

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL


City Attorney

2015 JAN 15 PM 4:07 **ORDINANCE No. 13292 - C.M.S.**

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A LEASE FOR 5050 COLISEUM WAY AND 750 50TH AVENUE WITH DODG CORPORATION (THE PROPERTY OWNER) FOR A TERM OF TEN (10) YEARS, WITH FIVE, THREE YEAR OPTIONS TO EXTEND THE LEASE, IN THE MONTHLY AMOUNT OF THIRTY SIX THOUSAND SIX HUNDRED FORTY SEVEN DOLLARS AND FIFTY FOUR CENTS (\$36,647.54), FOR THE INITIAL ANNUAL AMOUNT OF FOUR HUNDRED THIRTY NINE THOUSAND SEVEN HUNDRED SEVENTY DOLLARS AND FORTY EIGHT CENTS (\$439,770.48), PLUS CONSUMER PRICE INDEX INCREASES EACH ANNUAL ANNIVERSARY DATE

WHEREAS, Since 1994, Oakland Public Works (“OPW”) has leased adjacent parcels located at 5050 Coliseum Way and 750 50th Avenue (collectively, “the Properties”); and

WHEREAS, The current lease expires on January 31, 2015 and Oakland Public Works still utilizes the six acre lot and the total 46,816 square feet of building space, comprised of a 40,816 square foot building located at 5050 Coliseum Way and a 6,000 square foot building located at 750 50th Avenue for vehicle maintenance, vehicle and equipment storage, and parking and office space; and

WHEREAS, Dodg Corporation and the City of Oakland have signed a Non-Binding Letter of Intent wherein they have agreed to terms and conditions of a new lease for 5050 Coliseum Way and 750 50th Avenue for a term of ten (10) years, with five, three year options to extend the lease in the monthly amount of thirty six thousand six hundred forty seven dollars and fifty four cents (\$36,647.54), for an initial annual amount of four hundred thirty nine thousand seven hundred seventy dollars and forty eight cents (\$439,770.48), plus Consumer Price Index (CPI) increases each annual anniversary date thereafter. OPW will also pay customary operational costs associated with the Industrial Gross Lease; and

WHEREAS, Ordinance No. 11691 C.M.S. dated March 1, 1994 authorized the execution of the lease for 5050 Coliseum Way between the City of Oakland and Volvo-GM Heavy Truck Corporation (the prior property owner). Resolution No. 75136 dated July 13, 1999 authorized the execution of the lease for 750 50th Avenue between the City of Oakland and Volvo-GM Heavy Truck Corporation. Dodg Corporation purchased both properties in 2001, assumed the lease and became the Landlord of the Property; and

WHEREAS, Over time the property has been improved by OPW to match the specific needs of OPW; and

WHEREAS, Entering into a new lease for 5050 Coliseum Way and 750 50th Avenue is critical to OPW operations for storage and maintenance of its vehicles; and

WHEREAS, City Staff has conducted a fair market rent analysis and concluded that the rental rate and terms for these Properties are within the market rent range for comparable local properties; and

WHEREAS, OPW will also be required to pay customary operational costs, including property taxes, insurance, operation costs, utilities and late fees, if applicable. The funding is already included in the OPW budget.

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

Section 1. The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them a part of this Ordinance.

Section 2. The City Administrator or his designee is authorized to negotiate and execute a lease for the Properties with Dodg Corporation and take whatever action is necessary with respect to this Ordinance.

Section 3. The lease will have a term of ten (10) years, subject to the City’s right to five, three year options to extend the lease.

Section 4. The initial monthly rent amount of thirty six thousand six hundred forty-seven dollars and fifty-four cents (\$36,647.54) for an initial annual rent rate of four hundred thirty-nine thousand seven hundred seventy dollars and forty-eight cents (\$439,770.48), plus annual CPI rental rate increases not to exceed five percent (5%) each annual anniversary date.

Section 5. The City Attorney shall review and approve all documents related to this transaction as to form and legality. The form of lease, with such changes and modifications as the City Administrator shall approve consistent with the terms of this Ordinance shall be filed with the City Clerk.

Section 6. The funding is already included in the Oakland Public Works budget in the Equipment Fund (4100) and Comprehensive Clean-up Fund (1720).

Section 7. This Ordinance has been approved by the Office of the City Attorney as to form and legality.

FEB 17 2015

IN COUNCIL, OAKLAND, CALIFORNIA, _____

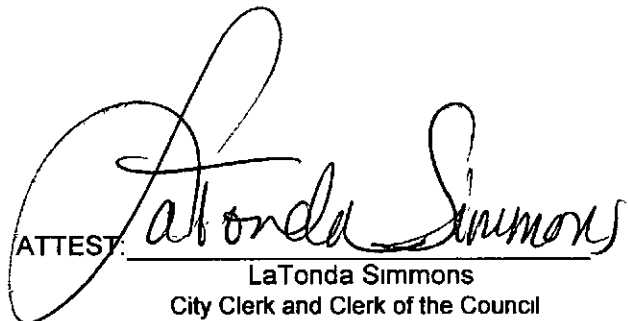
PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN , KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST: 
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

Introduction Date
FEB 08 2015

DATE OF ATTESTATION. 2/19/15

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2015 FEB 11 PM 1:55

NOTICE AND DIGEST

An Ordinance Authorizing The City Administrator To Negotiate And Execute A Lease For 5050 Coliseum Way and 750 50th Avenue With Dodg Corporation (The Property Owner) For A Term Of Ten (10) Years, With Five, Three Year Options To Extend The Lease, In The Monthly Amount Of Thirty Six Thousand Six Hundred Forty Seven Dollars And Fifty Four Cents (\$36,647.54), For The Initial Annual Amount Of Four Hundred Thirty Nine Thousand Seven Hundred Seventy Dollars And Forty Eight Cents (\$439,770.48), Plus Consumer Price Index Increases Each Annual Anniversary Date

Since 1994, the City of Oakland has leased adjacent parcels located at 5050 Coliseum Way and 750 50th Avenue for the Oakland Public Works Department ("OPW"). The current lease expired on January 31, 2015 and OPW still utilizes both parcels totaling six acres and the total 46,816 square feet of building space, comprised of a 40,816 square foot building located at 5050 Coliseum Way and a 6,000 square foot building located at 750 50th Avenue for vehicle maintenance, vehicle and equipment storage and parking and office space.

Landlord Dodg and the City of Oakland have signed a Non-Binding Letter of Intent wherein they have agreed to terms and conditions for a new lease for 5050 Coliseum Way and 750 50th Avenue for a term of ten (10) years, with five, three year options to extend the lease in the initial monthly amount of thirty-six thousand six hundred forty-seven dollars and fifty-four cents (\$36,647.54), for an initial annual amount of four hundred thirty-nine thousand seven hundred seventy dollars and forty-eight cents (\$439,770.48) plus Consumer Price Index (CPI) increases each annual anniversary date thereafter, not to exceed five percent. OPW will also pay customary operational costs associated with the Industrial Gross Lease.

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Notice of Publication

This Ordinance was introduced at the City Council meeting, Tuesday evening **February 3, 2015**, and passed to print **8 Ayes**. Final adoption has been scheduled for the City Council meeting Tuesday evening **February 17, 2015, 5:30 p.m.**, at One Frank H. Ogawa Plaza, Council Chambers, 3rd floor, Oakland, California.

Three full copies are available for use and examination by the public in the Office of the City Clerk at One Frank H. Ogawa Plaza, 1st floor, Oakland, California.

LATONDA SIMMONS, City Clerk
OT #5412364; Feb. 14, 2015