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OAKLAND CITY COUNCIL

ORDINANCE NO. 12771 C. M. S.

ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE LEASES WITH THE OWNER OF THE BEACH CHALET RESTAURANT, AND IF SUCH NEGOTIATIONS FAIL THEN PROCEED TO NEGOTIATE AND EXECUTE LEASES WITH OTHER QUALIFIED RESTAURANT OPERATORS, FOR A RESTAURANT IN 9,216 SQUARE FEET OF RESTAURANT SPACE PLUS ALL BASEMENT AREAS OF THE LAKE MERRITT MUNICIPAL BOATHOUSE LOCATED AT 1520 LAKESIDE DRIVE, OAKLAND, WITHOUT RETURNING TO COUNCIL

WHEREAS, the City of Oakland ("City") is the owner and Oakland Office of Parks and Recreation ("OPR") the custodial agency of the real property commonly known as Lake Merritt Municipal Boat House ("Premises") located at 1520 Lakeside Drive, Oakland totalling +9,216 square feet, as indicated on Exhibit "A" attached hereto and hereby incorporated herein; and

WHEREAS, fulfilling one of the goals of the Lake Merritt Park Master Plan, to revitalize the parklands, buildings and roadways surrounding Lake Merritt, and with funds from Measure DD, a ballot measure approved by Oakland citizens, the City is rehabilitating the Municipal Boathouse, including the original pumping station and boathouse wings, for use as a restaurant, using funds from Measure DD, a ballot measure approved by Oakland citizens; and

WHEREAS, the City engaged the services of an expert restaurant real estate broker, Metrovation Brokers, to market the Boat House, request proposals from restaurant operators, and assist the City in reviewing proposals and selecting a restaurant operator; and

WHEREAS, a staff review panel evaluated eight (8) competitive proposals from restaurant operators and determined that the Beach Chalet Restaurant, which operates two restaurants in San Francisco scored the highest; and

WHEREAS, in closed session, the Council also determined that Chalet Management LLC, representing the Beach Chalet Restaurant is the best restaurant operator to complete interior tenant improvements at the Premises and operate a first class restaurant at the Lake Merritt Municipal Boat House; and

WHEREAS, City and Tenant have executed a tentative letter of intent regarding initial terms and conditions of the Lease which are still being negotiated; and

WHEREAS, the staff is negotiating the following lease terms:

The lease term commences on October 1, 2006 and has an initial period of twenty (20) years with two (2) five (5) year renewal options upon 180 days written notice to the landlord; and

The rent commencement date to be set in the lease based on the projected completion time of all required tenant improvements work and the Issuance of a Certificate of occupancy by the Building Department; and

WHEREAS, on June 27, 2006 the Council approved Option 1 design consisting of a 28-space parking lot located north of the Municipal Boathouse and will provide 13 additional parking spaces on Lakeside Drive (see Exhibit "F"); 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; and

WHEREAS, City and Tenant now desire to enter into a lease in order to permit the Tenant to gain possession, plan and begin tenant improvements work on the Premises; now, therefore

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

Section 1: The Council has completed a review and finds that it is in the City's best interest to negotiate and execute a Lease Agreement with Chalet Management LLC, representing the Beach Chalet Restaurant, to complete interior tenant improvements at the Premises and operate a first class restaurant at Lake Merritt Municipal Boat House.

Section 2: Revenue of rent per month, paid in advance, will be placed into the City's General Fund (1010), Central Reservations Organization (501240), Miscellaneous Parks and Recreation Fees Account (45239).

Section 3: Should City staff not reach an agreement for a lease with the Chalet Management LLC., the City Administrator is authorized to negotiate with other qualified restaurant operators in order to execute an appropriate lease for the leasehold rights to Lake Merritt Municipal Boat House without returning to the Council.

Section 4: The City Administrator, or her designee, is hereby authorized to take any and all actions necessary, consistent with this Ordinance, to complete the negotiations and execution of the Lease Agreement and to negotiate and execute any modifications or amendments thereto.

Section 5: Parking spaces for the Restaurant will be designated exclusively for the use of the Lake Merritt Municipal Boat House based on the June 27, 2006, Council approved Option 1 design consisting of a 28-space parking lot located north of the Municipal Boathouse and 13 additional parking spaces on Lakeside Drive.

Section 5: The City Council independently finds and determines that the Project complies with CEQA, as the Project is categorically exempt from CEQA pursuant to Section 15301 (existing facilities) of the CEQA Guidelines, and the City Administrator is hereby directed to cause to be filed with the appropriate County of Alameda agencies, a Notice of Exemption.

Section 6: The Lease Agreement, or other appropriate instrument, 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 7: This Ordinance shall become effective immediately upon final adoption if it receives six or more affirmative votes; otherwise, it shall become effective upon the seventh day after final adoption.

OCT 17 2006

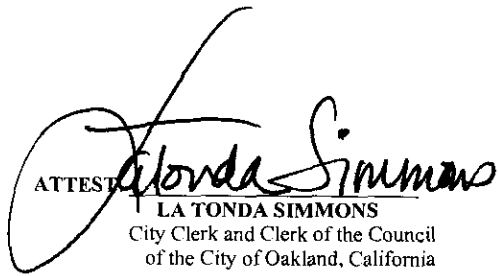
IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2006
PASSED BY THE FOLLOWING VOTE:

AYES ~~BRUNNER, CHANG, QUAN, KERNIGHAN, AND~~
PRESIDENT DE LA FUENTE ~~5~~ **-5**

NOES- **Brooks, Reid - 2**

ABSENT- **0**

ABSTENTION- **Nadel - 1**

ATTEST 
LA TONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

Introduction Date: **OCT 3 2006**

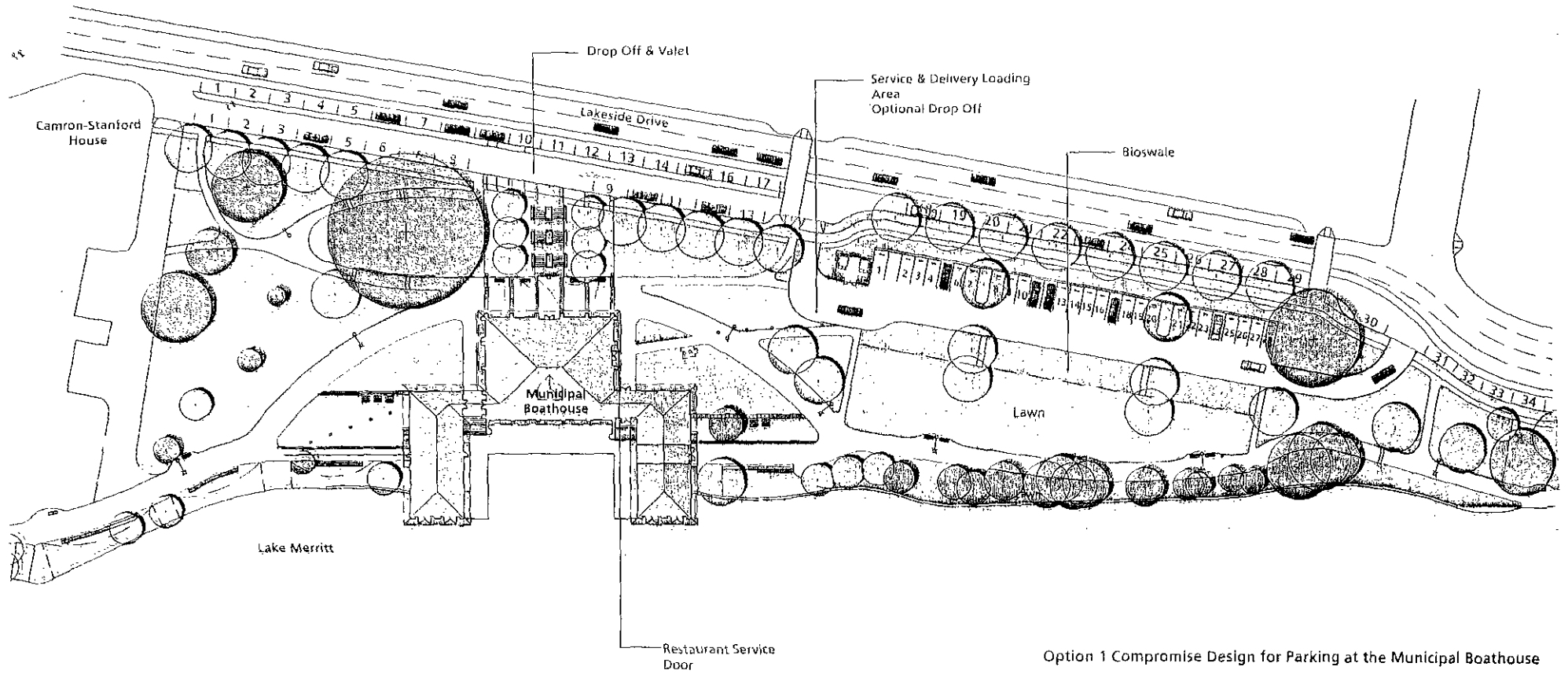
Exhibit "A"

Municipal Boathouse
Oakland, CA

AERIAL MAP



Exhibit "F"



Option 1 Compromise Design for Parking at the Municipal Boathouse

- Existing parking at parking lots: 52
- Existing parking on the street (Park side) : 36
- New parking at parking lot: 28
- New parking on frontage road: 13
- Proposed parking on the street (Park side): 34

