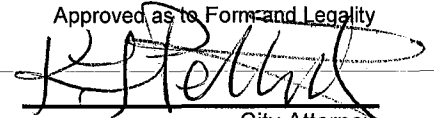


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City Attorney

OAKLAND CITY COUNCIL
ORDINANCE No. 13411 C.M.S.

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR, WITHOUT RETURNING TO COUNCIL, TO NEGOTIATE AND EXECUTE A LEASE FOR PROPERTIES LOCATED AT 5050 COLISEUM WAY AND 750 50TH AVENUE WITH DODG CORPORATION FOR USE BY THE CITY'S PUBLIC WORKS DEPARTMENT FOR A TERM OF TEN (10) YEARS, WITH FIVE, THREE-YEAR OPTIONS TO EXTEND THE LEASE, FOR THE MONTHLY RENTAL AMOUNT OF FORTY-THREE THOUSAND DOLLARS (\$43,000), EQUAL TO AN INITIAL AGGREGATE ANNUAL AMOUNT OF FIVE HUNDRED SIXTEEN THOUSAND DOLLARS (\$516,000), PLUS CONSUMER PRICE INDEX INCREASES EACH ANNUAL ANNIVERSARY DATE NOT TO EXCEED FIVE PERCENT PER YEAR; AND MAKING CERTAIN CALIFORNIA ENVIRONMENTAL QUALITY ACT EXEMPTION FINDINGS

WHEREAS, since 1994, the Oakland Public Works Department ("OPW") has leased adjacent parcels located in Oakland (the "City") at 5050 Coliseum Way and 750 50th Avenue, comprising six acres and 43,200 square feet of building space combined (the "Properties"). The 5050 parcel is 4.84 acres developed with a 37,200 square foot building; the 750 parcel is 1.16 acres developed with a 6,000 square foot building. OPW uses the sites for heavy vehicle maintenance, vehicle and equipment storage, office space and parking; and

WHEREAS, Dodg Corporation, owner of the Properties, proposed entering into a new lease that included terms and conditions agreeable to the City (the "Lease"). The Lease provides for both parcels and has a term of 10 years, with five three-year extension options that allow the City to occupy the Properties for up to 25 years; and

WHEREAS, under the terms of the Lease, the initial monthly rent is \$43,000 (or \$516,000 on an annual basis) for the first year, plus increases each annual anniversary date thereafter based on the change in the Consumer Price Index, not to exceed five percent per year; and

WHEREAS, in addition to monthly rent, OPW will pay operational costs such as property taxes, insurance, operation costs, utilities, and late fees, if applicable; and

WHEREAS, funding has been set aside in the OPW budget in the Equipment Fund (4100) and Comprehensive Clean-up Fund (1720) for the payment of rent and operational costs. The funding block is 1.4100.30541.53211.0000000.IN01; and

WHEREAS, staff conducted a fair market rent analysis which concluded that the rent for the Properties are within the fair market rent range for comparable local properties. During the analysis, staff also determined that there were no available properties on the market that were deemed viable alternatives for OPW at this time. Furthermore, if comparable vacant space were to become available, OPW does not have the funds required to relocate and pay for tenant improvements required for their operations; and

WHEREAS, the Lease Term Sheet is attached hereto as Exhibit A;

NOW, THEREFORE, 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, without returning to the City Council, shall (i) determine satisfaction of conditions precedent to the execution of the Lease with Dodg and (ii) authorize OPW to pay its share of property taxes, insurance, operation costs, utilities and late fees, if applicable. Funding has been set aside in the OPW budget in the Equipment Fund (4100) and Comprehensive Clean-up Fund (1720) for the expenditures. The funding block is 1.4100.30541.53211.0000000.IN01.

Section 3. The City Administrator or designee is authorized to negotiate and execute the Lease with Dodg Corporation and take whatever action is necessary with respect to this Ordinance.

Section 4. The Lease will have a term of ten (10) years with five, three-year options to extend the Lease.

Section 5. The Lease for the Properties includes all of the negotiated and agreed upon terms and conditions as set forth in Exhibit A attached hereto.

Section 6. The Lease shall be reviewed and approved as to form and legality by the City Attorney's Office prior to execution by the City, and a copy shall be placed on file with the City Clerk.

Section 7. Council hereby finds and determines that on a separate and independent basis each of the following exemptions from the requirements of the California Environmental Quality Act (CEQA) Guidelines apply to the action of entering the Lease: (i) Section 15301 which exempts existing facilities that involve negligible or no expansion of use beyond that existing at the time of the City's determination; (ii) Section 15183 which exempts projects consistent with the City's General Plan; and (iii) Section 15061(b)(3)

which exempts projects where it can be seen with certainty that there is not possibility that the activity in question may have a significant effect on the environment.

Section 8. The City Administrator or designee is hereby authorized to file a notice of exemption with the Office of the Alameda County Recorder and to take any other action necessary in furtherance of entering the Lease, consistent with this Ordinance and its basic purposes.

Section 9. The record before this Council relating to this Ordinance includes, without limitation, the following:

- A. All staff reports and other documentation and information produced by or on behalf of the City, including all notices relating to this Ordinance and the Lease;
- B. All oral and written evidence received by City staff and the City Council before and during the consideration of this Ordinance; and
- C. All matters of common knowledge and all official enactments and acts of the City, such as (1) the General Plan; (2) the Oakland Municipal Code, without limitation, the Oakland real estate regulations; (3) the Oakland Planning Code; (4) other applicable City policies and regulations; and (5) all applicable state and federal laws, rules and regulations.

Section 10. The custodians and locations of the documents or other materials which constitute the record of proceedings upon with the City Council's decision is based are respectively (a) the Real Estate Services Division, 250 Frank Ogawa Plaza, 4th Floor, Oakland, CA and (b) the Office of the City Clerk, 1 Frank Ogawa Plaza, 1st Floor, Oakland, CA.

Section 11. The Ordinance shall be in full force and effect immediately upon its passage as provided by Section 216 of the City Charter if adopted by at least six members of Council, or upon the seventh day after final adoption if adopted by fewer votes.

JAN 17 2017

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, _____, KALB, KAPLAN, REID, and
PRESIDENT GIBSON MCELHANEY - 7

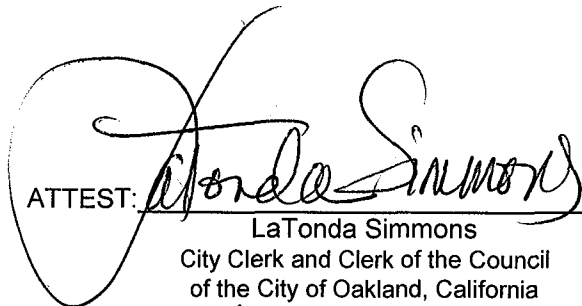
NOES- 0

Excused - Guiven - 1

ABSTENTION- 0

Introduction Date

DEC 13 2016

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

DATE OF ATTESTATION: 1-23-17