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### **RESOLUTION NO. 2016-5**

# A RESOLUTION OF THE ALBANY CITY COUNCIL APPROVING THE SITE LEASE AGREEMENT AND LEASE PURCHASE AGREEMENT FOR THE PUBLIC WORKS SERVICE CENTER

WHEREAS, the City of Albany has heretofore embarked upon the development of the City of Albany Public Works Service Center (the "Project"), a facility located at 540 Cleveland Avenue, Albany, CA on land owned by the City (the "Land"); and

WHEREAS, the City has heretofore entered into certain contracts for the design and construction of the Project, including but not limited to contracts for architecture, engineering and construction (the "Project Contracts"); and

WHEREAS, heretofore, the City has, pursuant to a site lease (the "Site Lease") leased the Land to C. Overaa & Co. (the "Developer") and the Developer has agreed to build the Project on the Land; and

WHEREAS, it is proposed that upon completion of the Project the Developer will sell and assign all of its rights and ownership interest in the Land and the Project to Albany Public Works Service Center, LLC (the "Conduit"), a limited liability company wholly owned and controlled by the California Municipal Finance Authority, including assignment of the Project Contracts to the Conduit and that the Conduit lease the completed Project to the City pursuant to a Lease Purchase Agreement (the "Lease Purchase Agreement"); and

WHEREAS, in order to finance the Project, the City has obtained a commitment from Mechanics Bank (the "Bank") whereby it is proposed that pursuant to an assignment agreement (the "Assignment Agreement") the Conduit will assign to the Bank all of its rights to receive rent from the City under the Facilities Lease and that in consideration of

the assignment, the Bank will pay the Conduit an amount not to exceed \$6,500,000 (the "Financing Proceeds"); and

WHEREAS, it is proposed that the Conduit will utilize the Financing Proceeds to pay to the Developer the purchase price for the Project; and

**WHEREAS,** the City Council hereby finds that the foregoing transaction is in the best interests of the City and its residents.

**NOW, THEREFORE, BE IT RESOLVED,** by the City Council of the City of Albany as follows:

<u>SECTION 1.</u> The transactions recited in the "Whereas" clauses are hereby approved.

<u>SECTION 2.</u> The forms of the following documents (the "Transaction Documents"), heretofore submitted to the City, are hereby approved:

- a. The Site Lease
- b. The Lease Purchase Agreement
- c. The Assignment Agreement

SECTION 3. the City Manager, and the Director of Finance (the "Authorized Officers"), each acting alone, are hereby authorized and directed to execute the Transaction Documents to which the City is a party, with such changes, insertions and omissions as may be approved by such official and City Attorney.

SECTION 4. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things, and to execute and deliver any and all documents which they or any of them may deem necessary or advisable in order to consummate the transactions contemplated by the Financing Documents and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the documents referred to herein.

SECTION 5. The acts of the Authorized Representatives of the City and of any person or persons designated and authorized to act by any such officer or agent of the City, which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of such resolution, are hereby separately ratified, confirmed, approved and adopted as acts in the name of and on behalf of the City.

PETER MAASS, MAYOR



### City of Albany

1000 San Pablo Avenue • Albany, California 94706 (510) 528-5710 • www.albanyca.org

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PASSED AND APPROVED BY THE COUNCIL OF THE CITY OF ALBANY,

the 19th day of January, 2016, by the following votes:

AYES: Council Members McQuaid, Nason, Pilch and Mayor Maass

NOES: none

ABSENT: Council Member Barnes

Elen Harrington

ABSTAINED: none

RECUSED: none

WITNESS MY HAND AND THE SEAL OF THE CITY OF ALBANY, this 20th

day of January, 2016.

Eileen Harrington

DEPUTY CITY CLERK