA
Westfields Marriott Washington Dulles	Marriott Hotels & Resorts	336	Chantilly	VA	USA
Renaissance Washington, DC Dupont Circle Hotel	Renaissance Hotels & Resorts	355	Washington	DC	USA
Renaissance Arlington Capital View Hotel	Renaissance Hotels & Resorts	300	Arlington	VA	USA
Renaissance Charlotte SouthPark Hotel	Renaissance Hotels & Resorts	264	Charlotte	NC	USA
Renaissance New York Hotel 57	Renaissance Hotels & Resorts	200	New York	NY	USA
Renaissance Newark Airport Hotel	Renaissance Hotels & Resorts	397	Elizabeth	NJ	USA
Renaissance Atlanta Midtown Hotel	Renaissance Hotels & Resorts	304	Atlanta	GA	USA
Renaissance Boston Waterfront Hotel	Renaissance Hotels & Resorts	471	Boston	MA	USA
Renaissance Tampa International Plaza Hotel	Renaissance Hotels & Resorts	293	Tampa	FL	USA

Property Name	Brand	Total Rooms	City	State	Country
Renaissance New Orleans Arts Hotel	Renaissance Hotels & Resorts	217	New Orleans	LA	USA
Renaissance Concourse Atlanta Airport Hotel	Renaissance Hotels & Resorts	387	Atlanta	GA	USA
Renaissance Charleston Historic District Hotel	Renaissance Hotels & Resorts	166	Charleston	SC	USA
Renaissance Baltimore Harborplace Hotel	Renaissance Hotels & Resorts	622	Baltimore	MD	USA
The Mayflower® Renaissance Washington, DC Hotel	Renaissance Hotels & Resorts	657	Washington	DC	USA
Renaissance Nashville Hotel	Renaissance Hotels & Resorts	673	Nashville	TN	USA
Renaissance Orlando at SeaWorld®	Renaissance Hotels & Resorts	781	Orlando	FL	USA
Renaissance New Orleans Pere Marquette Hotel	Renaissance Hotels & Resorts	272	New Orleans	LA	USA
The Vinoy® Renaissance St. Petersburg Resort & Golf Club	Renaissance Hotels & Resorts	361	St. Petersburg	FL	USA
Renaissance Washington, DC Downtown Hotel	Renaissance Hotels & Resorts	807	Washington	DC	USA
Renaissance Atlanta Waverly Hotel & Convention Center	Renaissance Hotels & Resorts	521	Atlanta	GA	USA
Gaylord Texan Resort & Convention Center	Gaylord Hotels	1,511	Grapevine	TX	USA
GE Healthcare Institute RiversEdge Condos	Marriott Conference Centers	143	Waukesha	WI	USA
Jesse H. Jones Rotary House International	Marriott Conference Centers	322	Houston	TX	USA
Kingsgate Marriott Conference Center at the University of Cincinnati	Marriott Conference Centers	206	Cincinnati	OH	USA
Marriott Conference Center at the National Center for Employee Development	Marriott Conference Centers	996	Norman	OK	USA
JW Marriott San Antonio Hill Country Resort & Spa	JW Marriott Hotels and Resorts	1,002	San Antonio	TX	USA
JW Marriott San Francisco Union Square	JW Marriott Hotels and Resorts	337	San Francisco	CA	USA
JW Marriott Chicago	JW Marriott Hotels and Resorts	610	Chicago	IL	USA
JW Marriott Los Angeles L.A. Live	JW Marriott Hotels and Resorts	878	Los Angeles	CA	USA
JW Marriott Phoenix Desert Ridge Resort & Spa	JW Marriott Hotels and Resorts	950	Phoenix	AZ	USA
JW Marriott Tucson Starr Pass Resort & Spa	JW Marriott Hotels and Resorts	575	Tucson	AZ	USA
JW Marriott Scottsdale Camelback Inn® Resort & Spa	JW Marriott Hotels and Resorts	453	Scottsdale	AZ	USA
JW Marriott Desert Springs Resort & Spa	JW Marriott Hotels and Resorts	884	Palm Desert	CA	USA
JW Marriott Houston	JW Marriott Hotels and Resorts	515	Houston	TX	USA
JW Marriott Ihilani Ko Olina Resort & Spa	JW Marriott Hotels and Resorts	387	Ko Olina - Oahu	HI	USA
Halifax Marriott Harbourfront Hotel	Marriott Hotels & Resorts	352	Halifax	NS	Canada
San Francisco Marriott Union Square	Marriott Hotels & Resorts	400	San Francisco	CA	USA
Montreal Airport Marriott In-Terminal Hotel	Marriott Hotels & Resorts	279	Dorval	QC	Canada
The Woodlands Waterway Marriott Hotel & Convention Center	Marriott Hotels & Resorts	341	The Woodlands	TX	USA
Wailea Beach Marriott Resort & Spa	Marriott Hotels & Resorts	546	Wailea	HI	USA
Waikoloa Beach Marriott Resort & Spa	Marriott Hotels & Resorts	555	Waikoloa	HI	USA
Seattle Marriott Waterfront	Marriott Hotels & Resorts	358	Seattle	WA	USA
San Jose Marriott	Marriott Hotels & Resorts	506	San Jose	CA	USA
Dallas Marriott City Center	Marriott Hotels & Resorts	405	Dallas	TX	USA
Coralville Marriott Hotel & Conference Center	Marriott Hotels & Resorts	286	Coralville	IA	USA
Vancouver Marriott Pinnacle Downtown Hotel	Marriott Hotels & Resorts	434	Vancouver	BC	Canada
Edmonton Marriott at River Cree Resort	Marriott Hotels & Resorts	249	Enoch	AB	Canada
Dallas/Plano Marriott at Legacy Town Center	Marriott Hotels & Resorts	404	Plano	TX	USA
Redmond Marriott Town Center	Marriott Hotels & Resorts	262	Redmond	WA	USA
Calgary Marriott Downtown Hotel	Marriott Hotels & Resorts	384	Calgary	AB	Canada
Chicago Marriott Downtown Magnificent Mile	Marriott Hotels & Resorts	1,198	Chicago	IL	USA
Chicago Marriott O'Hare	Marriott Hotels & Resorts	470	Chicago	IL	USA
Chicago Marriott Oak Brook	Marriott Hotels & Resorts	350	Oak Brook	IL	USA

Property Name	Brand	Total Rooms	City	State	Country
Chicago Marriott Suites O'Hare	Marriott Hotels & Resorts	256	Rosemont	IL	USA
Cleveland Airport Marriott	Marriott Hotels & Resorts	372	Cleveland	OH	USA
Cleveland Marriott Downtown at Key Center	Marriott Hotels & Resorts	400	Cleveland	OH	USA
Coronado Island Marriott Resort & Spa	Marriott Hotels & Resorts	300	Coronado	CA	USA
Costa Mesa Marriott	Marriott Hotels & Resorts	253	Costa Mesa	CA	USA
Dallas/Fort Worth Airport Marriott	Marriott Hotels & Resorts	491	Irving	TX	USA
Dallas/Fort Worth Marriott Solana	Marriott Hotels & Resorts	294	Westlake	TX	USA
The Dearborn Inn, A Marriott Hotel	Marriott Hotels & Resorts	228	Dearborn	MI	USA
Denver Marriott City Center	Marriott Hotels & Resorts	613	Denver	CO	USA
Denver Marriott West	Marriott Hotels & Resorts	305	Golden	CO	USA
Des Moines Marriott Downtown	Marriott Hotels & Resorts	417	Des Moines	IA	USA
Detroit Marriott at the Renaissance Center	Marriott Hotels & Resorts	1,298	Detroit	MI	USA
Detroit Marriott Troy	Marriott Hotels & Resorts	350	Troy	MI	USA
Chicago Marriott Suites Downers Grove	Marriott Hotels & Resorts	254	Downers Grove	IL	USA
Houston Airport Marriott at George Bush Intercontinental	Marriott Hotels & Resorts	565	Houston	TX	USA
Houston Marriott Medical Center	Marriott Hotels & Resorts	386	Houston	TX	USA
Houston Marriott West Loop by The Galleria	Marriott Hotels & Resorts	302	Houston	TX	USA
Irvine Marriott	Marriott Hotels & Resorts	485	Irvine	CA	USA
Kansas City Airport Marriott	Marriott Hotels & Resorts	383	Kansas City	MO	USA
Overland Park Marriott	Marriott Hotels & Resorts	398	Overland Park	KS	USA
Lincolnshire Marriott Resort	Marriott Hotels & Resorts	389	Lincolnshire	IL	USA
Los Angeles Airport Marriott	Marriott Hotels & Resorts	1,004	Los Angeles	CA	USA
Manhattan Beach Marriott	Marriott Hotels & Resorts	385	Manhattan Beach	CA	USA
Marina del Rey Marriott	Marriott Hotels & Resorts	370	Marina Del Rey	CA	USA
Minneapolis Marriott City Center	Marriott Hotels & Resorts	583	Minneapolis	MN	USA
Monterey Marriott	Marriott Hotels & Resorts	341	Monterey	CA	USA
Newport Beach Marriott Hotel & Spa	Marriott Hotels & Resorts	532	Newport Beach	CA	USA
Newport Beach Marriott Bayview	Marriott Hotels & Resorts	254	Newport Beach	CA	USA
Portland Marriott Downtown Waterfront	Marriott Hotels & Resorts	503	Portland	OR	USA
Provo Marriott Hotel & Conference Center	Marriott Hotels & Resorts	330	Provo	UT	USA
Salt Lake Marriott Downtown at City Creek	Marriott Hotels & Resorts	510	Salt Lake City	UT	USA
San Antonio Marriott Rivercenter	Marriott Hotels & Resorts	1,001	San Antonio	TX	USA
San Antonio Marriott Riverwalk	Marriott Hotels & Resorts	512	San Antonio	TX	USA
San Diego Marriott Del Mar	Marriott Hotels & Resorts	284	San Diego	CA	USA
Marriott Marquis San Diego Marina	Marriott Hotels & Resorts	1,362	San Diego	CA	USA
San Diego Marriott Mission Valley	Marriott Hotels & Resorts	350	San Diego	CA	USA
San Francisco Airport Marriott Waterfront	Marriott Hotels & Resorts	685	Burlingame	CA	USA
San Francisco Marriott Marquis	Marriott Hotels & Resorts	1,499	San Francisco	CA	USA
San Ramon Marriott	Marriott Hotels & Resorts	368	San Ramon	CA	USA
Santa Clara Marriott	Marriott Hotels & Resorts	759	Santa Clara	CA	USA
Scottsdale Marriott at McDowell Mountains	Marriott Hotels & Resorts	270	Scottsdale	AZ	USA
Scottsdale Marriott Suites Old Town	Marriott Hotels & Resorts	243	Scottsdale	AZ	USA
Seattle Airport Marriott	Marriott Hotels & Resorts	459	Seattle	WA	USA
Toronto Airport Marriott Hotel	Marriott Hotels & Resorts	424	Toronto	ON	Canada

Property Name	Brand	Total Rooms	City	State	Country
Toronto Marriott Downtown Eaton Centre Hotel	Marriott Hotels & Resorts	461	Toronto	ON	Canada
Torrance Marriott South Bay	Marriott Hotels & Resorts	487	Torrance	CA	USA
Waikiki Beach Marriott Resort & Spa	Marriott Hotels & Resorts	1,310	Waikiki	HI	USA
Griffin Gate Marriott Resort & Spa	Marriott Hotels & Resorts	409	Lexington	KY	USA
Renaissance Phoenix Downtown Hotel	Renaissance Hotels & Resorts	527	Phoenix	AZ	USA
Renaissance St. Louis Grand Hotel	Renaissance Hotels & Resorts	917	St. Louis	MO	USA
Renaissance Schaumburg Convention Center Hotel	Renaissance Hotels & Resorts	500	Schaumburg	IL	USA
Renaissance Columbus Downtown Hotel	Renaissance Hotels & Resorts	408	Columbus	OH	USA
The Lodge at Sonoma Renaissance Resort & Spa	Renaissance Hotels & Resorts	182	Sonoma	CA	USA
Renaissance Austin Hotel	Renaissance Hotels & Resorts	492	Austin	TX	USA
Renaissance Chicago Downtown Hotel	Renaissance Hotels & Resorts	553	Chicago	IL	USA
Renaissance Cleveland Hotel	Renaissance Hotels & Resorts	491	Cleveland	OH	USA
Renaissance Dallas Hotel	Renaissance Hotels & Resorts	514	Dallas	TX	USA
Renaissance Indian Wells Resort & Spa	Renaissance Hotels & Resorts	560	Indian Wells	CA	USA
Renaissance Long Beach Hotel	Renaissance Hotels & Resorts	374	Long Beach	CA	USA
Renaissance Los Angeles Airport Hotel	Renaissance Hotels & Resorts	501	Los Angeles	CA	USA
The Worthington Renaissance Fort Worth Hotel	Renaissance Hotels & Resorts	504	Fort Worth	TX	USA

ATTACHMENT B

MARRIOTT INTERNATIONAL

Managed Hotels (Hotels with over 600 Keys and with a 12,000 sf or Larger Ballroom) in the Convention Resort Network (a Group of large Marriott Convention Center Hotels and Resort Hotels in North America)

Region	Property Name	Total Rms	Rooms	Suites	Floors	Mtg Rms	Mtg Space	Largest Ballroom
Eastern	Atlanta Marriott Marquis	1,753	1,663	90	50	57	160,000	25,000
Eastern	Baltimore Marriott Waterfront	751	729	22	31	38	80,000	19,140
Eastern	Boston Marriott Copley Place	1,047	1,000	47	38	41	65,000	23,341
Eastern	Crystal Gateway Marriott	701	697	4	18	25	33,000	16,102
Eastern	Gaylord National	1,996	1,886	110		89	470,000	51,462
Eastern	Gaylord Palms	1,406	1,291	115		67	470,000	46,748
Eastern	Fort Lauderdale Harbor Beach Marriott Resort & Spa	650	617	33	15	28	30,000	14,900
Eastern	JW Marriott Washington DC	772	738	34	15	22	37,000	13,680
Eastern	JW Marriott Orlando, Grande Lakes	998	934	64	26	41	100,800	29,484
Eastern	Marco Island Marriott Resort, Golf Club & Spa	727	673	54	11	27	60,000	19,195
Eastern	Marriott Marquis Washington DC	1,224	1,175	49		54	100,000	30,000
Eastern	New Orleans Marriott	1,383	1,329	54	41	47	80,000	27,500
Eastern	New York Marriott Marquis	1,949	1,893	56	49	54	100,000	29,000
Eastern	Orlando World Center Marriott Resort & Conv. Center	2,000	1,890	110	28	73	265,000	105,000
Eastern	Philadelphia Marriott Downtown	1,408	1,332	76	23	52	92,000	32,000
Eastern	Renaissance Nashville	697	673	24	25	18	31,000	18,000
Eastern	Renaissance Orlando Resort at SeaWorld	846	781	65	10	41	185,000	36,288
Eastern	Renaissance Vinoy Resort	361	347	14	7	22	40,000	11,500
Eastern	Renaissance Washington DC Downtown	820	807	13	14	31	64,000	19,000
Eastern	Tampa Marriott Waterside Hotel & Marina	717	681	36	27	31	50,000	17,169
Eastern	Wardman Park Marriott Hotel	1,334	1,191	143	10	66	195,000	30,264
Western	Anaheim Marriott	1,071	1,031	40	19	44	82,000	25,636
Western	Chicago Marriott Downtown Magnificent Mile	1,194	1,169	25	46	54	65,000	19,200
Western	Denver Marriott City Center	627	613	14	20	26	25,000	14,500
Western	Detroit Marriott at the Renaissance Center	1,350	1,298	52	72	27	100,000	25,800
Western	Gaylord Opryland	2,884	2,713	171	6	109	600,000	55,314
Western	Gaylord Texan	1,511	1,384	127		71	400,000	49,025
Western	JW Marriott Chicago	610	581	29	12	38	44,000	8,453
Western	JW Marriott Camelback Inn Resort & Spa	453	427	26	2	27	40,000	19,968
Western	JW Marriott Desert Ridge Resort & Spa	950	869	81	5	40	200,000	30,024
Western	JW Marriott Desert Springs Resort & Spa	884	833	51	8	33	68,026	24,816
Western	JW Marriott Los Angeles LA Live	914	879	35	21	37	75,000	25,000
Western	JW Marriott San Antonio Hill Country Resort & Spa	1,087	1,002	85	10	18	140,000	40,000
Western	JW Marriott Starr Pass Resort & Spa	575	540	35	6	30	88,000	20,000
Western	Renaissance Indian Wells Resort & Spa	582	560	22	7	25	59,000	16,500
Western	Renaissance Schaumburg Hotel & Convention Center	526	500	26	16	39	148,000	27,000
Western	Renaissance St. Louis Grand Hotel	917	875	42	23	34	45,000	20,100

Western	San Antonio Marriott RiverCenter	1,001	915	86	39	36	60,000	41,600
Western	San Antonio Marriott RiverWalk	512	507	5	30	13	12,000	9,800
Western	San Diego Marriott Marquis Hotel & Marina	1,417	1,362	55	25	54	100,000	23,108
Western	San Francisco Marriott	1,494	1,421	73	39	52	100,000	41,588
Western	Sawgrass Marriott Resort & Spa	534	508	26	7	54	56,000	16,000
Hawaii	JW Marriott Ihilani Resort and Spa at Ko Olina	387	351	36	17	9	31,000	5,530
Hawaii	Kauai Marriott Resort & Beach Club	367	356	11	10	8	21,500	17,280
Hawaii	Waikiki Beach Marriott Resort & Spa	1,324	1,310	14	33	10	55,000	6,993
Hawaii	Waikoloa Beach Marriott Resort & Spa	578	555	23	6	16	27,800	12,000
Hawaii	Wailea Beach Marriott Resort & Spa	546	499	47	8	25	45,000	13,800
CALA	CasaMagna Marriott Cancun Resort	450	412	38	6	12	11,000	7,966
CALA	CasaMagna Marriott Puerto Vallarta Resort & SPA	433	404	29	9	12	8,756	5,812
CALA	Frenchman's Reef & Morning Star Marriott Beach Resort	506	479	27	8	15	60,000	14,000
CALA	JW Marriott Cancun Resort & Spa	448	374	74	14	17	20,299	14,432
Western	Marriott Marquis Houston (Opening Fall 2016)	1,000	960	40	27	28	104,000	39,716

FILED
OFFICE OF THE CITY CLERK
OAKLAND

15 FEB 26 AM 9:06

APPROVED AS TO FORM AND LEGALITY:



Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING THE INTERIM CITY ADMINISTRATOR TO EXECUTE A CONSENT TO AN ASSIGNMENT OF THE OAKLAND MARRIOTT HOTEL CITY CENTER GROUND LEASE TO AGRE DCP OAKLAND CITY CENTER OWNER LLC, OR A RELATED ENTITY

WHEREAS, on August 12, 1981, pursuant to Ordinance No. 10117 C.M.S., the City of Oakland ("City") entered into a Ground Lease (the "Ground Lease") for certain City-owned property (the "Property") with Oakland Hotel Associates, Ltd. ("OHAL") to develop a Hyatt Regency Oakland Hotel, which is now the Oakland Marriott Hotel City Center (the "Marriott"); and

WHEREAS, on December 29, 1986, the Ground Lease was amended and assigned from OHAL to Oakland Renaissance Associates ("ORA"), a limited partnership; and

WHEREAS, on March 6, 2007, pursuant to Resolution No. 80446 C.M.S., the City Council approved an assignment of the Ground Lease from ORA to the CIM Group, Inc. ("CIM"), as part of the sale of the Marriott from ORA to CIM; and

WHEREAS, Section 10 of the Ground Lease requires the City's written consent prior to assignment of the Ground Lease, and further requires that if the assignee is not an experienced reputable and responsible operator of an existing hotel of a type comparable to the Marriott then concurrent with the assignment of the Ground Lease, the assignee must enter into an operating agreement with a reputable and experienced hotel operator; and

WHEREAS, CIM is selling the Marriott, which is on the Property leased from the City, to AGRE DCP Oakland City Center Owner LLC, ("AGRE DCP") a company consisting of Apollo Global Management ("Apollo") and DiNapoli Capital Partners, LLC ("DiNapoli"), or a related entity; and

WHEREAS, AGRE DCP, as well as its designated hotel management company, Marriott International, Inc. ("Marriott International") are very experienced real estate investment, development and hotel management firms that are fully capable of operating the Marriott; and

WHEREAS, the requirements of the California Environmental Quality Act (CEQA) the CEQA guidelines as prescribed by the Secretary of Resources and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; now therefore be it

RESOLVED: That the City approves the assignment of the Ground Lease by CIM to AGRE DCP; and be it

RESOLVED: That the Interim City Administrator is hereby authorized to consent to the assignment of the Ground Lease to AGRE DCP or a related entity consistent with this Resolution and its basic purposes; and be if further

RESOLVED: That the City finds and determines, after independent review and consideration, that this action complies with the California Environmental Quality Act ("CEQA") because it is exempt from CEQA pursuant to Section 15301 (existing facilities) of the CEQA Guidelines; and be it

RESOLVED: That the Interim City Administrator or his designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action; and be it

RESOLVED: That the Interim City Administrator is further authorized to take whatever action is necessary with respect to the consent to an assignment of the Ground Lease consistent with this Resolution and its basic purposes; and be it

RESOLVED: That all documents necessary to effect the consent to the assignment and transfer of the Ground Lease pursuant to this Resolution shall be reviewed and approved by the City Attorney, and copies shall be placed on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2015

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID AND
CHAIRPERSON GIBSON McELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California