

Resolution No.

PARKING AUTHORITY OF THE CITY OF STOCKTON

RESOLUTION APPROVING AN AMENDMENT TO THE AIR RIGHTS LEASE AND APPROVING A LICENSE AGREEMENT BETWEEN THE PARKING AUTHORITY AND CAL WEBER ASSOCIATES LP FOR THE USE OF THE LOT K PARKING LOT LOCATED AT 25 NORTH AMERICAN STREET

On June 24, 2014, the City Council took several actions in support of the Cal Weber 40 Project, a proposed mixed-use project with ground floor commercial and 40 units of affordable housing on the upper floors; and

Council actions included the approval of a lease with DFA Development LLC (“DFA”) for air rights over Lot K, a parking lot located at 25 North American Street, to provide needed parking for the project at no cost for a period of 55 years; and

Following the initial approvals, ownership of Lot K transferred to the Parking Authority and a new limited partnership, Cal Weber Associates LP (“Cal Weber”) was created to develop the project; and

The creation of the limited partnership is necessary for the tax credit investor and is done for all projects that receive tax credits; and

DFA is one of the two general partners for Cal Weber and will oversee the development and operation of the project; and

The air rights were appraised at \$370,000, but to assist the project, the lease was approved as a 55-year lease with no payments required and Cal Weber is now concerned that having the lease provided at no cost will trigger a requirement to pay prevailing wages on the entire project, which would significantly increase its cost; and

In light of the change in ownership for Lot K, the creation of Cal Weber, and the concern over prevailing wages, Cal Weber has requested that the parties to the lease be changed from the Council and DFA to the Parking Authority and Cal Weber and that the term of the Air Rights Lease, which was approved as a 55-year lease with no payments, be amended to a 65-year lease, no interest, deferred payment loan, with one payment of \$370,000 due at the end of the lease; now, therefore,

BE IT RESOLVED BY THE PARKING AUTHORITY OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The Parking Authority hereby by approves an amendment to the Air Rights Lease (Exhibit 1) previously approved by Council on June 24, 2014, changing the parties to the lease from the Council and DFA, to the Parking Authority and Cal Weber.

2. The Parking Authority hereby approves an amendment to the Air Rights Lease changing the terms of the lease from a 55-year lease with no payments to a 65-year lease, no interest, deferred payment loan, with one payment of \$370,000 due at the end of the lease.

3. The Parking Authority hereby approves a License Agreement (Exhibit 2) between the Parking Authority and Cal Weber, for the use of the Lot K parking lot for a period of one year beginning March 15, 2015, for use as a construction staging area and for the construction of a parking deck above Lot K where Cal Weber will pay \$1,000 per month for use of the lot and repair, resurface, seal, and restripe the lot prior to the end of the License Agreement.

4. The Executive Director of the Parking Authority, or his designee, is authorized to execute all documents and take all actions necessary and appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED, and ADOPTED March 3, 2015.

ANTHONY SILVA
Mayor of the City of Stockton

ATTEST:

BONNIE PAIGE
City Clerk of the City of Stockton