

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

# OAKLAND CITY COUNCIL

  
City Attorney

2014 JAN -9 PM 12:01  
ORDINANCE NO. ~~1317~~ 13217 C.M.S.

**FIRST AMENDMENT TO ORDINANCE NO. C.M.S. 13187, WHICH AUTHORIZED CITY ADMINISTRATOR TO ENTER INTO A 66 YEAR LEASE FOR \$1.00 PER YEAR WITH EAST OAKLAND YOUTH DEVELOPMENT CENTER QUALIFIED ACTIVE LOW INCOME COMMUNITY BUSINESS, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION (EOYDC QALICB), TO FURTHER AUTHORIZE: (1) AN INCREASE OF SECURITY IN SUCH LEASEHOLD INTEREST FROM \$7 MILLION TO UP TO \$10 MILLION, AND (2) INCLUSION IN THE NEW 66-YEAR LEASE OF AN OPTION TO PURCHASE THE PROPERTY.**

**WHEREAS,** East Oakland Youth Development Center, Inc (EOYDC) has leased 8200 International Blvd from the City since 1978 for one dollar (\$1 00) per year (“the Property”), and

**WHEREAS,** EOYDC was founded in 1978 and was initially funded with \$350,000 from the City for the land, over \$900,000 from the Clorox Corporation for the construction of the improvements and \$650,000 from bay area businesses and foundations also for construction costs, and

**WHEREAS,** EOYDC (1) offers recreational, leadership, wellness, arts, science, educational, employment training, and employment placement programs five days a week (2) provides free, comprehensive, evidence-based youth development programs to meet the emotional, physical, intellectual, and economic needs of its participants, and (3) serves more than 2,000 youth each year, and

**WHEREAS,** EOYDC’s mission is to develop the social and leadership capacities of youth and young adults (ages 6 – 24) so that they achieve excellence in education, career, and service to their communities, and

**WHEREAS,** in 2012, EOYDC served 1,000 youth in its employment training program and had a job placement rate of 70 percent, and

**WHEREAS,** EOYDC has a successful track record of diverting young people from crime and violence and helping them attain outstanding personal, educational, and career success, and

**WHEREAS,** EOYDC desires to add an additional 5,249 square feet to the existing 19,910 square feet facility; and

**WHEREAS,** the renovation and additional space will enable EOYDC to house martial arts classes, a dance program, a homework center and vegetable garden for the nutrition program and a “Living Lab” environmental learning space for the science program, and

**WHEREAS,** after construction is complete, EOYDC will have the capacity to serve an additional one thousand (1,000) youth and young adults annually, and

**WHEREAS**, EOYDC is working with East Bay Asian Local Development Corporation as its financial consultant for the purpose of securing up to \$10 million dollars in financing to renovate and expand the improvements on the Property, and

**WHEREAS**, the City-owned facility will benefit if the financing is secured, and

**WHEREAS**, the lenders for the project require that EOYDC establish a special purpose entity named EOYDC QALICB, and that it acquire a lease with a minimum term of sixty-six (66) years, and

**WHEREAS**, the City Council approved entering into a sixty-six (66)-year lease with EOYDC QALICB under Ordinance No C M S 13187, and

**WHEREAS**, Ordinance No C M S 13187 contemplated a financing of \$7 million dollars, and

**WHEREAS**, the actual amount of the proposed financing is up to ten million dollars (\$10,000,000) rather than seven million dollars (\$7,000,000), and

**WHEREAS**, EOYDC QALICB will use its leasehold interest in the property as security for the financing up to \$10 million, and

**WHEREAS**, EOYDC's existing lease includes a purchase option, and

**WHEREAS**, EOYDC QALICB has requested that the new 66-year lease also include a purchase option, and

**WHEREAS**, staff has determined that the value of the in-kind services provided to the residents of Oakland exceeds the value of the fair market rent, and

**WHEREAS**, it is necessary to amend City Council Ordinance C M S 13187 to allow for the increased financing and the inclusion of an option to purchase in the new lease, now, therefore

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

**Section 1.** The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them a part of this Ordinance

**Section 2.** City Council Ordinance No 13187 is hereby amended to provide that the City Administrator is authorized, without returning to Council, to (1) allow EOYDC QALICB to use its leasehold in the Property as security for up to \$10 million dollars to renovate and expand the improvements on the Property, and (2) include in the new sixty-six (66)-year lease to EOYDC QALICB a purchase option on terms to be negotiated by the City Administrator

**Section 3.** Other than as amended hereby, all other terms and conditions of C M S 13187 remain unchanged

Section 4. The City Attorney shall review and approve all documents related to this transaction as to form and legality, and a copy shall be placed on file with the City Clerk

**FEB - 4 2014**

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

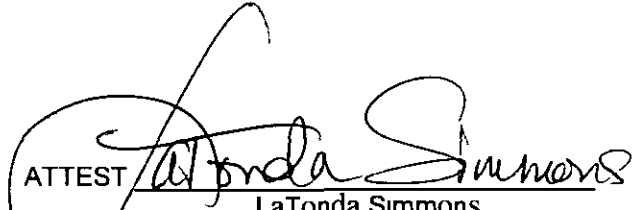
PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, and PRESIDENT KERNIGHAN - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST   
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

Introduction Date  
**JAN 21 2014**

DATE OF ATTESTATION 2/5/2014

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2014 JAN 22 PM 1:05

## NOTICE AND DIGEST

**First Amendment To Ordinance No. C.M.S. 13187, Which Authorized City Administrator To Enter Into A 66 Year Lease For \$1.00 Per Year With East Oakland Youth Development Center Qualified Active Low Income Community Business, Inc., A California Nonprofit Public Benefit Corporation (EOYDC QALICB), To Further Authorize: (1) An Increase Of Security In Such Leasehold Interest From \$7 Million To Up To \$10 Million, And (2) Inclusion In The New 66-Year Lease Of An Option To Purchase The Property**

An Ordinance has been prepared authorizing the City Administrator to lease City-owned Property to East Oakland Youth Development Center Qualified Active Low Income Community Business, Inc

The City-owned property is located at 8200 International Blvd It is an irregular shaped commercial parcel The Assessor Parcel Number is 043-4550-010-01 The lot contains approximately thirty nine thousand (39,000) square feet The Property is currently utilized as a Youth Center at no cost to the City