

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LEANDRO

RESOLUTION NO 2023-XXX

RESOLUTION TO APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE AN ASSET PURCHASE AND SALE AGREEMENT AND ASSIGNMENT OF LEASE FOR THE SUPER 5 CHINESE RESTAURANT LOCATED AT 555 LEWELLING BOULEVARD

WHEREAS, the City of San Leandro (“City”) has entered into a Purchase and Sale Agreement to purchase the Nimitz Motel at 555 Lewelling Boulevard, San Leandro, California; and

WHEREAS, the City desires to acquire and provide for the rehabilitation of the Nimitz Motel for conversion to a navigation center and temporary shelter for homeless persons within the City, and future conversion to permanent affordable supportive housing for homeless persons within the City; and

WHEREAS, Super 5 Kitchen, Inc., a California corporation (“Restaurant Owner”), is the owner of the Super 5 Chinese Kitchen restaurant located within the Nimitz Motel (the “Restaurant”), the premises of which are leased pursuant to a Lease with Parshotam, Inc. dated May 1, 2013, as extended by that Lease Extension dated December 20, 2019 (as extended, the “Lease”); and

WHEREAS, in connection with City’s purchase of the Nimitz Motel, the City desires to acquire from the Restaurant Owner the furniture, fixtures, equipment and other personal property used for the operation of the Restaurant, and an assignment of the Lease from the Restaurant Owner; and

WHEREAS, City staff and the Owner have negotiated the terms and conditions of an Asset Purchase and Sale Agreement and Assignment of Lease (“Restaurant Purchase Agreement”), a copy of which has been provided to the City Council and is attached to this Resolution and incorporated herein, under which the City would agree to acquire the Restaurant’s furniture, fixtures and equipment from the Restaurant Owner, and to assume the Lease, for the purchase price of One Hundred Forty-Seven Thousand Two Hundred Seventy Dollars (\$147,270); and

WHEREAS, the Restaurant Purchase Agreement purchase price is equal to the fair market value of the Restaurant, as determined by a Broker Opinion of Value made by Restaurant Realty Company, dated March 14, 2023; and

WHEREAS, the City Council finds that the interests of the City’s residents and the public health, safety and welfare will be best served by entering into the Restaurant Purchase Agreement and acquiring the Restaurant assets and assuming the Lease.

NOW THEREFORE, the City of San Leandro City Council does **RESOLVE** as follows:

1. That the City Council finds that the foregoing Recitals are true and correct and are incorporated into this Resolution; and

2. That the City Council approves the Restaurant Purchase Agreement and the City's acquisition of the Restaurant assets and assumption of the Lease pursuant to the terms and conditions set forth in the Restaurant Purchase Agreement, for an amount not to exceed One Hundred Forty-Seven Thousand Two Hundred Seventy Dollars (\$147,270); and

3. The City Council authorizes the City Manager (or her designee) to execute the Restaurant Purchase Agreement substantially in the form that has been presented to the City Council, and to take such other actions as are necessary to carry out the City's obligations under the Restaurant Purchase Agreement, including the execution of closing documents; and

4. The City Manager and her designees are authorized and directed to close escrow for the acquisition of the Restaurant assets and the assumption of the Lease if and when the conditions precedent thereto, as set forth in the Restaurant Purchase Agreement, have been satisfied.

Introduced by Councilmember _____ and passed and adopted this 5th day of September 2023, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST: _____

Kelly B. Clancy, CMC
City Clerk

Attachment to Resolution No. 2023-XXX

Asset Purchase and Sale Agreement and Assignment of Lease

[To Be Attached]

DRAFT