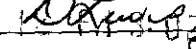


REVISED
Approved as to Form and Legality

0711 
City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. 80446 C.M.S.

Introduced by Councilmember _____

A RESOLUTION PURSUANT TO SECTION 10. OF THE HYATT REGENCY OAKLAND HOTEL GROUND LEASE BETWEEN THE CITY OF OAKLAND AND OAKLAND RENAISSANCE ASSOCIATES AUTHORIZING THE CITY ADMINISTRATOR TO APPROVE THE ASSIGNMENT OF THE GROUND LEASE AND THE SALE OF THE MARRIOTT HOTEL TO THE CIM GROUP, AND TO ACCEPT ALL PAYMENTS DUE THE CITY

WHEREAS, on August 12, 1981, the City entered into the Hyatt Regency Oakland Hotel Ground Lease ("Ground Lease") with Oakland Hotel Associates, Ltd., a California limited partnership to allow construction of first class hotel building (the "Property"); and

WHEREAS, on December 29, 1986 the Ground Lease was amended and assigned to Oakland Renaissance Associates, a California limited partnership ("ORA"), and the City agreed to provide ORA \$3.2 million in financing; and

WHEREAS, on August 28th, 1997, the City executed a Restructuring Agreement that capitalized the outstanding loan principle (\$3.2 million) and interest (\$3.3 million), unpaid ground lease rent (\$0.3 million) and unpaid ball room fees (\$1.4 million) into a \$8.2 million share (collectively the "Loan") of a \$43.4 million pool of loans ("Pool") from a variety of lenders, and the loans must be paid off if the Property is sold; 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

lease, the assignee must enter into an operating agreement with a reputable and experienced hotel operator; and

WHEREAS, ORA is proposing to sell the Marriott Hotel Property, which sits on the land leased from the City, to the CIM Group, Inc., ("CIM"); a major commercial property owner and developer with nationwide real estate holdings and

WHEREAS, CIM has the real estate management capacity to own the Property; and

WHEREAS, CIM is proposing to contract with either Crestline Hotels and Resorts ("Crestline"), Dow Hotels ("Dow"), Interstate Hotels and Resorts ("Interstate"), Sunstone Hotel Properties ("Sunstone"), or White Lodging Services ("White") to manage the Property, and all are experienced operators of similar hotel facilities and appear to have the capacity to operate the Property; and

WHEREAS, approval of the operator will be required by Marriott International in order for CIM to obtain approval of a new franchise agreement; 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 or other transfer of the Ground Lease to CIM and the selection of Crestline, Dow, Interstate, Sunstone or White as the hotel operator, subject to Marriott and City Administrator approval following due diligence reviews of submittals, and the maintenance of the superior position of the Ground Lease; and be it

FURTHER RESOLVED: That the City Administrator or her designee is authorized to conduct all negotiations, review and approve all submissions, execute all agreements, accept all payments and take whatever action is necessary with respect to the Ground Lease and the loan repayment consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That all the proceeds from the transfer of the Marriott, including the assignment of the Ground Lease and other transactions associated with the transfer, shall remain in escrow until appropriate distribution of loan pool funds is agreed to by the City; and be it

FURTHER RESOLVED: That all monies received in repayment of the Loan are hereby appropriated to the General (1010); and be it

FURTHER RESOLVED: That the Agency has independently reviewed

and considered this environmental determination and the Agency finds and determines, based on the information in the staff report accompanying this resolution, that this action complies with CEQA because this action on the part of the Agency is exempt from CEQA pursuant to Section 15301 (existing facilities) of the CEQA guidelines; and be it

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

FURTHER RESOLVED: That all documents related to this transaction shall be reviewed and approved by the City Attorney's Office prior to execution, and copies will be placed on file with the City Clerk; and be it

FURTHER RESOLVED: That the custodians and locations of the documents or other materials which constitute the record of proceedings upon which the Agency's decision is based are respectively: (a) the Community & Economic Development Agency, Projects Division, 250 Frank H. Ogawa Plaza, 5th Floor, Oakland CA; (b) the Community & Economic Development Agency, Planning Division, 250 Frank H. Ogawa Plaza, 3rd Floor, Oakland CA; and (c) the Office of the City Clerk, 1 Frank H. Ogawa Plaza, 1st Floor, Oakland, CA.

IN COUNCIL, OAKLAND, CALIFORNIA, MAR 6 2007, 20

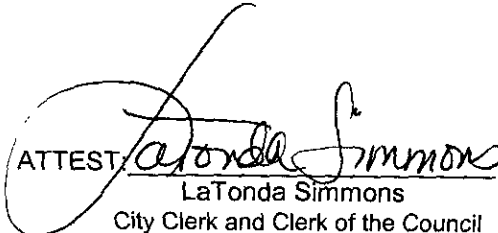
PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST 
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California