

INTRODUCED BY COUNCILMEMBER: \_\_\_\_\_

12497

2003 MAY -1 PM 1:35

**ORDINANCE NO. \_\_\_\_\_ C.M.S.**

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**AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO A TWENTY-YEAR LEASE WITH ONE TEN-YEAR OPTION WITH FAMILY BRIDGES, INC. IN THE AMOUNT OF \$1 PER YEAR, IN EXCHANGE FOR IN-KIND SERVICES AND CONSTRUCTION OF TENANT-STRUCTURAL IMPROVEMENTS OF THE BUILDING SITE IN LIEU OF FAIR MARKET MONTHLY RENT FOR CITY-OWNED PROPERTY LOCATED AT 261 11<sup>th</sup> STREET IN OAKLAND.**

**WHEREAS**, the City of Oakland is the owner of the property located at 261 11<sup>th</sup> Street in the city of Oakland, (the "Property") which is improved with a 1,904 square foot masonry building currently leased by Family Bridges, Inc. for \$1 per year, as storage space for preschool and daycare center materials; and

**WHEREAS**, Family Bridges, Inc. wishes to enter into a twenty-year lease with one ten-year option for \$1 per year, in exchange for in-kind after school, cultural and educational programs including subsidized childcare services and construction of tenant- structural improvements to the building to permit such use in lieu of monthly rent; and

**WHEREAS**, the building is an un-reinforced masonry building and uninhabitable for educational and childcare uses and will require seismic-structural modifications to comply with the current California Building Code 2001, in order for the building to be utilized for after school, cultural and educational purposes or childcare purposes; and

**WHEREAS**, Family Bridges Inc. will be solely responsible for any and all costs required to complete the necessary structural-seismic modifications to the building to allow it to be used for educational or childcare uses and for all of the operation, maintenance and utility costs, including electrical, water, gas, garbage and trash removal; and

**WHEREAS**, the City would be responsible for repairs to the structural elements of the building, such as the roof, foundation and exterior walls, excluding any seismic modification that may be required to meet City codes; and

**WHEREAS**, the City Council adopted Ordinance No. 11722 C.M.S. establishing a policy for the rental and leasing of City-owned property for fair market rent with recognition for in-kind services and requires that the in-kind services provided by in-kind service provider to the City, result in a net benefit to the City that is equal to or exceeds 75% of the fair market rent for the real property; and

**WHEREAS**, the Parks and Recreation Department in compliance with Ordinance No. 11722 C.M.S., have provided an estimate of the aggregate value of the in-kind services and proposed tenant-structural improvements to be provided by Family Bridges, Inc.; and

**WHEREAS**, the Real Estate Services Division has completed a rental survey and established the fair market rental rate for the Property, which has been used to determine that the in-kind services provided by Family Bridges, Inc. to the City, results in a net benefit to the City that is equal to or exceeds 75% of the fair market rent; and

**WHEREAS**, during the proposed lease term, Family Bridges, Inc. will provide childcare programs, which in conjunction with the costs of the tenant-structural improvements to be constructed by Family Bridges, Inc. results in a net benefit to the City that is equal to or exceeds 75% of the fair market rent, otherwise, they will be responsible for the payment of the difference between those in-kind services provided to the City and the fair market rent of the real property; and

**WHEREAS**, the City is the lead agency for this Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

**WHEREAS**, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; **now, therefore**

The Council of the City of Oakland does ordain as follows:

**SECTION 1.** The Parks and Recreation Department in compliance with Ordinance No. 11722 C.M.S., has provided an estimate of the aggregate value of the in-kind services and proposed tenant-structural improvements to be provided by Family Bridges, Inc. and the Real Estate Services Division established the fair market rental rate for the Property, which determined that the in-kind services provided by Family Bridges, Inc. to the City, does results in a net benefit to the City that is equal to or exceeds 75% of the fair market rent and justifies the rent-free use of City space.

**SECTION 2.** The City Council authorizes the City Manager to negotiate, enter into, and execute a twenty-year lease with one ten-year option for \$1 per year with Family Bridges, Inc. in exchange for in-kind after school, cultural and educational program services including subsidized childcare services and construction of tenant-structural improvements to the building to permit such use in lieu of fair market monthly rent as described in this Ordinance.

**SECTION 3.** Family Bridges Inc. will be solely responsible for any and all costs required to complete the necessary structural and or seismic modifications to the building to allow it to be used for educational or childcare uses and all the operation, maintenance and utility costs, including electrical, water, gas, garbage and trash removal.

**SECTION 4.** During the proposed lease term, Family Bridges, Inc. will provide childcare programs, which in conjunction with the costs of the tenant-structural improvements to be constructed by Family Bridges, Inc. results in a net benefit to the City that is equal to or exceeds 75% of the fair market rent, otherwise, they will be responsible for the payment of the difference between those in-kind services provided to the City and the fair market rent of the real property.

**SECTION 5.** The Manager, Real Estate Services, is hereby authorized to take any and all actions necessary and consistent with the terms and conditions this Ordinance.

**SECTION 6.** All documents shall be approved as to form and legality by the City Attorney.

Introduction Date:            **MAY 20 2003**

IN COUNCIL, OAKLAND, CALIFORNIA,           **JUN 03 2003**          , 2003

**PASSED BY THE FOLLOWING VOTE:**

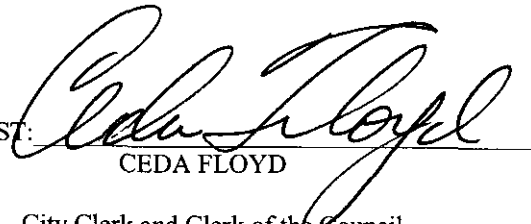
AYES-            BROOKS, BRUNNER, CHANG, NADEL, REID, QUAN, WAN, AND PRESIDENT DE LA  
                         FUENTE    -8

NOES-            0

ABSENT-        0

ABSTENTION-   0

ATTEST:



CEDA FLOYD

City Clerk and Clerk of the Council  
of the City of Oakland, California