

**OAKLAND CITY COUNCIL**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

RESOLUTION NO. 79422 C. M. S. 2005 JUN 29 PM 3: 31

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.

JUL 19 2005

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005

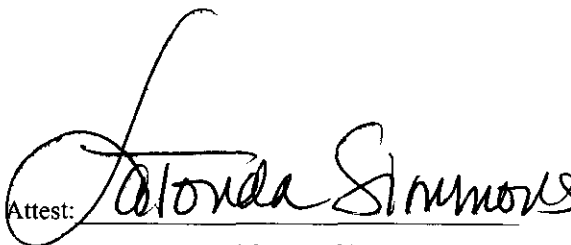
PASSED BY THE FOLLOWING VOTE:

AYES- ~~BROOKS~~, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND CHAIRPERSON DE LA FUENTE, - 7

NOES- 0

ABSENT- BROOKS - 1

ABSTENTION- 0

Attest: 

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