



CITY OF OAKLAND

## AGENDA REPORT

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**DATE:** November 22, 2022  
**TO:** Council Colleagues and Members of the Public  
**FROM:** Councilmember Carroll Fife  
**SUBJECT:** **Amended Lease Agreement With The Dr. Huey P. Newton Foundation**

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### **RECOMMENDATION**

Adopt An Ordinance A) Authorizing The City Administrator To Negotiate And Execute An Amendment To The Lease Agreement With The Dr. Huey P. Newton Foundation For The Space Located At 150 Frank H. Ogawa Plaza, Suite 1C (Lionel J. Wilson Building) To (1) Extend The Term Of The Lease For Three Years With One Two-Year Option To Renew; And (2) Waive Oakland Municipal Code (OMC) Section 2.42.230 To Reduce Rent Below \$1.25 Per Square Foot And Setting Lease Payments To \$1,963.82 Per Month Due To Cultural And Social Benefits To The Community Pursuant To OMC Section 2.42.110; And B) Adopting California Environmental Quality Act Findings

### **EXECUTIVE SUMMARY**

The City of Oakland owns a 2,636-sf. property located at 150 Frank H. Ogawa Plaza, Suite 1C (Lionel J. Wilson Building), also known as 1427 Broadway (Property). On July 19, 2022, the Council approved a resolution authorizing the City Administrator to negotiate and enter into a month-to-month lease agreement with the Dr. Huey P. Newton Foundation (Foundation) for the Property to serve as an office, retail, and community hub dedicated to preserving history and advancing culture for a term not to exceed 12 months in an amount not to exceed \$4,166.67 per month.

In consideration of the cultural and social benefits the Foundation will bring to the community, this Ordinance authorizes the City Administrator to negotiate and execute an amendment to the lease agreement with the Dr. Huey P. Newton Foundation to (1) extend the term of the lease for three years with one two-year option to renew; and (2) reduce rent below \$1.25 per square foot and setting lease payments to \$1,963.82 per month. The developing community hub will allow people in our City to engage with the rich history and legacy of the Black Panther Party (BPP) through various programs and activities. Furthermore, the Foundation will utilize the space to deliver much needed services to the community, similar to those carried out by the BPP, including free food, free clothing, free medical services, educational tools, and housing information.

## **BACKGROUND AND LEGISLATIVE HISTORY**

On January 7, 2016, the City Council unanimously designated the 14th Street corridor on or within four blocks of 14<sup>th</sup> Street from Oak Street to Frontage Road as the Black Arts Movement Business District (BAMBD) to “highlight, celebrate, preserve and support the contributions of Oakland’s Black artists and business owners” and designated “the corridor as a place central both historically and currently to Oakland’s Black artists and Black owned businesses,” pursuant to City Council Resolution No. 85958 C.M.S. The Property located at 150 Frank H. Ogawa Plaza, Suite 1C (Lionel J. Wilson Building) is within the designated BAMBD 14th Street corridor.

The Dr. Huey P. Newton Foundation has been in operation since 1995 with a mission to preserve and promote the legacy of the Black Panther Party, through oral histories, exhibits, community events, and creation of educational tools. When the above described property became available for leasing, the Foundation expressed interest in using the space to create a community hub to activate history through exhibitions, workshops, lectures, and service programs while allowing businesses, organizations, and community leaders to use the space to catalyze future development of the BAMBD.

On July 19, 2022, the City Council adopted Resolution No. 89344 C.M.S. (1) approving the City Administrator to negotiate and enter into a month-to-month lease agreement with the Dr. Huey P. Newton Foundation for the Property to serve as an office, retail, and community hub dedicated to preserving history and advancing culture for a term not to exceed 12 months in an amount not to exceed \$4,166.67 per month or \$50,000 per year as authorized by OMC Section 2.42.230; and (2) awarding a grant to the Dr. Huey P. Newton Foundation in an amount not to exceed \$50,000 for a term not to 12 months for lease support as an eligible use of the original \$250,000 of General Purpose Funds designated for the BAMBD in the 2021-2023 Biennial Budget pursuant to Resolution No. 88717 C.M.S.

## **POLICY ANALYSIS**

Pursuant to OMC Section 2.42.230.B.3, the City Administrator may only execute a lease for tenants in the Lionel J. Wilson Building at a minimum monthly triple net rent of \$1.25 per square foot, and pursuant to OMC Section 2.42.110, real property must be leased for a rent or fee, 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. The Council can make a finding and determination in the case of lessees who provide in-kind services in lieu of cash rent based on the value of such in-kind services to the City or the community at large.

The Foundation will soon start the process of converting the space to serve as a hub to bring the community together and capture and elevate the history of the Black Panther Party for an intergenerational audience of Oaklanders and visitors to the City. This community hub will allow people to engage with history and politics through workshops, lectures, and facilitate

conversations between former members of the Black Panther Party and community members, Community Based Organizations (CBOs), and elected officials. In addition to these cultural contributions, the Foundation will also partner with CBOs to deliver social services to the community similar to those carried out by the Black Panther Party, including free food, free clothing, free medical services, educational tools, and housing information. Moreover, as described above, this space can serve as a cornerstone of the BAMBD 14<sup>th</sup> Street corridor.

To ensure that the Foundation has the opportunity to realize these objectives and meet the needs in our community, the terms of the original lease agreement need to be amended to 1) extend the term of the lease for three years with one two-year option to renew and 2) waive the minimum monthly rent requirement to reduce the Foundation's monthly payments to \$1,963.82 per month. It is important that the City helps foster community spaces dedicated to the preservation and advancement of the cultural vitality of our City. It is especially critical in the context of the extraordinary level of displacement and gentrification that has occurred and is occurring in Oakland. BPP and Dr. Huey P. Newton's contributions to Black self-determination, the fight against state violence, and the liberation of oppressed people, are central to the continuing fight for justice and equity. The Foundation's use of the Property will help advance these efforts.

### **FISCAL IMPACT**

The proposed action does not entail a General Purpose Fund (GPF) expenditure but it will result in reduced revenue being deposited into the GPF as the monthly lease payments would change from \$4,166.67 to \$1,963.82 per month. However, as described above, the Foundation will be providing in-kind social and cultural contributions to the community.

### **COORDINATION**

This legislation was drafted in coordination with the Office of City Attorney and the Economic and Workforce Development Department, Real Estate Division.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

Approval of this legislation will not result in any major changes to the space and therefore this Ordinance is exempt from CEQA pursuant to Section 15301 (existing facilities).

### **ACTION REQUESTED OF THE CITY COUNCIL**

I respectfully request that the City Council Adopt An Ordinance A) Authorizing The City Administrator To Negotiate And Execute An Amendment To The Lease Agreement With The Dr. Huey P. Newton Foundation For The Space Located At 150 Frank H. Ogawa Plaza, Suite 1C (Lionel J. Wilson Building) To (1) Extend The Term Of The Lease For Three Years With One Two-Year Option To Renew; And (2) Waive Oakland Municipal Code (OMC) Section 2.42.230 To Reduce Rent Below \$1.25 Per Square Foot And Setting Lease Payments To \$1,963.82 Per

Month Due To Cultural And Social Benefits To The Community Pursuant To OMC Section 2.42.110; And B) Adopting California Environmental Quality Act Findings.

For questions regarding this report, please contact Rediat Bayeh, Policy Analyst to Councilmember Carroll Fife, at RBayeh@oaklandca.gov.

Respectfully Submitted,



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Carroll Fife  
Councilmember, District 3