

CITY OF OAKLAND

Agenda Report

TO: Office of the City Administrator
ATTN: Deborah Edgerly, City Administrator
FROM: Community and Economic Division Agency, Real Estate Division
DATE: September 12, 2006

RE: Resolution Authorizing The City Administrator To Amend A Lease With Willard And Celeste Korn For An Additional Term Of 3 Years And 3 Months Beginning July 2006, At 35 Hegenberger Place, In The Amount Of \$63,960 Per Year Plus An Annual 4% Rent Escalator, For The Storage Of Urban Search And Rescue Material For The Oakland Fire Department.

SUMMARY

The Oakland Fire Department sponsors the local California Task Force 4 (CATF-4) for Urban Search and Rescue under supervision of the Federal Emergency Management Agency (FEMA) and the U.S. Department of Homeland Security. The Oakland Fire Department has received additional federal grant funding to continue a long-term storage plan for rescue equipment and related supplies. The grant will allow the City to extend its existing lease at its present warehouse location for storage of emergency response equipment.

The continued long-term storage in Oakland will benefit the City and the citizens by supporting local property owners and keeping the rescue equipment housed in Oakland.

It is recommended that this lease be extended, and rent approved in the annual amount of \$63,960, plus annual rent escalator of 4% per annum. The amended Lease for this free-standing, 6,500 +/- square foot warehouse is for a term of 3 years and 3 months ending September 30, 2009. The lease payments will be made from the grant funding.

It is recommended that the City Council approve this Resolution to Amend the Lease.

FISCAL IMPACT

This warehouse will function solely as "drop-storage" facility and will not require any additional fire department staff or other employees to staff this facility. The CATF-4 received a Weapons of Mass Destruction (WMD) grant from FEMA in October 2002 and the current grant in April 2006. The funds have been deposited into Fund 2124, Org. 20815, Project G284110. The grant provides the cost of leasing a facility as a provision within the grant. The approval of the Amended Lease will not require any additional City funding nor will it have any fiscal impact on the City, as no matching funds are required.

BACKGROUND

The City has been leasing the warehouse space at its present location since July 1, 2003, and the lease is presently in a holdover capacity. The Oakland Fire Department participates along with other Fire Departments throughout the State in regional or local groupings to support State sponsored Urban Search and Rescue Task Forces. The Oakland Fire Department sponsors the local group known as *California Task Force 4 (CATF-4)*.

This Task Force encompasses neighboring cities on Oakland's borders from which any of the cities would be able to draw down on the rescue supplies and equipment in an event or emergency situation requiring such response.

Because Oakland is the most centrally located city and the Oakland Fire Department is the sponsoring agency, it is logical to house the supplies and equipment in Oakland.

Because neither FEMA nor the State require that the supplies and equipment be housed or located in Oakland, the lease of a warehouse and its location could be anywhere outside of the Oakland city limits should this Amended Lease not be approved. The funding sources would remain; however, the City would be required to pay the lease rental cost for warehouse space outside of its jurisdiction.

KEY ISSUES AND IMPACTS

Approval of the Resolution will allow the Oakland Fire Department to support a local property owner through rental, enable the Fire Department to make local purchases of goods and materials supporting the warehousing operation; reduce travel time and costs of Oakland Fire Department personnel in accessing the site at various times and days. The location of this storage facility in another jurisdiction would be contrary to City Policy to retain business in Oakland.

The advantage to keeping this facility here in Oakland would be a huge benefit to the citizens that live and work here, because the emergency equipment and supplies would be quickly and more readily available to the Oakland citizens during an emergency response. Location in another City would require the Oakland Fire Department to travel to that City and back with required emergency supplies and equipment.

The Real Estate Division has negotiated the lease extension terms. Staff has identified no regulatory issues preventing the intended use of this warehouse site. Because of the lease extension public safety will be enhanced.

SUSTAINABLE OPPORTUNITIES

The project will generate additional sales taxes and other revenue to the City and support local property ownership. There are no identifiable environmental issues arising from this use. The social benefits flow from the increased safety that the location brings to the community by having these supplies and equipment within the City.

DISABILITY AND SENIOR CITIZEN ACCESS

This facility is not open to the public and is for dry storage only. There is no impact on disability and/or senior citizen access.

RECOMMENDATION AND RATIONALE

Staff recommends approving the Resolution authorizing the lease extension for warehouse space at 35 Hegenberger Place in the amount of \$63,960 per annum for 3 years, 3 months with a 4% rental rate adjustment per annum. A search for a replacement warehouse was conducted over a 2-month period and the 35 Hegenberger Place facility presents the best economics, security and location accessibility over other sites visited.

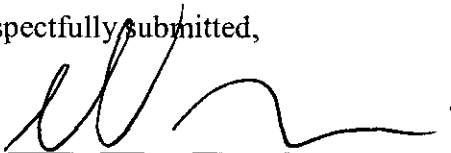
ALTERNATIVE RECOMMENDATION

The alternative is to locate this facility in a neighboring jurisdiction. This alternative would impact the citizens of Oakland and is not favored by the Oakland Fire Department, although neighboring jurisdictions would argue for it to be placed within their City.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends City Council approve this Resolution amending the existing Lease for the warehouse facility at 35 Hegenberger Place for an additional term of 3 years and 3 months effective July 2006, for the annual rent of \$63,960 per year plus an annual 4% rent escalator.

Respectfully submitted,



DANIEL VANDERPRIEM, Director,
Redevelopment, Economic Development and Housing
Community and Economic Development Agency

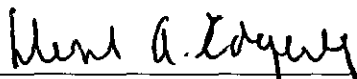
Forwarded by:

Frank Fanelli, Manager
Real Estate Services

Prepared by:

Ron Basarich, Real Estate Agent

APPROVED FOR FORWARDING TO THE
FINANCE AND MANAGEMENT COMMITTEE



OFFICE OF THE CITY ADMINISTRATOR

Item #: _____

Finance and Management Committee
September 12, 2006

2006 AUG 31 AM 10: 53

Approved as to Form and Legality



Oakland City Attorney's Office

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO AMEND A LEASE WITH WILLARD AND CELESTE KORN FOR AN ADDITIONAL 3 YEARS AND 3 MONTHS BEGINNING JULY 2006, AT 35 HEGENBERGER PLACE IN THE AMOUNT OF \$63,960 PER YEAR PLUS AN ANNUAL 4% RENT ESCALATOR, FOR THE STORAGE OF URBAN SEARCH AND RESCUE MATERIAL FOR THE OAKLAND FIRE DEPARTMENT .

WHEREAS, the City of Oakland Fire Department (“OFD”) is the sponsor of the Urban Search and Rescue, California Task Force 4 “(CATF-4”) under supervision of the Federal Emergency Management Agency (“FEMA”) and the U.S. Department of Homeland Security; and

WHEREAS, FEMA awarded OFD a Weapons of Mass Destruction (“WMD”) grant in October 2002 and April 2006; and

WHEREAS, the above grant required OFD to develop and continue a long-term plan for rescue equipment and related supplies, and to acquire appropriate warehouse space to store that equipment; and

WHEREAS, the continuation of the long-term storage in Oakland will benefit the City and the citizens by supporting local property owners and keeping the rescue equipment warehoused in Oakland; and

WHEREAS, OFD currently occupies a 6,500 square foot warehouse at 35 Hegenberger Place, Oakland (Premises) for “long-term” storage and desires to extend the Lease for an additional term of 3 years and 3 months; and

WHEREAS, property owners Willard & Celeste Korn are willing to amend the lease for the Premises at an annual rental of \$63,960 for three (3) years and three (3) months with a 4% annual rental escalator; and

WHEREAS, the City Council wishes to authorize the City Administrator to amend the lease to provide the OFD with a facility for continued long-term storage of supplies and equipment; and

WHEREAS, the requirements of the California Environmental Quality Act of 1970 (“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 be it

RESOLVED: That the City Council finds and determines that it would be in the best interests of the City to continue to warehouse supplies and rescue equipment in the City of Oakland as provided for in the two FEMA grants under the Urban Search and Rescue Plan of California Task Force 4 (CATF-4), in which the Oakland Fire Department is the local sponsoring agency; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to execute an amendment to the lease agreement for the sum of \$63,960 per annum, plus a 4% rent escalator per year, for three (3) years and three (3) months, through Fund 2124, Org. 20815, Project G284110; and be it

FURTHER RESOLVED: That the City Council has independently reviewed and considered this environmental determination and the Council finds and determines that this action complies with CEQA because this action is exempt from CEQA pursuant to Section 15301 (existing facilities) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the City Administrator shall cause to be filed with the County of Alameda a Notice of Exemption; and be it

FURTHER RESOLVED: That the City Administrator or her designee is hereby authorized and directed to take any and all actions necessary and consistent with this Resolution to complete the Amended Lease Agreement transaction, and to amend, modify and extend the Lease at no additional cost; and be it

FURTHER RESOLVED: That the lease shall be approved as to form and legality by the Office of the City Attorney and copies shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS

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



NOTICE AND DIGEST

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO AMEND A LEASE WITH WILLARD AND CELESTE KORN FOR AN ADDITIONAL 3 YEARS AND 3 MONTHS BEGINNING JULY 2006, AT 35 HEGENBERGER PLACE IN THE AMOUNT OF \$63,960 PER YEAR PLUS AN ANNUAL 4% RENT ESCALATOR, FOR THE STORAGE OF URBAN SEARCH AND RESCUE MATERIAL FOR THE OAKLAND FIRE DEPARTMENT

The Oakland Fire Department has received grants from the Federal Emergency Management Agency to continue long-term storage for urban search and rescue equipment and supplies. The current warehouse lease will be extended for an additional 3 years and 3 months.