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OAKLAND
2012 NOV 28 PM 12:10

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: 1100 Broadway Project OPA/PSA
Amendments

DATE: December 11, 2012

City Administrator
Approval

Deanna Santana

Date

11/26/12

COUNCIL DISTRICT: 3

RECOMMENDATION

Staff recommends that the Oakland Redevelopment Successor Agency (ORSA) and City Council adopt:

A Successor Agency Resolution authorizing an Amendment to an Owner Participation Agreement with SKS Broadway LLC to Extend Development Deadlines for a Mixed-use Project at 1100 Broadway; and

An Ordinance authorizing an Amendment to a Purchase and Sale Agreement with SKS Broadway LLC for Sale of the Public Parking Garage at 409 – 12th Street to Extend Purchase Deadlines

EXECUTIVE SUMMARY

Staff is recommending that ORSA and the City Council adopt legislation authorizing amendments to (1) an Amended and Restated Owner Participation Agreement (OPA) between ORSA and SKS Broadway, LLC (SKS) related to development of real property at 1100 Broadway (Property), and (2) a Purchase and Sale Agreement (PSA) between the City of Oakland (City) and SKS for a City-owned 145-space public garage located at 409 – 12th Street inside the University of California Office of the President building (UCOP Garage) to extend development and purchase deadlines.

SKS will not meet the predevelopment project submission deadlines currently required by the OPA for the proposed mixed-use office project at 1100 Broadway (1100 Broadway Project). SKS's acquisition of the UCOP Garage is dependent on SKS starting construction on the mixed-use development, since the garage is being sold to satisfy the parking needs of the 1100 Broadway Project.

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The amendment to the OPA will (1) extend the deadlines for SKS to complete a number of pre-construction activities by two years, (2) extend the date on which SKS must start project construction by two years, to June 25, 2015, and the date by which it must complete project construction by two years, to April 27, 2017, and (3) give SKS an option to extend the new construction commencement and completion dates by an additional 24 months at no cost to SKS.

The amendment to the PSA will (1) extend the date for closing the sale of the UCOP Garage by 24 months, from June 2013 to June 2015, while maintaining the current \$100,000 deposit in escrow, and (2) extend SKS's option to extend the new closing date by an additional 24 months to June 2017 upon making an additional deposit of \$200,000 into escrow by June 2015.

OUTCOME

Extending the dates for completion of the 1100 Broadway Project and the close of escrow for the sale of the UCOP Garage will give SKS additional time to continue project marketing and avoid penalizing the developer for a potential default that would be the result of the Great Recession's lingering adverse effects on Oakland's commercial real estate market.

BACKGROUND/LEGISLATIVE HISTORY

Owner Participation Agreement

On September 6, 2007, the dissolved Redevelopment Agency ("Agency"), pursuant to Resolution No. 2006-88 C.M.S., executed an Amended and Restated OPA with SKS (successor in interest to East End Oakland I, LLC). In June of 2010, pursuant to Resolution No. 2010-54 C.M.S., the OPA was amended to extend performance deadlines to their current dates. Under the current OPA, the deadline to submit project construction drawings is December 10, 2012, the deadline to start project construction is June 25, 2013, and the deadline to complete project construction is April 27, 2015. SKS must pay liquidated damages of \$440,000 if it fails to meet the dates for project construction commencement and completion.

When the Agency dissolved on February 1 of this year, ORSA assumed the OPA. ORSA now has the authority to agree to OPA extension amendments, but would also be entitled to receive the liquidated damages.

The UCOP Garage Purchase and Sale Agreement

On October 1, 2008, the Agency, pursuant to Resolution No. 2006-88 C.M.S., executed a PSA with SKS for the sale of the UCOP Garage.

The Agency agreed to sell the parking facility to satisfy the parking needs of the 1100 Broadway Project, to ensure the financial feasibility and marketability of the 1100 Broadway Project, and to allow for the development of new retail space on the ground floor of the new office building along the Broadway frontage that would otherwise be used for public parking. Providing parking at the UCOP Garage instead of incorporating it into the 1100 Broadway Project would also facilitate the restoration and integration of the historic Key System Building into the new office tower. On June 4, 2010, pursuant to Resolution No. 2010-54 C.M.S., the Agency and SKS amended the PSA to extend the closing date to June 25, 2013.

The PSA establishes an initial sales price for the UCOP Garage of \$4.35 million, which is increased on an annual basis by the greater of five percent or the Bay Area cost increase in the McGraw-Hill Construction Cost Index until the date of closing escrow. As of October 2012, the purchase price is set at \$5,928,000, or approximately \$41,000 per space.

On January 31, 2012, the Agency transferred the UCOP Garage to the City as part of the general pre-dissolution transfer of Agency assets, subject to the PSA with SKS. As a result, the PSA is now an obligation of the City.

In May of 2012, SKS formally requested that the PSA be amended to extend the date to close on the purchase of the UCOP Garage without forfeiture of the current deposit, as well amending the OPA to extend dates to complete the 1100 Broadway Project.

ANALYSIS

The OPA Amendment

Despite SKS' persistent leasing efforts, the developer has been unable to secure an anchor tenant for the 1100 Broadway Project. The lack of a tenant has prevented SKS from obtaining project debt financing and starting construction. While current economic indicators for downtown Oakland suggest slowly improving conditions in the Class A office market, they do not yet render the development of new office buildings financially feasible in the near term. During the third quarter of 2012, vacancy rates for Class A office space in the Central District edged down to 10.0% from 10.9%, while asking rental rates decreased slightly from \$2.65 per square foot to \$2.64 per square foot. By comparison, the robust Class A office market in San Francisco's financial district, which posted average rents of \$4.05 per square foot in the third quarter of 2012, is gradually adding new office space (780,000 square feet currently under construction). This suggests that Oakland's downtown Class A office rents still have to increase significantly to make any new construction economically viable. Because of the lackluster performance of Oakland's office market, SKS and its investor partner, Prudential Real Estate Investors, a union pension fund, have not yet been willing to allocate the substantial funding needed for the preparation of construction documents for the project. However, as vacancy rates continue to decline, while rents increase in San Francisco and the Peninsula, it is not unreasonable to

anticipate that market conditions will improve in downtown Oakland as businesses seek less expensive alternatives in transit-oriented locations.

While SKS could be in default under the current OPA for failing to start construction by June of 2013, that default would be the result of the lingering effects of the Great Recession that continue to adversely affect the local commercial real estate market. The default provisions of the OPA were designed to penalize SKS if it made insufficient efforts to develop the property according to OPA parameters and timelines. This is clearly not the case, since SKS has diligently marketed the property to potential tenants and become a key member in the Downtown Oakland Association. For example, in 2011, SKS worked closely with City staff and invested significant resources participating in a competition to develop a new multi-agency Regional Agency Headquarters housing the Metropolitan Transit Commission (MTC), the Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD), and the Bay Conservation and Development Commission (BCDC) at the 1100 Broadway Project.

In consideration of these factors, City staff on behalf of ORSA negotiated an amendment to the OPA that would extend the deadlines for development of the project by two to four years. The following table shows the current and proposed development milestone deadlines for the 1100 Broadway Project:

OPA Milestones	Current OPA Milestone Dates	Current OPA Milestone after Optional Extension	Proposed Extension of Current Milestone	Proposed New Milestone after Optional Extension
Submission of Final Construction Plans	12/10/12	12/10/13	12/10/14	12/10/16
Submission of Final Construction Contract	2/04/13	2/04/14	2/04/15	2/04/17
Submission of Final Plan for Project Financing	2/04/13	2/04/14	2/04/15	2/04/17
Construction Commencement	6/25/13	6/25/14	6/25/15	6/25/17
Construction Completion	4/27/15	6/25/16	4/27/17	4/27/19

The PSA Amendment

Under the PSA, the original closing date for the sale of the UCOP Garage was set at October 23, 2009, and SKS made a deposit into escrow of \$100,000 to secure the purchase. On June 4, 2010, the Agency and SKS amended the PSA to extend the closing date to June 25, 2013; as part of the amendment, SKS forfeited the original \$100,000 deposit, and made a second \$100,000 deposit into escrow in June 2012. Also, the amendment gave SKS the option to further extend the closing date by another year to June 25, 2014, by forfeiting the second \$100,000 and making a

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third deposal of \$200,000 into escrow. Thus, if the sale of the UCOP Garage does not close by June 25, 2013, SKS would forfeit the second \$100,000, but could extend the closing date for another year by making the additional \$200,000 deposit; or it could decline to exercise its extension option, and the Agency would then be entitled to receive the current \$100,000 deposit and terminate the PSA. Since SKS is asking for extensions to the development milestones set forth in the OPA, it would also like to extend the closing date and the timing of the \$200,000 option payment, and not be forced next June to forfeit the current \$100,000 deposit and to deposit the additional \$200,000 in exchange for an extension past next year's closing date.

Because of SKS good faith and diligent efforts to market and develop the 1100 Broadway Project despite challenging economic conditions, staff is recommending authorization of an amendment to the PSA to (1) extend the date for closing the sale of the UCOP Garage by 24 months, changing it from June 2013 to June 2015 (while maintaining the current \$100,000 on deposit), and (2) extend SKS's option to extend the new closing date by an additional 24 months to June 2017 (which would also extend the date for forfeiture of the current \$100,000 deposit, as well for the deposit of the additional \$200,000 into escrow should SKS exercise this option, to June 2015). If SKS commences project construction by June 25, 2015 and closes purchase of the UCOP Garage by that date, then the deposit would fully apply to the purchase price. In the event SKS fails to commence construction of the project or purchase the UCOP Garage by June 25, 2015, SKS would be entitled to request another extension of the closing date to June of 2017 for a new deposit of \$200,000. If SKS commenced construction and purchased the UCOP Garage by June 25, 2017, then the \$200,000 deposit would apply fully to the purchase price. In any event, if SKS fails to pay the purchase deposit when due, or to commence or complete the project by the required deadlines as extended, then the ORSA would still have the right to draw against the letter of credit securing the \$440,000 of liquidated damages, and the City would have the right to collect the \$200,000 escrow deposit. The following tables show the current and proposed deadlines for the sale of the UCOP Garage:

PSA Milestone	Current PSA Closing Date	Current PSA Optional Extension of Closing Date	Proposed Extension of current Closing Date	Proposed New Closing Date after Optional Extension
Closing Date	6/25/13	6/25/14	6/25/15	6/25/17

PSA Option Payment Deposit	Amount	Current Deposit Date	Current Release Date to City	Proposed New Deposit Date	Proposed New Release Date to City, if SKS fails to close
First Extension Payment	\$100,000	6/26/12	6/25/13	--	6/25/15
Optional 2nd Extension Payment	\$200,000	6/26/13	6/25/14	6/24/15	6/25/17

PUBLIC OUTREACH/INTEREST

There is no public outreach required for adoption of the proposed legislation.

COORDINATION

The following City departments were consulted during the preparation of this report:

- Office of the City Attorney
- City Budget Office

COST SUMMARY/IMPLICATIONS

FISCAL IMPACT:

Failure to perform according to the current schedule of performance in the OPA will trigger payment of liquidated damages of \$440,000 to ORSA. Any payments of liquidated damages would become part of ORSA's cash assets and would be subject to redistribution by the county to the other taxing entities after satisfaction of ORSA's enforceable obligations, per the redevelopment dissolution statute. However, the City as a taxing entity would receive approximately 39 percent or \$175,000 of this redistribution to its general fund. Extending the deadlines in the OPA schedule of performance will delay payment of these liquidated damages by up to 48 months. Any liquidated damages that ORSA receives as a result of SKS's default under the provisions of the OPA shall be deposited into the SRA Central District: Operations Fund (9710).

Extending the closing date for the sale of the UCOP Garage will push back the potential release to the City of a \$100,000 deposit now in escrow, as well as the potential deposit of an additional \$200,000 into escrow, from June 2013 to June 2015. Any deposit funds released to the City under the provisions of the PSA shall be deposited into the General Fund: General Purpose (1010).

Lastly, extending the closing date will also delay the City's receipt of annual property taxes of approximately \$1 million from the project and the privatized UCOP Garage between 24 to 48 months, if SKS exercises its option to delay the project construction date by 24 month after the initial 24-month extension.

FISCAL/POLICY ALIGNMENT

The proposed legislation will allow for the development of a mixed-use office development near a major transportation node in downtown Oakland. The proposed project supports several specific goals and objectives that are included in the current Central District Project Area Redevelopment Plan:

- Strengthening of the Project Area's existing role as an important office center for administrative, financial, business service and governmental activities.
- Revitalization and strengthening of the Oakland Central District's historical role as the major regional retail center for the Metropolitan Oakland Area.
- Restoration of historically significant structures within the Project Area.
- Utilization of key transit nodes to support transit-oriented development.

The completed project will generate substantial property, sales, utility and business taxes for the City and other taxing entities.

SUSTAINABLE OPPORTUNITIES

Economic:

Eventual development of the 1100 Broadway Project with the assistance of SKS's purchase of the UCOP Parking will add approximately 310,000 square feet of office space and almost 10,000 square feet of retail space to a longstanding vacant and blighted property downtown. Based upon the Small Business Administration's guidelines assuming one office worker per 250 square foot of space, the 1100 Broadway Project might support up to 1,200 office workers. Another 22 or more retail workers might be supported based upon a 450 square-foot-per-employee rule of thumb.

Environmental:

SKS has designed a particularly green project that has been pre-certified as LEED platinum. Green building features include solar panels, a high efficiency HVAC system with raised floor air distribution, a green roof with rainwater collection, filtration and reuse system.

Social Equity:

A number of the potential jobs to be created may be available to low and moderate income individuals.

CEQA

On May 6, 1998, the Oakland Planning Commission certified an Environmental Impact Report (“EIR”) for the 1100 Broadway Project and two addenda were subsequently adopted (in 2006 and 2008). As detailed below, there are no changes to the 1100 Broadway Project, new information, or changes in circumstances that would result in new significant environmental impacts or substantially more severe impacts from those previously identified in the 1998 EIR and later addenda. Therefore, no further environmental evaluation is required, and no Supplemental/ Subsequent EIR is needed pursuant to State CEQA Guidelines Section 15162. Moreover, the Mitigation Monitoring and Reporting Program approved in 1998, as amended, is still applicable.

On May 6, the Oakland Planning Commission certified an Environmental Impact Report (“EIR”) for a project on the site which consisted of a 150-room hotel with ground floor retail and restaurant use. (The EIR also analyzed an office building alternative). In 2006, the Planning Commission adopted an EIR addendum for a project consisting of the rehabilitation of the existing Key Systems building and construction of a 12-story commercial office building at the Property. In 2008, the Planning Commission adopted an addendum for a project consisting of a 20-story office building at the Property. The following table outlines the changes from the approved project and office alternatives analyzed in the 1998 EIR, as well as the 2006 and 2008 addenda.

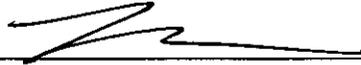
Project Component	Approved 1998 Hotel Project	EIR Office Alternative Project (1998)	Approved 2006 Office Project	Approved 2008 Office Project
Use	150-room hotel	Office	Office	Office
Height of Addition	5-7 stories (105')	20 stories	11 stories (176')	20 stories
Design and Materials	Granite Base/Brick Veneer	No materials described	Stone/Precast Concrete/Metal Spandrels	Glass with stone accents at the base of the columns
Total Building Area	119,500 sq.ft.	300,000 sq.ft.	188,749 sq.ft.	310,285 sq.ft
Retail Area	2,400 sq.ft.	No retail described	11,440 sq.ft.	9,810 sq.ft.
Parking Spaces	75 leased spaces	75 leased spaces	145 spaces	145 spaces

There are no changes to the Project, new information, or changes in circumstances that would result in new significant environmental impacts or substantially more severe impacts from those previously identified in the EIR and later addenda. Therefore, no further environmental evaluation is required, and no Supplemental/ Subsequent EIR is needed pursuant to State CEQA Guidelines Section 15162. Moreover, the Mitigation Monitoring and Reporting Program approved in 1998, as amended, is still applicable.

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For questions regarding this report, please contact Jens Hillmer, Urban Economic Coordinator at 238-3317.

Respectfully submitted,



FRED BLACKWELL
Assistant City Administrator

Reviewed by:
Gregory Hunter, Neighborhood Investment Officer
Office of Neighborhood Investment

Prepared by:
Jens Hillmer
Urban Economic Coordinator
Office of Neighborhood Investment

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APPROVED AS TO FORM AND LEGALITY:

BY: 
ORSA COUNSEL

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION No. 2012-_____

A SUCCESSOR AGENCY RESOLUTION AUTHORIZING AN AMENDMENT TO AN OWNER PARTICIPATION AGREEMENT WITH SKS BROADWAY LLC TO EXTEND DEVELOPMENT DEADLINES FOR A MIXED-USE PROJECT AT 1100 BROADWAY

WHEREAS, on September 6, 2007, the dissolved Redevelopment Agency of the City of Oakland (the "Redevelopment Agency") entered into an amended and restated owner participation agreement ("OPA") with SKS Broadway, LLC ("SKS"), pursuant to Redevelopment Agency Resolution No. 2006-0088 C.M.S., with regard to the development of a mixed-use office project ("Project") located at 1100 Broadway ("Property") in the Central District Redevelopment Project Area; and

WHEREAS, the OPA, as amended, establishes various parameters for the Project, provides the Redevelopment Agency certain approval rights regarding the 1100 Broadway Project, and requires SKS to accomplish a number of specific development milestones by specific deadline dates; and

WHEREAS, on June 1, 2010, pursuant to Resolution No. 2010-54 C.M.S., the OPA was amended to extend performance deadlines to their current dates; and

WHEREAS, SKS has made good faith efforts to reach those specific development milestones by the specified dates, but has been unable to do so because of the continuation of adverse economic conditions in Oakland's downtown office market that hinder SKS's efforts to obtain the required anchor tenant(s) and debt financing for the Project; and

WHEREAS, SKS has requested to extend the deadlines for Project construction commencement and completion as defined in the OPA, and

WHEREAS, the Redevelopment Agency dissolved on February 1, 2012; and

WHEREAS, the Oakland Redevelopment Successor Agency ("ORSA") was established as the successor agency to the Redevelopment Agency pursuant to Health and Safety Code Sections 34171(j) and 34173; and

WHEREAS, ORSA has succeeded to the Redevelopment Agency's interests and obligations under the OPA; and

WHEREAS, ORSA desires to amend the OPA per SKS's request in recognition of the developer's diligent, but unsuccessful efforts to market the Project and secure debt financing; and

WHEREAS, ORSA is a Responsible Agency for the 1100 Broadway Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

WHEREAS, an Environmental Impact Report ("EIR") was certified in 1998 for the 1100 Broadway Project and two addenda were subsequently completed (in 2006 and 2008) in compliance with the California Environmental Quality Act ("CEQA"); now therefore be it

RESOLVED: That ORSA hereby finds and determines: (1) that it has independently reviewed and considered the information contained in the previously certified 1998 EIR and later addenda, and the 1998 EIR and later addenda comply with CEQA and the CEQA Guidelines' requirements for analysis of the 1100 Broadway Project's environmental effects and mitigation measures; (2) that none of the changes to the 1100 Broadway Project, or circumstances under which it will be undertaken, or new information require preparation of a subsequent or supplemental EIR; and (3) that the Mitigation Monitoring and Reporting Program for the Project is hereby (re) adopted; and be it further

RESOLVED: That the Successor Agency Administrator, or her designee, is hereby authorized to negotiate and execute an amendment to the OPA to (1) extend the date on which SKS must start Project construction by two years, from June 25, 2013, to June 25, 2015, and the date by which it must complete Project construction by two years, from April 27, 2015, to April 27, 2017, (2) give SKS an option to extend the new construction commencement and completion dates by an additional 24 months at no cost to SKS, and (3) extend the deadlines for submission of final construction plans, the construction contract, and the financing plan to ORSA until such dates as deemed appropriate and reasonable by the Successor Agency Administrator or her designee such that SKS is able to meet the commencement and completion deadlines above; and be it further

RESOLVED: That the Successor Agency Administrator or her designee is authorized to take whatever action is necessary with respect to the amendment of the OPA consistent with this Resolution and its basic purposes; and be it further

RESOLVED: That the amendment to the OPA authorized hereunder shall be approved as to form and legality by Successor Agency Counsel, and filed with the Successor Agency Secretary; and be it further

RESOLVED: That this action shall be forwarded to the Oakland Oversight Board for its consideration, and ORSA execution of the OPA amendment is subject to Oakland Oversight Board approval pursuant to state law.

IN SUCCESSOR AGENCY, OAKLAND, CALIFORNIA, _____, 2012

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL,
SCHAAF AND CHAIRPERSON REID

NOES-

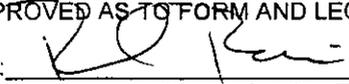
ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
Secretary of the Oakland
Redevelopment Successor Agency

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APPROVED AS TO FORM AND LEGALITY:

BY: 
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE No. _____ C.M.S.

AN ORDINANCE AUTHORIZING AN AMENDMENT TO A PURCHASE AND SALE AGREEMENT WITH SKS BROADWAY LLC FOR SALE OF THE PUBLIC PARKING GARAGE AT 409 – 12TH STREET TO EXTEND PURCHASE DEADLINES

WHEREAS, on October 1, 2008, the dissolved Redevelopment Agency of the City of Oakland (the "Redevelopment Agency"), pursuant to Agency Resolution No. 2006-0088 C.M.S., entered into a purchase and sale agreement ("PSA") with SKS Broadway LLC ("SKS") for the sale of the Redevelopment Agency's condominium interest in real property consisting of a public parking garage with 145 parking spaces and ramps located within portions of the ground floor and basement levels of the University of California Office of the President Building located at 1111 Franklin Street ("UCOP Garage"); and

WHEREAS, on September 6, 2007, the Redevelopment Agency, pursuant to Agency Resolution No. 2006-0088 C.M.S., entered into an amended and restated owner participation agreement ("OPA") with SKS, with regard to the development of a mixed-use office project ("Project") located at 1100 Broadway ("Property"), adjacent to the UCOP Garage, in the Central District Redevelopment Project Area; and

WHEREAS, on January 31, 2012, the Redevelopment Agency transferred the UCOP Garage to the City, subject to the PSA with SKS; and

WHEREAS, SKS's purchase of the UCOP Garage is a critical element of the Project and is dependent on SKS starting construction on the Project, since the UCOP Garage is being sold to SKS in order to satisfy the parking needs of the Project; and

WHEREAS, SKS has not been able to reach specific development milestones by the specified dates established in the OPA because of the continuation of adverse economic conditions in downtown Oakland's office market that hinder SKS's efforts to obtain the required anchor tenant(s) and debt financing for the Project; and

WHEREAS, SKS has requested to extend the current purchase closing deadline set forth in the PSA; and

WHEREAS, the City, in light of the adverse economic conditions in the Central District Redevelopment Project Area that have hindered SKS' efforts to market and construct the Project, has agreed to extend to SKS' requested changes to the purchase deadline set forth in the PSA; and

WHEREAS, the City is the Lead Agency for the 1100 Broadway Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

WHEREAS, an Environmental Impact Report ("EIR") was certified in 1998 for the Project and two addenda were subsequently completed (in 2006 and 2008) in compliance with the California Environmental Quality Act ("CEQA"); now therefore

The Council of the City of Oakland does ordain as follows:

SECTION 1. The City hereby finds and determines: (1) that it has independently reviewed and considered the information contained in the previously certified 1998 EIR and related addenda, and the 1998 EIR and the two addenda comply with CEQA and the CEQA Guidelines' requirements for analysis of the Project's environmental effects and mitigation measures; (2) that none of the changes to the Project, or circumstances under which it will be undertaken, or new information require preparation of a subsequent or supplemental EIR; and (3) that the Mitigation Monitoring and Reporting Program for the Project is hereby (re) adopted as specified. The Environmental Review Officer shall cause to be filed a Notice of Determination.

SECTION 2. The City Administrator or her designee is hereby authorized to negotiate and execute an amendment to the PSA to (1) extend the date for closing the sale of the UCOP Garage by 24 months, from June 2013 to June 2015, while maintaining the current \$100,000 deposit in escrow, and (2) extend SKS' option to extend the new closing date by an additional 24 months to June 2017 upon forfeiting the \$100,000 deposit and making an additional deposit of \$200,000 into escrow by June 2015.

SECTION 3. Any deposits released to the City as a result of SKS' exercising its option to extend the new closing dates by an additional 24 months to June 2017, or not proceeding with the acquisition of the UCOP Garage under the provisions of the PSA, shall be deposited into the General Fund: General Purpose (1010).

SECTION 4. The City Administrator or her designee is authorized to take whatever action is necessary with respect to the amendment of the PSA consistent with this Ordinance and its basic purposes.

SECTION 5. The amendment to the PSA authorized hereunder shall be approved as to form and legality by the City Attorney and filed with the City Clerk.

SECTION 6. This 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.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2012

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL,
SCHAAF AND PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council,
City of Oakland

An Ordinance authorizing an Amendment to a Purchase and Sale Agreement with SKS Broadway LLC for Sale of the Public Parking Garage at 409 – 12th Street to Extend Purchase Deadlines

Notice and Digest

The ordinance authorizes the City of Oakland to negotiate and execute an amendment to a Purchase and Sale Agreement with SKS Broadway LLC for the sale of the Public Parking Garage at 409 – 12th Street to (1) extend the date for closing the sale of the UCOP Garage by 24 months, from June 2013 to June 2015, while maintaining the current \$100,000 deposit in escrow, and (2) extend SKS's option to extend the new closing date by an additional 24 months to June 2017 upon making an additional deposit of \$200,000 into escrow by June 2015.