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OAKLAND

2014 JAN 16 PM 3: **AGENDA REPORT**

**TO: DEANNA J SANTANA  
CITY ADMINISTRATOR**

**FROM: Fred Blackwell**

**SUBJECT: Supplemental report on Lease  
of 8200 International Blvd**

**DATE: January 14, 2014**

City Administrator

Date

Approval

**COUNCIL DISTRICT: 3**

**RECOMMENDATION**

Staff recommends that the City Council adopt an Ordinance

**First Amendment To Ordinance No. C.M.S. 13187, Which Authorized City Administrator To Enter Into A 66 Year Lease For \$1.00 Per Year With East Oakland Youth Development Center Qualified Active Low Income Community Business, Inc., A California Nonprofit Public Benefit Corporation (EOYDC QALICB), To Further Authorize: (1) An Increase Of Security In Such Leasehold Interest From \$7 Million To Up To \$10 Million, And (2) Inclusion In The New 66-Year Lease Of An Option To Purchase The Property**

**REASON FOR SUPPLEMENTAL REPORT**

This supplemental report clarifies the authority granted to the City Administrator to negotiate a sale of property if Council approves the purchase option for EOYDC QALICB (Tenant) in the new 66 year lease

**ANALYSIS**

The Ordinance accompanying this agenda item authorizes the City Administrator to add a purchase option into the new 66 year lease with EOYDC QALICB A purchase option is included in the current 66 year lease with EOYDC, which was executed in 1978

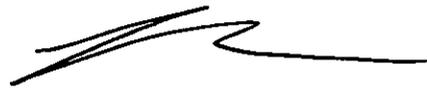
Staff is requesting that Council approve a purchase option in the new 66 year lease and delegate authority to the City Administrator's Office to negotiate a sales price that is fair market value or less than fair market value if Tenant elects to exercise its purchase option The City Administrator will return to Council for approval of the sales price in Council's sole and absolute discretion

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The City Administrator may negotiate a sales price that is less than fair market value and take into consideration credit for improvements Tenant has made to the property, including Tenant's investment in the construction and renovation of the Youth Center. But such consideration will be subject to negotiation if and when Tenant exercises its rights under the purchase option.

For questions regarding this report, please contact Gregory Hunter, Interim Manager, Exempt Limited Duration Employee, at 510-238-2992.

Respectfully submitted,



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Fred Blackwell  
Assistant City Administrator

Reviewed by  
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Office of Neighborhood Investment

Prepared by  
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