



CITY ATTORNEY'S OFFICE

# OAKLAND CITY COUNCIL

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

**AN ORDINANCE (A) AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A LEASE WITH EAST BAY BLUE PRINT & SUPPLY CO., A CALIFORNIA CORPORATION, OF PROPERTY LOCATED AT 1475 14TH AVENUE FOR A ONE-YEAR TERM WITH THE OPTION TO EXTEND SIX ADDITIONAL ONE MONTH PERIODS FOR RENT IN THE AMOUNT OF \$7,900 PER MONTH; (B) MAKING FINDINGS THAT THE LEASE FOR BELOW FAIR MARKET RENTAL VALUE IS IN THE BEST INTERESTS OF THE CITY; AND (C) ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**

**WHEREAS**, the City of Oakland (“City”), is engaged in the process of completing the acquisition of certain real property through an eminent domain action, commonly known as 1475 14th Avenue, in Oakland, California (APNs 020-0213-010 and 020-0213-019-02) (the “Property”) for construction of the new Fire Station 4 project (the “Fire Station 4 Relocation Project”) on the Property; and

**WHEREAS**, the Property is owned by Steven O. Von Querner and Grace Von Querner, Trustees of the Steven O. Von Querner and Grace Von Querner Revocable Trust (“Original Owners”); and

**WHEREAS**, the Original Owners operate the Property through East Bay Blue Print & Supply Co., a California corporation (“EB Blue Print & Supply”); and

**WHEREAS**, EB Blue Print & Supply and Alameda Health System, a public hospital authority (“Alameda Health System”), entered into that certain Lease Agreement, effective December 16, 2015, as amended by that certain Amendment #1 to Lease Agreement, effective February 16, 2021 of a portion of the Premises for use only as vehicle parking as more particularly described therein (collectively, “AHS Lease”); and

**WHEREAS**, when the final judgment is entered in the pending eminent domain action and the final order in condemnation is recorded in the Official Records of Alameda County, California, the City will acquire ownership of the Property and all leases, including the AHS Lease, will be terminated; and

**WHEREAS**, City staff has negotiated terms for a lease of the Property between the City and EB Blue Print & Supply (“Lease”) for a one-year term with the option to extend for six additional one month periods, for rent of Seven Thousand Nine Hundred Dollars (\$7,900) per month, to facilitate time to commence construction of the Fire Station 4 Relocation Project; and

**WHEREAS**, the Lease would permit EB Blue Print & Supply to enter into a month-to-month sublease with Alameda Health System of a portion of the Property for the same purpose and scope as the AHS Lease; and

**WHEREAS**, per Section 219(6) of the Charter, the lease of City-owned real property by the City for longer than one year must be authorized by an ordinance enacted by the City Council pursuant to Oakland Municipal Code (“OMC”) Section 2.42.110; and

**WHEREAS**, pursuant to OMC Section 2.42.111, City-owned property must be leased for rent, payable in cash or other consideration, equal to or exceeding the property’s fair market rental value, unless the City Council has made a finding and determination that the lease of the property for less than its fair market rental value is in the best interests of the City; and

**WHEREAS**, the proposed Lease would (1) generate revenue for the City, (2) maintain an active on-site presence that would help deter blight, trespass, dumping, vandalism and related security issues, while saving the City the expense of securing the Property prior to the initiation of construction of the Fire Station 4 Relocation Project, and (3) both provide time for the City to finalize design, permitting and funding for construction, which is expected to take up to eighteen (18) months, and the Owners to find a suitable alternative location to relocate their business; and

**WHEREAS**, the Environmental Review Officer has determined that the Project is exempt from the California Environmental Quality Act (“CEQA”) based on several exemptions, which are all listed below in Section 5 of this Ordinance; and

**WHEREAS**, the City and EB Blue Print & Supply desire to enter into a Lease to include the foregoing terms; and

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

**SECTION 1.** The City Council hereby finds that it is in the best interests of the City to enter into a Lease of the Property with EB Blue Print & Supply.

**SECTION 2.** The City Council hereby finds and determines that the Lease of the Property for less than its fair market rental value is in the best interests of the City pursuant to OMC Section 2.42.110 because (a) revenue will be generated for the City, (b) EB Blue Print & Supply will continue to operate and maintain an active presence that would help deter blight, trespass, dumping, vandalism and related security issues while saving the City the expense of securing the Property, and (c) provide both time for the City to finalize design, permitting and construction funding in order to commence construction of the Fire Station 4 Relocation Project on the Property and the Owners to find a suitable alternative location for their business.

**SECTION 3.** The City Council hereby authorizes the City Administrator to negotiate and execute: (a) a Lease with a one year term with the option to extend six (6) additional one-month periods, with rent in the amount of Seven Thousand Nine Hundred Dollars (\$7,900) per month; (b) such other additions, amendments or other modifications to the foregoing documents 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; and (c) 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 City Council hereby authorizes the City Administrator to accept and deposit payments required under the Lease into General Purpose Fund (1010), Fire Support Services Organization (20816), Other Income Revenue Account (48727), FS4 Leaseback Project (1008477), Emergency Response Support Services Program (PS26).

**SECTION 5.** The proposed used of the Property pursuant to the Lease is exempt from CEQA pursuant to: (a) CEQA Guidelines Section 15061(b)(3), the "common sense" exemption (CEQA applies only to projects, which have no potential for causing a significant effect on the environment); (b) CEQA Guidelines Section 15302 (Replacement and Reconstruction); (c) CEQA Guidelines Section 15304 (Minor Alterations to Land); (d) CEQA Guidelines Section 15305 (Minor Alterations to Land Use Limitations); and (e) CEQA Guidelines Section 15301 – Existing Facilities (operation, maintenance, leasing of existing public or private structures involving no expansion of existing use).

**SECTION 6.** The recitals contained in this Ordinance are true and correct and are an integral part of the Council's decision.

**SECTION 7. 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 8. 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 - BROWN, FIFE, GALLO, HOUSTON, RAMACHANDRAN, UNGER, WANG, AND  
PRESIDENT JENKINS

NOES –

ABSENT –

ABSTENTION –

ATTEST: \_\_\_\_\_

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

3470405v1/JD

## NOTICE AND DIGEST

**AN ORDINANCE (A) AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A LEASE WITH EAST BAY BLUE PRINT & SUPPLY CO., A CALIFORNIA CORPORATION, OF PROPERTY LOCATED AT 1475 14TH AVENUE FOR A ONE YEAR TERM WITH THE OPTION TO EXTEND SIX ADDITIONAL ONE MONTH PERIODS FOR RENT IN THE AMOUNT OF \$7,900 PER MONTH; (B) MAKING FINDINGS THAT THE LEASE FOR BELOW FAIR MARKET RENTAL VALUE IS IN THE BEST INTERESTS OF THE CITY; AND (C) ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**

This is an Ordinance (a) authorizing the City Administrator to negotiate and execute a Lease between the City of Oakland and East Bay Blue Print & Supply Co., a California corporation, of property located at 1475 14th Avenue for a one (1) year term with the option to extend six (6) additional one-month periods for rent of Seven Thousand Nine Hundred Dollars (\$7,900) per month; (b) making findings that the Lease for below fair market rental value rent is in the best interests of the City; and (c) adopting California Environmental Quality Act (“CEQA”) findings.