



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: CONS 18-682, **Version:** 1

DATE: October 16, 2018

TO: Mayor and City Council

FROM: Interim Director of Public Works

SUBJECT

Resolution Authorizing the City Manager to Negotiate and Execute a First Amendment to the Existing Ground Leases with Ramesta Hospitality, LLC and Mahabal Hospitality, LLC

RECOMMENDATION

That the City Council adopts the attached Resolution (Attachment II) authorizing the City Manager to negotiate and execute a First Amendment to the Ground Leases with Ramesta Hospitality, LLC and Mahabal Hospitality, LLC.

SUMMARY

In November 2017, the City entered into a lease agreement with a developer to build two new hotels on vacant airport parcels. Plans for each site are currently under final review and construction is expected to commence shortly.

Prior to construction, the developer's lender requested clarifying language in the lease that complies with the terms of the construction loan. In general, the proposed amendments address such matters as: the right to sublease, mortgage, and encumber; termination or bankruptcy by lessee; and the commitment to abide by the FAA's rules and regulations related to grant covenants. The amendments have been reviewed by both the developer's lender and the City Attorney's Office; both concur with and agree to the revisions.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution