

RESOLUTION NO. 2019-61

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING AND DIRECTING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF EXERCISE OF SUBLEASE EXTENSION OPTION FOR PARKING FACILITIES AT THE LAKES AT WEST COVINA WITH CIP 2014/SG COVINA OWNER LLC

The City Council of the City of West Covina, California, does hereby resolves as follows:

WHEREAS, the Redevelopment Agency of the City of West Covina, as the Agency, and City of West Covina, as the City, Lease Agreement dated August 1, 1988 (the "Master Lease") for the Parking Facilities on Agency owned land. The Master Lease was entered into by and between the Agency as lessor and the City as lessee.;

WHEREAS, the City and Watt Investment Properties, Inc., as the Developer, entered into an Agreement for Sublease of Portion of Parking Facilities dated August 1, 1988 (the "Sublease"). The Sublease was entered by and between the City as lessor and the Developer as sublessee; and

WHEREAS, the Agency entered into a Restated Disposition and Development Agreement (the "Restated DDA") dated June 26, 1987, a First Implementation Agreement thereto dated as of December 22, 1987, and a Second Implementation Agreement dated as of August 1, 1988 with the Operator's predecessor in interest for the sale of certain land (the "Developer Parcels #1 and 2") to the Operator's predecessor in interest for development thereon of commercial office buildings; and

WHEREAS, the City constructed on the Agency Parking Structure Parcels certain off-street parking facilities (the "Parking Facilities") and entered into the Sublease, as the sublessor and defined in the Sublease as the City, (the "Sublessor") with Watt Investment Properties, Inc. ("Watt"), a predecessor-in-interest to Operator, as the sublessee and defined in the Sublease as the Developer, (the "Sublessee") for Twenty-Five Percent (25%) of the Parking Facilities (the "Subject Premises") in order to implement the Redevelopment Plan adopted by the Redevelopment Agency of the City of West Covina and the Restated DDA (and the Implementation Agreements thereto), and in order to provide for the operation and maintenance of the Subject Premises; and

WHEREAS, Operator has also purchased the Developer Parcels #1 and 2 and succeeded to the interests and assumed all liabilities of the Sublessee under the Sublease; and

WHEREAS, Watt also entered into an operating agreement on August 1, 1988 (the "1988 Operating Agreement") with the City to manage the 75% of the Parking Facilities which are not included within the Sublease (the "City's Premises"). On May 15, 2018, the City of West Covina and the new owner, CIP 2014/SG Covina Owner LLC, entered into new Operating

Agreement and have continued to operate under the terms and conditions of the 2018 Operating Agreement to date; and

WHEREAS, on or about February 1, 2012, the City began acting as the "Successor Agency" to the Agency pursuant to various California statutes relating to the dissolution of Redevelopment Agencies in the State (the "Redevelopment Dissolution Laws"). The Successor Agency is a separate legal entity from the City pursuant to the Redevelopment Dissolution Laws.

WHEREAS, on or about December 15, 2015, the Agency Parking Structure Parcels were transferred to the City pursuant to various California statutes relating to the dissolution of Redevelopment Agencies in the state, but there has been no merger of the Master Lease and the Sublease.

WHEREAS, Section 3 D of the Sublease, as amended by the First Amendment to Agreement for Sublease for Portion of Parking Facilities dated January 1, 1989, grants the Developer the option to extend the Initial Term, which expired August 1, 2018, with 5 additional terms of Five (5) years each (hereinafter referred to as the "Extended Term") subject to conditions outlined in the section.

WHEREAS, The City Council finds that the sale of the Eastland Center Parking Facilities (Parcel D) is exempt from review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061 (b) (3) - General rule of no potential for causing significant impact; as the sale of property does not allow any new uses or activities, and no development approvals are granted by this purchase and sale of the property.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA CALIFORNIA, DOES RESOLVES AS FOLLOWS:

SECTION 1. The City Council of the City of West Covina hereby approves and directs the City Manager to execute a Memorandum of Exercise of Sublease Extension Option for Parking Facilities at The Lakes at West Covina in substantially the form of Exhibit A, attached hereto and by this reference incorporated herein, with CIP 2014/Sg Covina Owner LLC.


(THIS SECTION HAS BEEN INTENTIONALLY LEFT BLANK)

SECTION 2. The City Clerk shall certify to the adoption of this resolution.

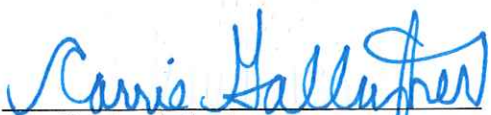
PASSED, APPROVED AND ADOPTED on August 20th, 2019


Lloyd Johnson
Mayor

APPROVED AS TO FORM


Thomas P. Duarte
City Attorney

ATTEST


Carrie Gallagher
Assistant City Clerk

I, CARRIE GALLAGHER, ASSISTANT CITY CLERK, custodian of the original records, which are public records which I maintain custody and control for the City of West Covina, California, do HEREBY CERTIFY, the foregoing resolution, being Resolution No. 2019-61 was adopted at a Regular Meeting of the City Council on August 20th, 2019, by the following roll call vote:

AYES: Castellanos, Johnson, Lopez-Vaido, Shewmaker, Wu
NOES: None
ABSENT: None
ABSTAIN: None



Carrie Gallagher, CMC
Assistant City Clerk