

## RESOLUTION 2018-042

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO AUTHORIZING THE CITY MANAGER TO EXECUTE A TERMINATION OF LICENSE AGREEMENT, QUITCLAIM OF THE MEMORANDUM OF RIGHT OF FIRST REFUSAL AND OTHER DOCUMENTS NECESSARY FOR THE CLOSE OF ESCROW OF THE FORMER DOCTORS MEDICAL CENTER PROPERTY AT 2000 VALE ROAD, SAN PABLO**

WHEREAS, given the financial struggles of Doctor's Medical Center ("DMC"), the City Council approved the purchase of certain real property from the West Contra Costa Healthcare District ("District") including a parking lot associated with the hospital at 2000 Vale Road pursuant to a Purchase and Sale Agreement between the City and the District dated March 11, 2015 ("March 11, 2015 Agreement");

WHEREAS, the March 11, 2015 Agreement also included a Right of First Refusal for the purchase of the former DMC hospital building and site that the District continued to own, which was memorialized with a Memorandum of Right of First Refusal dated as of March 13, 2015 and recorded on March 13, 2015 as Recorder's Serial Number 2015-45662 in the Official Records of Contra Costa County;

WHEREAS, the City and District also entered into a License Agreement dated March 13, 2015 and recorded on March 17, 2015 as Recorder's Serial Number 2015-47651 in the Official Records of Contra Costa County to allow the District to use parts of the parking lot that the City had purchased pursuant to the March 11, 2015 Agreement ("License Agreement");

WHEREAS, on November 15, 2016, the District notified the City of its Purchase and Sale Agreement for the former DMC hospital site with the Lytton Rancheria of California and indicating that the City had 20 business days to exercise its right of first refusal to purchase the DMC site pursuant to the terms of the March 11, 2015 Agreement;

WHEREAS, the City Council considered this option and directed that the City decline the purchase of the DMC site as set forth in a letter dated November 21, 2016;

WHEREAS, in order to clear any title exceptions to the DMC property, staff recommends that the City Council memorialize its action to decline to exercise the Right of First Refusal and quitclaim that option right back to the District pursuant to the Quitclaim Deed attached as Exhibit 1, effective only if the transaction between the District and Lytton Rancheria closes escrow; and

WHEREAS, in addition, staff recommends that the City Council authorize the termination of the License Agreement as the District has no need for the parking and other uses described in the License Agreement, pursuant to the Termination of License Agreement attached as Exhibit 2.

NOW, THEREFORE, BE IT RESOLVED that the foregoing recitations and the information contained in this resolution are true and correct; and

BE IT FURTHER RESOLVED that the City Council of the City of San Pablo authorizes the City Manager to execute the following documents:

1. City of San Pablo Quitclaim Deed (ROFR) in the form of Exhibit 1 as it may be amended with the approval of the City Attorney to effectuate the purposes of this Resolution, with such Quitclaim Deed only effective if the transaction between the District and Lytton Rancheria for the sale of the former DMC hospital site closes escrow;
2. Termination of License Agreement in the form of Exhibit 2 as it may be amended with the approval of the City Attorney to effectuate the purposes of this Resolution; and
3. Any other ancillary documents necessary to effectuate the purposes of this Resolution and the close of escrow between the District and Lytton Rancheria for the sale of the former DMC hospital site as approved by both the City Manager and City Attorney, including but not limited to escrow instructions.

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ADOPTED this 19<sup>th</sup> day of March 2018 by the following vote:

AYES:	COUNCILMEMBERS:	Valdez, Cruz, Kinney, Morris and Calloway
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:	APPROVED:
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/s/ Elizabeth Pabon-Alvarado  
Elizabeth Pabon-Alvarado, City Clerk

/s/ Genoveva Garcia Calloway  
Genoveva Garcia Calloway, Mayor