

2006 NOV 14 PM 4:00

CITY OF OAKLAND
Agenda Report

To: Office of the City Administrator
Attn: Deborah Edgerly
From: Community and Economic Development Agency
Date: November 14, 2006

RE: Resolution Amending Resolution No. 74402 C.M.S. And Resolution No. 77943 C.M.S. To Change The Location Of The African American Cultural Center From 5714 Martin Luther King Jr. Way To 815 51ST Street, And To Change The Term Of The Lease Agreement With Children's Hospital Of Oakland From A Ten Year Lease To A Not To Exceed Eighteen Month Lease, With An Option To Purchase The Property For One Dollar; And Authorizing The City Administrator To Exercise The Option To Purchase.

SUMMARY

The City Council previously authorized development of an African American Cultural Center in North Oakland, on property owned by Children's Hospital-Oakland (CHO). The original location is not currently available and thus, the Community and Economic Development Agency (CEDA) in conjunction with the African American Cultural Center Advisory Committee and CHO have identified an alternative location currently owned by Children's Hospital-Oakland. The new proposed location at 815 51st Street has been selected to be the site of the new African American Cultural Center (AACC). CEDA has also negotiated new lease terms with CHO that will change from a ten year lease to a not to exceed eighteen month lease, with an option to purchase the property for one dollar. This report summarizes CEDA's strategy for the new lease terms and the accompanying resolution requests authorization to accept the new proposed location for the facility and lease terms with the option to purchase.

FISCAL IMPACTS

Authorization to negotiate and execute the proposed lease agreement with CHO will be for a term not to exceed eighteen months and shall have an option to purchase that will allow for the creation of a new AACC facility. Construction funds in an amount not to exceed \$250,000 for the required tenant improvement work have been previously authorized pursuant to Resolution No. 77943 C.M.S. These funds are available in the HUD-Community and Development Block Grant Fund (2108), CDBG Coordination Organization (88949), CEDA-African American Cultural Center Project (G133310).

BACKGROUND

In July 1998, City Council accepted and approved Resolution No. 74402 C.M.S. authorizing a lease agreement with CHO for the unimproved shell space for an African American Cultural Center inside the main building for an amount not to exceed \$1.00 per year. In February 2000, CEDA issued a Request for Proposal (RFP) for a potential facility operator/manager. CEDA received six responses to the RFP and selected one organization to continue in the selection process. In April 2002, after several months of negotiations with the preferred organization, the AACC Advisory Committee (AACCAC) withdrew its support of the selected organization based, in part because of not being able to satisfy the City's requirements.

In July 2003, City Council approved Resolution No. 77943 C.M.S. authorizing selection of a managing operator for the AACC at the original location of 5714 Martin Luther King Jr. Way and to negotiate a contract for the construction of interior space in an amount not to exceed \$220,788 and to allocate \$29,212 towards maintenance costs.

KEY ISSUES AND IMPACTS

After the City conducted a bid walk with prospective contractors, CHO indicated to CEDA that the original location at 5714 Martin Luther King Jr. Way was no longer available. As a result, CHO offered a list of alternative site in the general proximity for purposes of selecting a new location. The current site at 815 51st Street was ultimately selected based on the location of the property, general configuration and floor plan which consists of a modest single family dwelling with a single car garage, three bedrooms, and one bath (See Attachment A). Current estimates indicate that all the required tenant improvements and construction related work can be performed and completed with the previous amount of authorized funds.

However, after selection of the new location at 815 51st Street, it was apparent that numerous system upgrades would be required to bring the property into compliance with current code requirements. The City raised this issue with CHO, and requested that they share in the cost of upgrading the property to current standards. Although CHO agreed to financially support portions of the rehabilitation, they have requested to revise the terms of the agreement. The current proposal is to offer a short term lease and give the City the option to purchase the property for one dollar. Therefore, it is recommended that this proposal be accepted since it is projected that the City will be able to undertake and complete all of the required property system upgrades, tenant improvement work and shall be able to execute the option to purchase within this initial lease period of eighteen months.

PROJECT DESCRIPTION

The AACC facility will promote African American culture and history via artistic, educational and social activities. A variety of events will be scheduled year round for individuals of all ages and cultural backgrounds. Programs scheduled to be included are: art workshops; music; dance lessons; cultural performances; lectures; and conferences.

The AACCAC has also expressed interest in having a continued involvement with the newly formed African American Cultural Center. To facilitate their desire for a continued role in this

project, the Advisory Committee has applied and obtained their non-profit status as the African American Cultural Center Coalition. They will focus primarily on ensuring that the AACC activities and programming remain consistent with the initial vision of the committee and the North Oakland community.

The City Administrator has been authorized by Council to serve as interim operator and execute the following responsibilities for the proposed AACC:

- Conduct and evaluate the performance capacities of prospective managing operators.
- Work with the AACC Advisory Committee to develop the desired scope of services for cultural programming for inclusion in an RFP for the permanent managing operator.
- Select a managing operator and execute an operations agreement based on established criteria.
- Monitor the bid process and tenant improvements, construction/upgrades of the new location.
- Continue working with the AACC Advisory Committee to develop the facility and its programs.

SUSTAINABLE OPPORTUNITIES

Economic: Implementation of the project provides an opportunity to sponsor programs and groups that will perform a variety of cultural programs and activities and shall have employment opportunities for the advancement of Oakland residents. The project will enhance the North Oakland area and will help improve and protect the economic vitality of the community.

Environmental: Sustainable green products shall be incorporated into the design and construction of the AACC project to the fullest extent possible.

Social Equity: Implementation of this project and program will provide quality cultural art exposure to the residents of the City of Oakland. Benefits shall include introducing the community to a variety of art forms such as ethnic and cultural dance forms, theatrical productions, expressions of cultural identity, poetry, and other forms of visual and creative artistic expression.

DISABILITY AND SENIOR CITIZEN ACCESS

The improvements to the new proposed location for the AACC shall be in full compliance with American Disability Act (ADA) regulations and requirements.

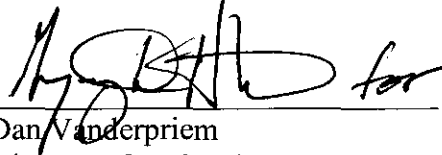
RECOMMENDATION AND RATIONALE

Staff recommends that the City Council approve the attached resolution authorizing the City Administrator to change the proposed location for the African American Cultural Center and enter into a lease agreement with Children Hospital of Oakland for a period not to exceed eighteen months and include an option to purchase the property for one dollar and authorize the execution of the option.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the resolution.

Respectfully submitted,



Dan Vanderpriem
Director of Redevelopment, Economic
Development and Housing and Community
Development

Reviewed by:
Gregory Hunter
Manager, Coliseum Project Area
Oakland Redevelopment Agency

Prepared by:
Larry Gallegos
Project Manager, Coliseum Project Area
Oakland Redevelopment Agency

APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE


OFFICE OF THE AGENCY ADMINISTRATOR

815 51st Oakland, 94608



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D. Lewis

Deputy City Attorney

OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

2006 NOV -1 PM 1:00

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBER _____

RESOLUTION AMENDING RESOLUTION NO. 74402 C.M.S. AND RESOLUTION NO. 77943 C.M.S. TO CHANGE THE LOCATION OF THE AFRICAN AMERICAN CULTURAL CENTER FROM 5714 MARTIN LUTHER KING JR. WAY TO 815 51ST STREET, AND TO CHANGE THE TERM OF THE LEASE AGREEMENT WITH CHILDREN'S HOSPITAL OF OAKLAND FROM A TEN YEAR LEASE TO A NOT TO EXCEED EIGHTEEN MONTH LEASE, WITH AN OPTION TO PURCHASE THE PROPERTY FOR ONE DOLLAR; AND AUTHORIZING THE CITY ADMINISTRATOR TO EXERCISE THE OPTION TO PURCHASE.

WHEREAS, the City of Oakland recognizes the value an African American Cultural Center has in the sharing and advancement of cultural art forms within the community; and

WHEREAS, pursuant to Resolution No. 74402 C.M.S., City Council previously authorized the City Administrator to enter into a ten year lease agreement with Children's Hospital Oakland ("CHO") for use of unimproved shell space for an African American Cultural Center ("AACC") at 5714 Martin Luther King Jr. Way; and

WHEREAS, pursuant to Resolution No. 77943 C.M.S., City Council also authorized the City Administrator to select a managing operator for the AACC and to negotiate and execute a contract for the construction of interior space in an amount not to exceed \$220,788 and to allocate \$29,212 towards first year maintenance costs; and

WHEREAS, CHO has indicated that the original location is no longer available and has identified an alternative location at 815 51st Street (the "Property"), also owned by CHO, for the purpose of establishing the AACC; and

WHEREAS, should CHO indicate that the 815 51st Street location is no longer available, the City wishes to pursue negotiations for another appropriate CHO-owned site, without returning to Council; and

WHEREAS, the City of Oakland has successfully negotiated with CHO a not to exceed eighteen month lease agreement with an option to purchase the Property for one dollar; and

WHEREAS, the City still desires to provide cultural programming space and manage operations at the new proposed location for the AACC on an interim basis; and

WHEREAS, the City of Oakland in partnership with the African American Cultural Center Advisory Committee ("AACCAC") shall continue to seek to identify an independent not for profit organization to carry-out daily and routine operations at the facility; and

WHEREAS, the requirements of the California Environmental Quality Act (“CEQA”) the CEQA guidelines as prescribed by the Secretary of 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 Administrator is hereby authorized to enter into a lease agreement with Children’s Hospital-Oakland for the site at 815 51st Street, Oakland California, or equivalent property, for a term not to exceed eighteen months with an option to purchase the property for one dollar, and is also authorized to exercise the option to purchase without returning to Council; and be it

FURTHER RESOLVED: That the City Administrator remains authorized to negotiate and execute contracts for tenant improvements, general construction, and maintenance of the site at 815 51st Street, or equivalent property without returning to Council; and be it

FURTHER RESOLVED: That the City Administrator, or her designee, is authorized to execute and submit all documents and payment requests and to approve any amendments to or extensions of said agreements and to take all related actions necessary for the completion of this project; and be it

FURTHER RESOLVED: That should additional funds be received for the AACC, such funds are hereby appropriated, and the City Administrator or her designee, is hereby authorized to accept and allocate the funds for the purposes described above; and be it

FURTHER RESOLVED: That the City Administrator or her designee, is hereby authorized to take whatever action is necessary with respect to the AACC consistent with this Resolution and its basic purposes; 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 on the part of the City is exempt from CEQA pursuant to Section 15301 (existing facilities) of the CEQA guidelines, and the Council directs the City Administrator to file a Notice of Exemption with the County of Alameda; and be it

FURTHER RESOLVED: That in accordance with the requirements of City Charter Article IV, all agreements shall be reviewed and approved by the City Attorney’s Office for form and legality prior to execution, and a copy shall be placed on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

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

NOES –
ABSENT –
ABSTENTION –

ATTEST: _____

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