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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND

AGENDA REPORT

TO: ~~2010 APR 15 PM 3:43~~ Dan Lindheim, City Administrator
ATTN: Dan Lindheim
FROM: Finance and Management Agency
DATE: April 27, 2010
RE: **Informational Report on the Status of Consolidating City-Owned and City-Leased Facilities**

SUMMARY

Staff has been reviewing all property the City leases from public and private lessors to search for possible savings that may be gained by moving various City offices from leased spaces into City-owned property. Staff is also investigating possible efficiencies in the use of various administration buildings, such as the buildings in Frank H. Ogawa Plaza and 600 Washington Street (also known as the Hall of Justice). By examining the current use and space arrangements of these buildings, possible leasing opportunities to external organizations can be maximized. Those efforts will take time and are not likely to result in significant budget savings for the next fiscal year.

FISCAL IMPACT

While this report is informational and has no direct fiscal impact, the information provided may offer opportunities for savings.

- The cancellation of outside leases that the City pays for and the related movement to City-owned facilities could generate savings to help offset budget shortfalls.
- Leasing available City property (freed up as a result of consolidation) would generate additional revenue.

The following is a list of outside facilities the City currently leases where it may be possible to give up the leased space and the potential savings if those functions were moved to City-owned offices or spaces.

| City Office/Program | Address | Annualized Rent |
|--|---|-----------------|
| Employee Assistance Program (Human Resources) | 1970 Broadway, Suite 1010 | \$29,070 |
| Independent Assessment and Monitoring Team (Oakland Police Department) | 1330 Broadway, Suite 426 | \$19,754 |
| Vehicle Yard (Public Works Agency) | 5050 Coliseum Way and 750 50 th Avenue | \$385,716 |

The estimates above do not take into account moving expenses. Particularly for the Coliseum yard, the move would likely absorb much of the lease savings in the first year of implementation but savings would be realized in subsequent years.

Item: _____
Finance and Management Committee
April 27, 2010

BACKGROUND

Over the past several months, an interdepartmental group of staff have worked to identify potential consolidations of City-owned and City-leased facilities. The group specifically looked at 1) opportunities to reduce or eliminate lease payments made by the City for non-City leased properties; and 2) the potential to lease to outside parties more of the City space to generate additional revenue.

KEY ISSUES AND IMPACTS

The chart below provides the status of staff's research into consolidating City-owned and City-leased facilities.

A. Reducing or eliminating lease payments for non-City-owned facilities:

| City Office/Program | Status |
|---|---|
| Employee Assistance Program (DHRM) | Office space at 150 Frank Ogawa Plaza has been identified that would be an appropriate location in which to house this program. |
| Independent Assessment and Monitoring Team (OPD) | CEDA and PWA are working collaboratively to find suitable City-owned space that is not located close to existing Police operations. |
| 5050 Coliseum Way/750 50 th Avenue (PWA) | PWA and CEDA are studying the feasibility of moving certain PWA operations and the Keep Oakland Clean and Beautiful staff to an existing facility located in Edgewater. A space planning consultant has been hired to assist studying the move. |

B. Freeing up additional City space to lease to outside parties:

| | |
|---|--|
| 150 and 250 Frank H. Ogawa Plaza (various City departments) | A space utilization plan (analysis) will be performed to determine if consolidation of space can take place. The resulting freed up space could be marketed to outside retail for leasing. |
| Other City Facilities (various City departments) | More research will be required to determine if consolidation of service centers, such as Libraries, Parks and Recreation Centers, and Senior Centers is feasible. Some City-owned property is being used for storage purposes. Consolidation of space may allow some City-owned facilities to be sold as surplus property. |

Analysis of opportunities to lease City-owned properties freed up by consolidation will be conducted over the next six months and staff will return to Council with an update :

SUSTAINABLE OPPORTUNITIES

There is no impact to economic, environmental or social equity opportunities following actions under this report.

DISABILITY AND SENIOR CITIZEN ACCESS

There is no impact to disability or senior citizen access following actions under this report.


RECOMMENDATION(S) AND RATIONALE

Staff recommends Council's acceptance of this informational report.

ACTION REQUESTED OF THE CITY COUNCIL

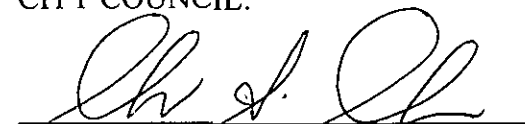
Staff requests that Council accept this informational report.

Respectfully submitted,



JOSEPH T. YEW, JR.
Finance Director/City Treasurer

APPROVED AND FORWARDED TO THE
CITY COUNCIL:



Office of the City Administrator