

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

  
CITY ATTORNEY'S OFFICE

# OAKLAND CITY COUNCIL

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

**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH EUROMOTORS OAKLAND INC., A CALIFORNIA CORPORATION DBA MERCEDES-BENZ OF OAKLAND FOR A TERM OF THREE YEARS WITH TWO 3-YEAR OPTIONS AT A BASE RENT OF \$31,000 PER MONTH FOR THE LEASING OF A CITY-OWNED PARKING GARAGE LOCATED AT 426 29<sup>TH</sup> STREET, OAKLAND, CALIFORNIA; AND ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FINDINGS**

**WHEREAS**, the City owns the real property located at 426 29<sup>th</sup> Street improved with a five-level parking structure containing approximately 143,600 square feet and configured with 477 parking spaces known as the “Medical Hill Garage Building”; and

**WHEREAS**, in 1984, the City established the Medical Hill Parking Assessment District (No. 5157) to help fund the construction of the parking garage on City land located at 426 29<sup>th</sup> Street in Oakland. The garage was constructed to provide parking for the public and for employees of and visitors to the Alta Bates Summit Medical Center (ABSMC); and

**WHEREAS**, from February 2011 to the end of 2014, ABSMC leased the garage from the City and ABSMC was given a first right of refusal to purchase the garage during the term of the lease, which ABSMC did not exercise; and

**WHEREAS**, the City of Oakland and Mercedes-Benz of Oakland (Mercedes-Benz) entered into an one-year lease in December of 2015 for the leasing of the garage for vehicle storage, and the lease has expired and is currently on a month-to-month basis for \$25,000 per month; and

**WHEREAS**, a Request for Lease Proposal was released to auto dealerships in Oakland for the leasing of the garage in June of 2020; and

**WHEREAS**, in response to the Request for Lease Proposal Mercedes-Benz submitted the strongest proposal to lease the garage for a term of three years with two 3-year options to renew at a lease rate of \$31,000 per month; and

**WHEREAS**, the City desires to enter into the lease with Mercedes-Benz in accordance with these terms; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** The City Administrator or his/her designee is hereby authorized to negotiate and execute the lease agreement with Euromotors Oakland Inc., a California Corporation DBA Mercedes-Benz of Oakland for the leasing of the City-owned Real Property located at 426 29<sup>th</sup> Street at a base rent of \$31,000 per month for a term of three years with two 3-year options to renew.

**SECTION 2.** Staff costs for processing the proposed new lease are covered by the Master Fee Schedule and will be paid by the lessee. The lease will generate an annual rental revenue of \$372,000 for the City. The City will not incur any out-of-pocket costs from the leasing of the Property.

**SECTION 3.** The City Council hereby authorizes the City Administrator or his/her designee, without returning to the City Council, to negotiate and execute (a) such other additions, amendments or other modifications to the foregoing document that the City Administrator, in consultation with the City Attorney's Office, determines are in the best interests of the City, do not materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transactions contemplated by this Ordinance, to be conclusively evidenced by the execution and delivery by the City Administrator of any such amendments; and (b) such other documents as necessary or appropriate, in consultation with the City Attorney's Office, to facilitate and consummate the transactions in accordance with this Ordinance, or to otherwise effectuate the purpose and intent of this Ordinance and its basic purpose.

**SECTION 4.** The lease agreement and any other documents necessary for the leasing of the property shall be approved as to form and legality by the City Attorney's Office and a copy shall be filed with the Office of the City Clerk.

**SECTION 5.** All lease payments owed by Mercedes-Benz to the City shall be received in Multipurpose Reserve Fund (1750), Mobility Management Organization (35247), Parking Fees: Off Street Parking (Including OPR Parking) Account (45312), DP 350 Administrative Project (1003469), TRANSPORTATION & PEDESTRIAN SAFETY Program (NB33).

**SECTION 6.** The City Council has independently reviewed and considered this environmental determination, and the City Council finds and determines that this action complies with the California Environmental Quality Act (CEQA) because this action on the part of the City is exempt from CEQA pursuant to Section 15301 (existing facilities).

**SECTION 7.** The recital contained in this Ordinance are true and correct and are an integral part of the Council's decision.

**SECTION 8. Severability.** If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional

**SECTION 9. Effective Date.** This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES – FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND  
PRESIDENT FORTUNATO BAS

NOES –  
ABSENT –  
ABSTENTION –

ATTEST: \_\_\_\_\_  
ASHA REED  
City Clerk and Clerk of the Council of  
the City of Oakland, California

Date of Attestation: \_\_\_\_\_

## NOTICE AND DIGEST

**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH EUROMOTORS OAKLAND INC., A CALIFORNIA CORPORATION DBA MERCEDES-BENZ OF OAKLAND FOR A TERM OF THREE YEARS WITH TWO 3-YEAR OPTIONS AT A BASE RENT OF \$31,000 PER MONTH FOR THE LEASING OF A CITY-OWNED PARKING GARAGE LOCATED AT 426 29<sup>TH</sup> STREET; AND ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FINDINGS**

An Ordinance authorizing the City Administrator or designee to negotiate and execute a lease agreement with Euromotors Oakland Inc., a California Corporation dba Mercedes-Benz of Oakland for a term of three years with two 3-year options at a base rent of \$31,000 per month for the leasing of a City-owned parking garage located at 426 29<sup>th</sup> Street.