



CITY OF OAKLAND

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OFFICE OF THE CITY CLERK
OAKLAND

2016 JUN 17 AM 9:30

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Claudia Cappio
Assistant City Administrator

SUBJECT: Recyclers' ENA Extension;
Acceptance of ACTC Grant; and
Interim Bridge Funding to Complete
Public Improvements

DATE: June 8, 2016

City Administrator Approval

Date:

6/16/16

RECOMMENDATION

Staff Recommends That The City Council Adopt The Following Three Resolutions:

A Resolution Authorizing the City Administrator to Negotiate and Execute a Fourth Amendment to the Exclusive Negotiating Agreement by and between the City Of Oakland, California Waste Solutions, Inc., and Cass, Inc., regarding Proposed Recycling Facilities on the North Gateway Development Area of the Former Oakland Army Base Extending the Term of the ENA through September 30, 2016, with an Option by the City Administrator to Extend the ENA by up to an Additional Ninety Days thereafter

A Resolution Authorizing the City Administrator to Accept and Appropriate an Alameda County Transportation Commission ("ACTC") Measure BB Grant in an Amount Not to Exceed \$46 Million Dollars for Roadway Infrastructure Improvements and Truck Parking at the Former Oakland Army Base; and

An Ordinance Authorizing the City Administrator, Without Returning To Council, To Negotiate And Execute Agreements And Related Documents, To Secure Interim Bridge Funding in an amount not to exceed Fifty-three Million, Two-Hundred Thousand Dollars (\$53,200,000) To Meet Critical Cash Flow Needs for the Completion of Construction of the City's Public Improvement Obligations at the Former Oakland Army Base ("BASE"), Which Options Could Include, Among Other Alternatives: (1) Obtaining Loan(s) Secured by City-Owned Land at the Base or An Assignment of the City's Right to Receive Rents from Such City-Owned Land; (2) Providing an Option to A Developer to Acquire Development Rights to the North Gateway Area of the Base if The City and Two West Oakland Recyclers Fail to Close Escrow on Such Property; and (3) Negotiating for An Army Base Ground Lease Tenant(s) to Prepay A Discounted Present Value of the Tenant(s)' Long Term Ground Lease Rent to the City

EXECUTIVE SUMMARY

The Notice-To-Proceed with demolition and construction of Public Improvements ("Project") at the former Oakland Army Base was issued in October 2013. The Project is now completing the

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32nd month of construction and is at a critical juncture as a result of grant funding from the State of California Trade Corridor Improvement Funding ("TCIF") program running out in August/September 2016, and that additional funding committed to the Project is not yet available to meet the cash flow timing needs for the balance of the Project.

Additional funding committed to complete the balance of the Project includes: 1) Anticipated land sales proceeds from the sale of the City-owned North Gateway Development parcels to two Oakland-based recycling companies, California Waste Solutions, Inc., and CASS, Inc. (the "Recyclers"), totaling approximately \$12.2 Million Dollars that has not been realized; and 2) Grant funding totaling approximately \$46 Million Dollars allocated by the Alameda County Transportation Commission ("ACTC") in March 2016, \$34 Million Dollars of which is not available for the Project until after the projected completion date of the Project. As a result, interim bridge funding is required to temporarily replace these two sources to continue the Project in order to meet two major TCIF grant agreement obligations: 1) Completion of the City's Public Improvements Project prior to April 16, 2019; and 2) Completion of the required grant match segments in **Table 1** below prior to June 30, 2020.

Table 1

TCIF Match Segment	Gateway Development Area	Parcel ID	Developer Entities	Conveyance Mechanism	Council Authorization Status
Segment 4 Recycling Facilities	North Gateway	NGW-1	CWS	Fee Title via a Disposition and Development Agreement	ENA Extension Pending
		NGW-2	CASS	Fee Title via a Disposition and Development Agreement	ENA Extension Pending
Segment 5 City Trade & Logistics	East Gateway	CE-1	Prologis	66-Year Long Term Ground Lease via a Lease Disposition and Development Agreement	Approved 12/16/2014
		CE-2	Prologis	66-Year Long Term Ground Lease via a Lease Disposition and Development Agreement	Approved 12/16/2014
	Central Gateway	NCGW	Prologis	66-Year Long Term Ground Lease via a Lease Disposition and Development Agreement	Approved 12/16/2014
		MH-1	CCIG	66-Year Long Term Ground Lease via a Lease Disposition and Development Agreement	Approved 12/16/2014
	West Gateway	WGW	CCIG	66-Year Long Term Ground Lease via a Lease Disposition and Development Agreement	Approved 12/16/2014
Not a Segment	Ancillary Maritime Services	AMS	OMSS	55-Year Long Term Ground Lease via a Lease Disposition and Development Agreement	Approved 07/29/2014

Full completion of the Project and private match segments is ultimately what enables the City to satisfy a \$242 Million Dollar public/private match obligation as consideration for the \$176.3 Million Dollar TCIF grant to the City toward completion of Public Improvements at the former Oakland Army Base, in addition to a \$65.7 Million Dollar TCIF grant received by the Port of Oakland for related Rail Access and Manifest Yard improvements at the former Oakland Army Base. Both undertakings are part of the original Oakland Outer Harbor Intermodal Terminal Project.

In order to keep the Project moving to completion, time is of the essence with respect to City Council's approval authorizing the City Administrator to:

- 1) Extend the term of the Exclusive Negotiation Agreement ("ENA") by and between the City of Oakland, California Waste Solutions, Inc., and CASS, Inc., regarding Proposed Recycling Facilities on the North Gateway Development Area of the Former Oakland Army Base;

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- 2) Accept and appropriate grant funding from ACTC in an amount not to exceed \$46 Million Dollars; and
- 3) Negotiate and execute agreements and related documents to secure interim bridge funding from Project development entities to meet the critical cash flow needs of the Project at the former Oakland Army Base to satisfy TCIF grant agreement obligations.

BACKGROUND / LEGISLATIVE HISTORY

ENA Extension

As referred to in **Table 1** above, Recycling Facilities represent Segment 4 of TCIF private Match Segments and is the only TCIF Segments that the City has not entered into a disposition agreement, to date. The projected land sales proceeds from the sale of the North Gateway are a committed source of supplemental funding to the TCIF grant for construction of the Public Improvements that has not yet been realized. In order for the City to realize these additional funds, extending the Exclusive Negotiation Agreement ("ENA") is necessary to complete negotiating the terms and conditions of a Disposition and Development Agreement ("DDA") which is the conveyance mechanism to delivering the property, transferring title and in turn, generating needed land sale proceeds for infrastructure construction.

The ENA by and between the City and the Recyclers (together, City and Recyclers referred to as the "Parties") was first entered into on February 12, 2012. The ENA between the Parties has been extended three times followed by a 90-day administrative extension which expired on March 15, 2016.

Relocating the Recyclers out of West Oakland has been a long-term priority for the Parties and the West Oakland community. There are a number of recycling and salvage operations in West Oakland, and the Recyclers are the two largest. The total acreage occupied by the Recyclers in West Oakland totals approximately 19 acres.

In 2011, the Recyclers submitted an unsolicited joint proposal to purchase and develop approximately 20.1 acres of land in the North Gateway Development Area with CWS to acquire 11.2 acres (approx. 55 percent of the total land area) and CASS 8.9 acres (approx. 45 percent of the total land area) which included approximately 1.1 acres of adjacent under freeway lease area. At the time, the City agreed to a purchase price of approximately \$557,000 per acre for the Property, which was comparable to the price the City purchased the Subaru Lot for from the Army and the same price per acre that the City sold the 1.6-acre Inner Claw area to the Port of Oakland ("Port").

The City now needs to acquire back the 1.6-acre Inner Claw acreage in order to increase the North Gateway Development Area footprint from 20.1 acres to 24.36 acres which includes 2.36-acres of under freeway area owned by Caltrans and leased to the City. The Parties agreed on these preliminary terms which became the basis for the original ENA approved by the City Council and executed on February 12, 2012. The ENA between the Parties has been extended three times: initially to December 15, 2013, again to December 15, 2014, and again to December 15, 2015 with an administrative extension to March 19, 2016.

Table 2 below shows the Recyclers existing acreage in West Oakland and City site assembly efforts to increase North Gateway Property from 20.10 acres to 24.36 acres:

Table 2

OAB RECYCLERS - NORTH GATEWAY PROPERTY ASSEMBLY EFFORTS	CALIFORNIA WASTE SOLUTIONS				CASS				Totals
	North Gateway Parcels	Under Freeway Parking Area	Port to City Inner Claw	Subtotal	North Gateway Parcels	Under Freeway Parking Area	Port to City Inner Claw	Subtotal	
Form of Ownership	Fee	Ground Lease	Fee		Fee	Ground Lease	Fee		
Approximate Existing Acreage In West Oakland	N/A	N/A	N/A	11.00 ¹	N/A	N/A	N/A	8.00 ¹	19.00
June 28, 2011 - Recyclers Unsolicited Proposal	11.20	N/A	N/A	11.20 ²	7.80	1.10	N/A	8.90 ²	20.10
March 13, 2014 - Recyclers North Gateway Letter Proposal	13.00	N/A	N/A	13.00 ³	7.80	N/A	1.60	9.40 ³	22.40
May 2016 - City As-Built/Survey (Existing Condition)	12.00	2.36	N/A	14.36 ⁴	8.40	N/A ⁵	1.60	10.00	24.36

Notes:

¹ Existing Acreage - Fee; ² Acreage of site plan for program evaluated under CEQA; ³ Recyclers State: Lacks Sufficient Parking in the North Gateway;

⁴ CWS January 2014 Project Description for Environmental Discussion states that the NGW Recycling Facility will be developed on 12.4 acres; and

⁵ CASS Stated verbally on 05/04/16 Contiguous Acreage w/No Under Freeway parking Area

As the City moved forward with the opportunity to secure a \$176.3 Million Dollar TCIF grant from the State of California, the Parties continued to negotiate the terms of preliminary disposition agreements. During these negotiations, the Recyclers expressed that while they had agreed through the ENA to a reduced development footprint of approximately 20.1 acres, that they would not be able to completely relocate from West Oakland to the Property, unless the City was able to secure a total of 24-acres and that less than this amount would result in CWS specifically leaving its recycling vehicle fleet in West Oakland.

As a result, staff undertook efforts which required an extended period of time and additional City Council authorizations to effectively increase the total available acreage from 20.1 acres up to the current maximum available acreage of 24.36 acres. Under this new proposal, 22 acres would be transferred as Fee Simple ownership and 2.36 acres would be conveyed in the form of a 66-year long term ground lease. The additional acreage has been achieved through the following means:

- 1) Amending the Memorandum of Agreement with East Bay Municipal Utilities District ("EBMUD") to realign Wake Avenue to increase the Property foot print (*This action increased the original 16.5 acre Property area to 20.1 acres*);
- 2) Extensive negotiations with Burlington Northern Santa-Fe Railway ("BNSF") involving the construction and relocation of a BNSF perpetual easement which also required extensive coordination with EBMUD with respect to Engineer's Road and the Port with respect to rail operations (*This adjustment added approximately 0.3 acres*);
- 3) Negotiation with the Port for the inclusion of the adjoining Inner-Claw area condition with consent from the State Lands Commission regarding Trust Encumbered Property for use by the Recyclers (*This has added approximately 1.6-acres*); and

- 4) Agreement with Caltrans on the use of an adjoining under freeway area as a perpetual easement with limited uses (*This final action has added approximately 2.36 acres*).

ACTC Acceptance

Acceptance and appropriation of ACTC funding is necessary for the completion of construction of the City's Public Improvements.

The Sources and Uses for the City Public Improvement Project at the former Oakland Army Base, including preconstruction and construction costs, totals approximately \$240.3 Million Dollars. Completion of construction for the first order of Public Improvement totaling approximately \$194.3 Million Dollars was sourced from land sales proceeds from the sale of property at the former Oakland Army Base of approximately \$18 Million Dollars allocated in April 2012 along with a TCIF grant totaling \$176.3 Million Dollars which was allocated to the City in May 2013.

The second order of Public Improvements were originally unfunded when the Project began construction in October 2013 and as a result was scheduled as below the line alternates under the 2013 guaranteed maximum price construction contract. However after Measure BB passed in November 2014, Alameda County Transportation Commission (ACTC) allocated additional funding to the City for the completion of Public Improvements in March 2016 totaling \$46 Million of which \$41 Million Dollars was allocated for Roadway Improvements and \$5 Million Dollars allocated for Truck Parking.

As a result of the Oakland Army Base Public Improvement Project being included in the 2014 Alameda County Transportation Expenditure Plan (TEP) and the 2015 Regional Transportation Plan (RTP) which laid the framework of eligibility for Measure BB funding for programs and projects and the passage of Alameda County Measure BB in November 2014, ACTC released a Countywide Plan Call for Projects in June 2015 to be funded by Measure BB revenues and bonding.

On July 31, 2015, the City of Oakland submitted an application to ACTC and all of the government agencies in Alameda County to help complete the transportation infrastructure to support the redevelopment of the former Oakland Army Base into a state-of-the-art multimodal logistics center. ACTC has determined that roadway infrastructure improvement components of the Project are eligible for Measure BB funding under the criteria for Measure BB and ACTC's 2016 Comprehensive Investment Plan (CIP) Update of March 2016. Also in March 2016, the ACTC Board of Commissioners at its Commission Meeting approved allocations totaling up to \$46 Million Dollars of additional funding from Measure BB funding to the City of Oakland for Roadway Infrastructure Improvements and Truck Parking at the former Oakland Army Base. Authorization is now needed to permit the City Administrator to take whatever action is necessary with the respect to negotiating and entering into a funding or similar agreement with ACTC in addition to administration of and execution of any funding and repayment agreements necessary for completing the Project.

Interim Bridge Funding

While construction of the City's Public Improvements are now fully sourced, the Project is still impacted from a cash flow perspective resulting from the timing of receipts of original funding committed to the Project and disbursement of additional funding to complete both the first and second order of Public Improvements.

The first order of Public Improvements are impacted by the circumstance that \$12.2 Million Dollars of the initial \$18 Million Dollars of scheduled land sales proceeds has not been realized as a result of the delay in the sale of the Property to the Recyclers. By August/September 2016 the City will have drawn down on the remaining TCIF funds. As a result of the Project's more immediate need for the land sales proceeds from the sale of the Property to the Recyclers committed to, but not yet realized, the Project is in need of interim bridge funding until the scheduled land sales proceeds from the sale of the Property are realized which is anticipated to be within twelve months from entering into a DDA with the Recyclers.

The second order of Public Improvements are impacted by two major factors: 1) The design build construction contract calls for the completion of the second order of Public Improvements prior to June 30, 2018; and 2) That \$34 Million Dollars of the total \$46 Million Dollar ACTC allocation is not scheduled for distribution to the City until FY 2018/19; and FY 2019/20 in equal amounts.

Prospective sources for the interim bridge funding could include, among other alternatives: (1) obtaining loan(s) secured by City-owned land at the Base or an assignment of the City's right to receive rents from such City-owned land; (2) providing an option to a developer to acquire development rights to the North Gateway area of the Base if the City and two West Oakland recyclers fail to close escrow on such property; and (3) negotiating for an Army Base ground lease tenant(s) to prepay a discounted present value of the tenant(s)' long term ground lease rent to the City. These proposed interim bridge funding sources also need to be coupled with parallel efforts by the City to negotiate with ACTC to reschedule additional funding disbursements from FY 2018/19 and FY 2019/20 to FY 2016/17 and FY 2017/18.

ANALYSIS AND POLICY ALTERNATIVES

ENA Extension

Removing incompatible recycling operations from West Oakland will help towards removing truck traffic, diesel emissions, noise, and traffic congestion and would help improve the quality of life for West Oakland residents. Moreover the sites vacated by the Recyclers would allow future redevelopment of their existing property for a higher community-oriented use consistent with the adopted West Oakland Specific Plan. This redevelopment could help meet increasing demand for new job growth and increased tax revenue for the City of Oakland.

Together the Recyclers currently employ approximately 200 people. The Recyclers estimate that approximately half of their employees live in Oakland. Recycling is a growing industry that addresses Oakland's priorities for sustainable development and green collar jobs. The

Recyclers estimate that their move to the Property of the former Oakland Army Base would enable them to create an additional approximately 185 jobs. Recycling also generates business for the Port and has the potential to generate substantially more. In the past, the Recyclers reported shipping a total of approximately 730 containers per month through the Port. In their new location the Recyclers expect that number to increase to over 1,200 containers per month with the proximity of the Property to the Port, access to rail and expansion of their recycling services. The ability to be able to ship overseas more efficiently and at lower cost will also help boost overseas sales. The provision of rail will enable the Recyclers to increase the tonnage of materials they can bring in and sell without increasing the amount of truck traffic in West Oakland.

The proposed operations of Recyclers on the Property are highly compatible with other proposed rail served Trade and Logistics uses at the former Oakland Army Base. Equally important is EBMUD's consideration of recycling uses as compatible with its wastewater treatment plant. As noted previously, Wake Avenue has been realigned to not only increase the footprint of the Property to better accommodate the Recyclers, but also serves as EBMUD's main entry for ingress and egress into their facility.

It is the Parties goal to bring to City Council a request for authorization to enter into a DDA with CASS by October 2016 and it is staff's goal to bring to the Council, a request for authorization to enter into a DDA with CWS prior to the end of December 2016. In order to meet these objective target dates, the Parties will need to complete specific performance measures. Based on the Recyclers stated commitments staff is recommending that the City Council authorize the City Administrator to negotiate and execute a Fourth Amendment to the ENA by and between the Parties.

The City's current DDA policy requires Developers to obtain all necessary permits and financing prior to transferring land to the Developers. Barring any required extended environmental review as a result of potential new significant changes in the Recyclers development program from what was originally evaluated; staff believes that there is sufficient time for the Recyclers to take down the Property within a twelve to eighteen month time frame after entering into a DDA.

On May 5, 2016, the Recyclers responded in a timely manner to the City's April 27, 2016 request for acknowledgement of their respective continued interests and commitment to development new state-of-the-art recycling facilities on the North Gateway Development Area ("Property") at the former Oakland Army Base. The Recycler's response also acknowledged their intent to relocate and consolidate their existing operations and respective commitments to allow future redevelopment of their existing property for a higher community-oriented use consistent with the West Oakland Specific Plan.

The proposed ENA extension would allow the Parties to undertake additional due diligence to develop a term sheet and schedule of performance for separate Disposition and Development Agreements ("DDA") between the Parties.

Alternative	Not extending the ENA with the Recyclers
Pros	<ul style="list-style-type: none">• Current zoning of the Property also allows trade and logistics uses which would enable selling the Property at a higher land value than

	pre-determined price expectations of the Recyclers <ul style="list-style-type: none"> The higher land value and ready market for development would yield higher revenues back to the City while at the same time decrease the term of the required bridge funding
Cons	<ul style="list-style-type: none"> Recyclers would continue to operate in their existing location in West Oakland, with all concurrent impacts. Existing land could not be put to a higher and better use Current truck traffic and other impacts would remain
Reason for not recommending	Both Recyclers have responded affirmatively with their respective acknowledgement of their continued intent to: <ol style="list-style-type: none"> 1) Relocate and consolidate their existing operations to the North Gateway Development Area of the former Oakland Army Base in a timely manner; 2) Allow for the future redevelopment of their existing property for a higher and better use consistent with the West Oakland Specific Plan. The 90 day extension will give the Recyclers the additional due diligence opportunity to demonstrate their intent to move forward into respective DDAs.

Note: if the Council authorizes the City Administrator under the other proposed resolution to obtain bridge financing, to provide another developer an option to develop the North Gateway if the City and Recyclers fail to close escrow, then the extended ENA would have a carve-out to allow the City to provide such an option.

ACTC Acceptance

The final resolution authorizes the City Administrator to accept and appropriate the ACTC Grants totaling \$46 Million Dollars.

Alternative	Not Accepting or Appropriating ACTC Grant Funds for the Completion of Eligible Public Improvements at the former Oakland Army Base
Pros	<ul style="list-style-type: none"> None
Cons	<ul style="list-style-type: none"> The Project will stop and the City will not be able to meet its TCIF grant agreement obligations. Having to stop may result in the City having to obtain a loan as a result of no other Project funding being available to pay for closeout, retentions and possible legal claims. Even if the Project has to stop and additional funding becomes available later, it will likely come as a higher cost to complete given that the current costs to complete are in 2013 construction dollars.
Reason for not recommending	Current ACTC grant funding is needed to complete eligible Public Improvement at the former Oakland Army Base.

Interim Bridge Funding

As previously discussed, Bridge Funding is crucial in order to complete the infrastructure and meet previously commitments. In order to provide flexibility in meeting cash flow requirements,

a number of options are outlined so that the City Administrator can direct one or a combination of these approaches to be used to manage the cash flow. The requested Bridge Funding could be paid back by the City obtaining the sale value of the City-owned North Gateway parcels. Staff believes that the Parties are now in a better position to make more effective use of the ENA extension period with known existing conditions, definitive property boundaries and available acreage towards advancing DDA negotiations and takedown of the Property which would allow for the refunding of the requested Bridge funding within a twelve to eighteen month time frame from entering into a DDA with the Recyclers.

The option to secure Private Developer borrowing from Prologis may require placing a deed of trust on the Property, if legally permissible. The City might also negotiate to give Prologis or an affiliate an option to develop the Property should the Recyclers not proceed with development on the North Gateway, which action could also help the City meet its TCIF grant public / private match prior to June 2020.

The City also may be able to negotiate with Army Base tenants on other areas of the Army Base (e.g., Prologis entities) to pre-pay ground lease rent to the City to help fund the gap. The City would need to discount the rent to its negotiated net present value in order to achieve this objective.

Alternative	Not Entering Into Interim Bridge Funding Agreements
Pros	<ul style="list-style-type: none">• None
Cons	<ul style="list-style-type: none">• The Project will stop and remobilize
Reason for not recommending	<ul style="list-style-type: none">• Anticipated land sales proceeds from the sale of the North Gateway property are not immediately available and may take a year to a year and a half to be realized.• City General Fund Reserves are not available to provide interim bridge funding for the anticipated \$12.2 Million Dollars of land sales proceeds or the approximately \$34 Million Dollars of the \$41 Million Dollar ACTC allocation that needs to be bridged from FY 2018/19 and FY 2019/20 and brought forward to FY 2016/17 and FY 2017/18.• If no other funding alternative exist the Project will stop.• Having to stop may result the City having to obtain a loan as a result of no other Project funding being available to pay for closeout, retentions and possible legal claims.• Even if the Project has to stop and additional funding becomes available later, it will likely come as a higher cost to complete given that the current costs to complete are in 2013 construction dollars.

FISCAL IMPACT

The City Council took several and successive actions in 2011, 2012 and 2013 in order to commit a total of \$54.5 Million Dollars to serve as the City's initial public match for the \$176.3 Million Dollar State TCIF grant. However as a result of the dissolution of Redevelopment in 2012, the City experienced a loss of \$8 Million Dollars from projected future tax increment revenue.

Of the City's adjusted \$46.5 Million Dollar commitment, the City has only realized a total of \$34.3 Million Dollars (\$28.5 Million Dollars from prior years, Oakland Army Base Leasing Revenues, and \$5.8 Million Dollars from the sale of property to Caltrans in 2013) and will be in a \$12.2 Million Dollar construction cash flow shortfall position in August/September 2016. Therefore, interim bridge funding is required until land sales proceeds from the sale of the Property to the Recyclers becomes available.

Table 3 below shows the City's original funding commitment, actual and scheduled sources and uses of funds for the City's Public Improvement and the resulting need for Bridge funding from the City to be repaid from land sales proceeds from the sale of the Property to the Recyclers.

Table 3

OAB Public Improvement Funding Commitments (\$ in Millions)	Sources				Uses			
	Original Projections	Actual Sources Received	Scheduled Additional Funding	Total Adjusted Sources	Pre-Construction	Joint Env. Remediation Fund	Construction	Total Uses
City Lease Revenues / Tax Increment Projections / Scheduled Land Sales Proceeds	\$54.5	\$34.3	\$12.2	\$46.5	\$22.8	\$5.7	\$18.0	\$46.5
State TCIF Public Improvement Funding	\$176.3	\$176.3		\$176.3			\$176.3	\$176.3
Additional Funding (ACTC Measure BB) - Truck Pkg.			\$5.0	\$5.0			\$5.0	\$5.0
Additional Funding (ACTC Measure BB) - Roadways			\$41.0	\$41.0			\$41.0	\$41.0
Total Committed Public Sources of Funding	\$230.8	\$210.6	\$58.2	\$268.8	\$22.8	\$5.7	\$240.3	\$268.8
Public Improvement Funding Committed		\$210.6	\$58.2	\$268.8	\$22.8	\$5.7	\$240.3	\$268.8
Public Improvement Funding Received or Allocated		\$210.6	\$46.0	\$256.6	\$22.8	\$5.7	\$228.1	\$256.6
Land Sales Revenue Bridge Funding Requirement				(\$12.2)				(\$12.2)

The additional funding required to complete the City's Public Improvement Project totaling \$34 Million Dollars out of the \$41 Million Dollar allocation for Roadway Infrastructure Improvements secured from ACTC also requires interim bridge funding as a result of \$41 Million Dollars to be disbursed by ACTC. The ACTC initial recommendation is: \$7 Million Dollars in FY 2017/18, \$17 Million Dollars in 2018/19, and \$17 Million Dollars in 2019/20. The City's ACTC application requested the funding up front given the timing of ongoing construction and pending completion prior to June 2018 requested funding.

ACTC has explained that actual disbursements of Measure BB monies are based on projected revenues, bonding capacity and other competing County-wide project needs. ACTC suggested that the City has the ability to solve its own cash flow needs through internal borrowing of annual funding it receives from existing Measure B and future Measure BB in perpetuity. Upon review of this approach, these funds, for the most part, have been scheduled for streets and resurfacing projects.

The City is however looking at other City projects that have received ACTC Measure BB allocations in FY 2016/17 that will not be ready to start construction in FY2017/18. We are discussing with ACTC to reallocate distributions for these project to the OAB in FY 2016/17 and

to use OAB distributions in FY 2017/18 to fund these projects when they are ready. Tentatively these projects include: 1) Oakland Army Base Roadway Infrastructure Improvements for Truck Parking for \$5 Million Dollars, 2) I-880/42nd – High Street Access Improvements for \$10 Million Dollars, and 3) Development of the Oakland Broadway Corridor Transit Plan for \$0.5 Million Dollars.

Under the scenario whereby the City makes the request to ACTC to reallocate the distribution of funding for projects that have received an ACTC allocation, there is no fiscal impact to these projects because after meeting and conferring with the Public Works Department, these projects are not ready to receive the allocation in the year they were awarded and can wait a year to receive and utilize the funds.

This reallocation proposal, if accepted by ACTC will help reduce the interim bridge funding disbursement by approximately \$15.5 Million Dollars. In this scenario, staff has estimated that a total of up to \$31 Million Dollars would need to be privately placed. This includes the \$12.2 Million Dollars to be repaid from land sales proceeds from the sale of the Property in the North Gateway and approximately \$18.5 Million Dollars to bridge the timing of ACTC disbursements.

Private placement of the requested interim bridge funding may be available if secured by a deed of trust, if legally permissible, on City-owned land at the Army Base. Interim bridge funding potentially could also be secured through the pre-payment of discounted future lease payments from Army Base tenants (e.g., Prologis) for example against property to be leased by Prologis over 66 years. This mechanism could provide additional upfront cash in lieu of monthly lease payments over 66 years to the City's General Fund. Under this scenario however, the anticipated land sales proceeds from the sale of the North Gateway to the Recyclers could then be credited back to the General Fund when the Property is sold. As a consequence, the City would be receiving a discounted amount of ground lease rent as opposed to normal ground lease rent paid out over the 66-year lease term.

Completion of the Public Improvements are a pre-condition obligation of the City prior to Developers taking down development parcels and investing in vertical improvements. This would affect takedown of both the North Gateway by the Recyclers and East Gateway by Prologis who is the first Developer to submit a building permit application for a 256,000 square foot trade and logistics facility to be built on one of two East Gateway parcels. Construction on the northern parcel of the East Gateway is anticipated to commence this summer followed by the takedown of the southern parcel of the East Gateway next year. The private investment in the vertical improvements for the East Gateway and North Gateway yield a significant part of the City's overall public/private match obligation under the TCIF grant, due prior to June of 2020.

Securing Interim Bridge Funding also enables completion the Public Improvements which support development of the North Gateway according to the current infrastructure delivery schedule: Completion of East Burma Roadway which provides access and underground utilities to the southeast end of the Property from Maritime Street is scheduled for full completion by the end of July 2016; Rail east of Wake Avenue which defines the northwestern boundary of the Property by August 2016; The relocation of Wake Avenue and underground utilities which will provide access to the northwest end of the Property is also in place are scheduled for final

completion by November 2016; and the removal of existing pavement for the existing Wake Avenue, underground utilities, clearing and rough grading the Property is scheduled for completion by December 2016.

Without interim bridge funding, the City's Public Improvement Project will need to prepare to shut down in preparation of TCIF funding running out in August/September 2016. The fiscal impact of this happening would create a waterfall of additional fiscal impacts beginning with the potential situation whereby an Emergency Loan might have to be secured to close out the Project resulting in the need to secure an even higher level of additional funding that may not be available to the City to complete the Project as a result of having to re-bid the remaining work for the Project at 2016/2017 or later pricing versus the current 2013 pricing under the current Guaranteed Maximum Price Design Build Contract. Additionally, the City could find itself in a default position with the State by not being able to meet its delivery or public private match requirements and have to appeal to the State for a time extension without additional funding to cure and meet its public/private match requirements.

Risks do exist, however, if the Council authorizes the City Administrator to obtain the interim bridge financing. Depending on the transaction(s) and security the City Administrator negotiates and executes to obtain financing, the City could lose title to its North Gateway property if it is unable, for any reason, to pay back a secured loan for the bridge financing on time (e.g., the City and Recyclers are unable to close escrow on the North Gateway for any reason and the lender forecloses on the City's property).

Additionally, if the City Administrator negotiates with an existing/prospective ground lease so that Tenant pays the City the current value of its rent due over the 66-year ground lease term (e.g., the ground tenant will "prepay" its rent), then, depending on the discount negotiated, the City likely will be receiving significantly less income now than if it waited to receive the full rent due over the 66-year ground lease term.

PUBLIC OUTREACH / INTEREST

This item did not require any additional public outreach other than the required posting on the City's website. There is long standing interest by the community in seeing the Recyclers relocated from West Oakland to the Property.

COORDINATION

The requested City Council actions have been coordinated with the City's Treasury Office, Controller's Bureau, City Attorney's Office and City Administrator's Office.

SUSTAINABLE OPPORTUNITIES

Economic: Relocating the Recyclers out of West Oakland and onto the former Oakland Army Base Property would enable approximately 19 acres of land in West Oakland for higher uses, such as retail, research and development flex offices, which could generate a higher level of tax revenue and create career path jobs for Oakland residents. At the same time, CWS, CASS and the Port would benefit from the Recyclers move to the Army Base, where CWS and CASS will be able to expand and increase their operations and increase the number of jobs over existing employment levels.

Environmental: Relocating the Recyclers closer to Port operations is consistent with the West Oakland Specific Plan goals to reduce the impacts of trucks and truck traffic, and to help improve air quality for West Oakland residents. Making their existing sites available for more sustainable development may also help to attract a broad range of less truck dependent retail oriented, commercial office, or research and development uses.

Social Equity: The property vacated by the Recyclers could be redeveloped with more compatible uses in conformance with the West Oakland Specific Plan provides the opportunity to promote a more sustainable community that may in turn create more disposable income and life choices.

CEQA

This Council action is exempt from CEQA pursuant to Section 15262 (feasibility and planning studies). Section 15306 (information collection) and Section 15061(b)(3) (general rule) of the CEQA Guidelines.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends the City Council adopt the following three resolutions:

A Resolution Authorizing the City Administrator to Negotiate and Execute a Fourth Amendment to the Exclusive Negotiating Agreement by and between the CITY OF OAKLAND, CALIFORNIA WASTE SOLUTIONS, INC., and CASS, INC., regarding Proposed Recycling Facilities on the North Gateway Development Area of the Former Oakland Army Base extending the term of the ENA through September 30, 2016, with an option by the City Administrator to extend the ENA by up to an additional ninety days thereafter;


A Resolution Authorizing the City Administrator to Accept and Appropriate an Alameda County Transportation Commission ("ACTC") Measure BB Grant in an Amount Not to Exceed \$46 Million Dollars for Roadway Infrastructure Improvements and Truck Parking at the Former Oakland Army Base; and

An Ordinance Authorizing the City Administrator, Without Returning To Council, To Negotiate And Execute Agreements And Related Documents, To Secure Interim Bridge Funding In An Amount Not To Exceed Fifty-three Million, Two-Hundred Thousand Dollars (\$53,200,000) To

Meet Critical Cash Flow Needs for the Completion of Construction of the City's Public Improvement Obligations at the Former Oakland Army Base ("BASE"), Which Options Could Include, Among Other Alternatives: (1) Obtaining Loan(s) Secured by City-Owned Land at the Base or An Assignment of the City's Right to Receive Rents from Such City-Owned Land; (2) Providing an Option to A Developer to Acquire Development Rights to the North Gateway Area of the Base if The City and Two West Oakland Recyclers Fail to Close Escrow on Such Property; and (3) Negotiating for An Army Base Ground Lease Tenant(s) to Prepay A Discounted Present Value of the Tenant(s)' Long Term Ground Lease Rent to the City

For questions regarding this report, please contact John Monetta, Project Manager I, at (510) 238-7125.

Respectfully submitted,



CLAUDIA CAPPIO
Assistant City Administrator,
Office of the City Administrator

Reviewed by:
Doug Cole, Project Manager III
Office of the City Administrator
Oakland Army Base Project

Prepared by:
John Monetta, Project Manager I
Office of the City Administrator
Oakland Army Base Project

2016 JUN 17 AM 9:30

Approved as to Form and Legality

D. Miller
Office of the City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A FOURTH AMENDMENT TO THE EXCLUSIVE NEGOTIATING AGREEMENT BY AND BETWEEN THE CITY OF OAKLAND, CALIFORNIA WASTE SOLUTIONS, INC., AND CASS, INC., REGARDING PROPOSED RECYCLING FACILITIES ON THE NORTH GATEWAY DEVELOPMENT AREA OF THE FORMER OAKLAND ARMY BASE EXTENDING THE TERM OF THE ENA THROUGH SEPTEMBER 30, 2016, WITH AN OPTION BY THE CITY ADMINISTRATOR TO EXTEND THE ENA BY UP TO AN ADDITIONAL NINETY DAYS THEREAFTER

WHEREAS, on February 12, 2012, the City of Oakland and California Waste Solutions, Inc. (CWS) and CASS, Inc. (CASS) executed an Exclusive Negotiating Agreement (ENA) for the possible development of two recycling facilities on approximately 20 acres of the City-owned North Gateway Area in the former Oakland Army Base ("Property"); and

WHEREAS, on May 7, 2013, Council authorized an extension of the ENA to December 15, 2013, and a first amendment was executed by the parties on June 20, 2013 extending the ENA to December 15, 2013; and

WHEREAS, on April 1, 2014, Council authorized an extension of the ENA to December 15, 2014, and a second amendment was executed by the parties on April 11, 2014 extending the ENA to December 15, 2014; and

WHEREAS, on February 17, 2015, Council authorized an extension of the ENA to December 15, 2015, and a third amendment was executed by the parties on August 17, 2015 extending the ENA to December 15, 2015; and

WHEREAS, the parties to the ENA have acknowledged mutual interest in enter into a fourth ENA extension to September 30, 2016; and

WHEREAS, CWS and CASS intend to build two new recycling facilities on the Property to relocate their existing recycling operations out of West Oakland residential neighborhoods and restrict the use of their former West Oakland properties to preclude recycling and other waste operations ("Project"); and

WHEREAS, the relocation of CWS and CASS out of West Oakland residential neighborhoods would reduce truck traffic and remove a land use conflict from the community; and

WHEREAS, the relocation of CWS and CASS to the Army Base would enable the two firms to remain in Oakland, develop more efficient operations, increase productivity, increase sales, and contribute to the Port of Oakland's business; and

WHEREAS, the City is engaged in active negotiations with CWS and CASS and needs additional time to complete these negotiations; now, therefore be it

RESOLVED, that the City Administrator is authorized to negotiate and execute a fourth amendment to the ENA with CWS and CASS extending the ENA to September 30, 2016, and retaining the ENA's existing option in Section 1.4 thereof for the City Administrator to extend the ENA by up to an additional ninety (90) days thereafter, for the purposes of negotiating the terms and conditions of the possible development of the Project; and be it

FURTHER RESOLVED, that the City has independently reviewed and considered the environmental determination, and the City finds and determines that this action complies with CEQA because this action on the part of the City is exempt from CEQA pursuant to Section 15262 (feasibility and planning studies). Section 15306 (information collection) and Section 15061(b)(3) (general rule) of the CEQA Guidelines; and be it

FURTHER RESOLVED, that the City Administrator or his/her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action; and be it

FURTHER RESOLVED, that the fourth amendment to the ENA shall be reviewed and approved as to form and legality by the City Attorney prior to execution; and be it

FURTHER RESOLVED, that the City Administrator is further authorized to take whatever action is necessary with the respect to the fourth amendment to the ENA consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2016

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL-WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID,
AND PRESIDENT GIBSON McELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

2016 JUN 17 AM 9:30

Approved as to Form and Legality


Office of the City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT AND APPROPRIATE AN ALAMEDA COUNTY TRANSPORTATION COMMISSION ("ACTC") MEASURE BB GRANT IN AN AMOUNT NOT TO EXCEED \$46 MILLION FOR ROADWAY INFRASTRUCTURE IMPROVEMENTS AND TRUCK PARKING AT THE FORMER OAKLAND ARMY BASE

WHEREAS, the City's Oakland Army Base Public Improvement Project ("Project") was included in the 2014 Alameda County Transportation Expenditure Plan (TEP) and the 2015 Regional Transportation Plan (RTP); and

WHEREAS, the passage of Alameda County Measure BB in November 2014 included the 2014 TEP laying out a framework of eligibility for Measure BB funding for programs and projects; and

WHEREAS, in June 2015, the Alameda County Transportation Commission (ACTC) released a Countywide Plan Call for Projects to be funded by Measure BB; and

WHEREAS, on July 31, 2015, the City of Oakland submitted an application to ACTC and all of the government agencies in Alameda County to help complete the transportation infrastructure to support the redevelopment of the former Oakland Army Base into a state-of-the-art multimodal logistics center; and

WHEREAS, Roadway Infrastructure Improvements of the Project are eligible for Measure BB funding under the criteria for Measure BB and ACTC's 2016 Comprehensive Investment Plan (CIP) Update of March 7, 2016; and

WHEREAS, the ACTC Board of Commissioners at its Commission Meeting in March 2016 approved allocations totaling up to \$46 million of additional funding from Measure BB funding to the City of Oakland for Roadway Infrastructure Improvements and Truck Parking at the former Oakland Army Base; now therefore be it

RESOLVED, That the City Administrator is authorized to accept, appropriate and allocate up to \$46 million in ACTC Measure BB grant funds for the construction of eligible roadway infrastructure and truck parking

improvements at the former Oakland Army Base without returning to the City Council; and be it

FURTHER RESOLVED, that the City Administrator is further authorized to take whatever action is necessary with the respect to negotiating and entering into a funding or similar agreement with ACTC and the administration of and execution of any funding and repayment agreements necessary for completing the Project consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2016

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL-WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID,
AND PRESIDENT GIBSON McELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2000 COUNCILMAN DIGEST

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR, WITHOUT RETURNING TO COUNCIL, TO NEGOTIATE AND EXECUTE AGREEMENTS AND RELATED DOCUMENTS, TO SECURE INTERIM BRIDGE FUNDING TO MEET CRITICAL CASH FLOW NEEDS FOR THE COMPLETION OF CONSTRUCTION OF THE CITY'S PUBLIC IMPROVEMENT OBLIGATIONS AT THE FORMER OAKLAND ARMY BASE ("BASE"), WHICH OPTIONS COULD INCLUDE, AMONG OTHER ALTERNATIVES: (1) OBTAINING LOAN(S) SECURED BY CITY-OWNED LAND AT THE BASE OR AN ASSIGNMENT OF THE CITY'S RIGHT TO RECEIVE RENTS FROM SUCH CITY-OWNED LAND; (2) PROVIDING AN OPTION TO A DEVELOPER TO ACQUIRE DEVELOPMENT RIGHTS TO THE NORTH GATEWAY AREA OF THE BASE IF THE CITY AND TWO WEST OAKLAND RECYCLERS FAIL TO CLOSE ESCROW ON SUCH PROPERTY; AND (3) NEGOTIATING FOR AN ARMY BASE GROUND LEASE TENANT(S) TO PREPAY A DISCOUNTED PRESENT VALUE OF THE TENANT(S)' LONG TERM GROUND LEASE RENT TO THE CITY

This ordinance authorizes the City Administrator or his/her designee to Negotiate And Execute Agreements And Related Documents, To Secure Interim Bridge Funding To Meet Critical Cash Flow Needs for the Completion of Construction of the City's Public Improvement Obligations at the Former Oakland Army Base ("BASE"), Which Options Could Include, Among Other Alternatives: (1) Obtaining Loan(s) Secured by City-Owned Land at the Base or An Assignment of the City's Right to Receive Rents from Such City-Owned Land; (2) Providing an Option to A Developer to Acquire Development Rights to the North Gateway Area of the Base if The City and Two West Oakland Recyclers Fail to Close Escrow on Such Property; and (3) Negotiating for An Army Base Ground Lease Tenant(s) to Prepay A Discounted Present Value of the Tenant(s)' Long Term Ground Lease Rent to the City

2016 JUN 17 AM 9:31

Approved as to Form and Legality

[Signature]

Office of the City Attorney

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR, WITHOUT RETURNING TO COUNCIL, TO NEGOTIATE AND EXECUTE AGREEMENTS AND RELATED DOCUMENTS, TO SECURE INTERIM BRIDGE FUNDING IN AN AMOUNT NOT TO EXCEED FIFTY-THREE MILLION, TWO-HUNDRED THOUSAND DOLLARS (\$53,200,000) TO MEET CRITICAL CASH FLOW NEEDS FOR THE COMPLETION OF CONSTRUCTION OF THE CITY'S PUBLIC IMPROVEMENT OBLIGATIONS AT THE FORMER OAKLAND ARMY BASE ("BASE"), WHICH OPTIONS COULD INCLUDE, AMONG OTHER ALTERNATIVES: (1) OBTAINING LOAN(S) SECURED BY CITY-OWNED LAND AT THE BASE OR AN ASSIGNMENT OF THE CITY'S RIGHT TO RECEIVE RENTS FROM SUCH CITY-OWNED LAND; (2) PROVIDING AN OPTION TO A DEVELOPER TO ACQUIRE DEVELOPMENT RIGHTS TO THE NORTH GATEWAY AREA OF THE BASE IF THE CITY AND TWO WEST OAKLAND RECYCLERS FAIL TO CLOSE ESCROW ON SUCH PROPERTY; AND (3) NEGOTIATING FOR AN ARMY BASE GROUND LEASE TENANT(S) TO PREPAY A DISCOUNTED PRESENT VALUE OF THE TENANT(S)' LONG TERM GROUND LEASE RENT TO THE CITY

WHEREAS, the City secured an approximately \$176.3 million grant from the State of California Trade Corridor Improvement Fund (the "TCIF grant") to build on the former Oakland Army Base ("Base") public infrastructure to support the City's redevelopment of the Base (the "Public Improvements Project"); and

WHEREAS, the TCIF grant requires the City to provide matching funds, through public or private investment, for the Project by June 2020; and

WHEREAS, the City anticipated meeting its TCIF grant match requirement by committing to the Project: (1) specified amounts of City funding, including \$18 million in proceeds the City expected to receive from selling property rights at the Base to Caltrans and private developers (the "Land Sale Proceeds"); (2) investment by other private developers who intended to ground lease parcels at the Base from the City; and (3) other grants or funding the City intended to pursue and allocate towards construction of the Public Improvements Project; and

WHEREAS, on June 19, 2012, pursuant to City Council Resolution No. 83932 C.M.S., the City committed an additional \$22.5 million towards the City's TCIF grant public match; and

WHEREAS, the City's \$22.5 million funding commitment was sourced from a combination of \$4.5 million in Fund Balances from OBRA Leasing and Utility Fund (5671) and Oakland Army Base Reuse Authority Fund (5670), in addition to \$18 million in scheduled Land Sales Proceeds; and

WHEREAS, the City has only realized the receipt of approximately \$5.8 million of the total \$18 million commitment from scheduled Land Sales Proceeds, of which approximately \$12.2 million remains outstanding until the City is able to complete sales of parcels in the North Gateway area of the Base ("Property"); and

WHEREAS, the Alameda County Transportation Commission ("ACTC") Board of Commissioners at its Commission Meeting in March 2016 approved allocations totaling up to \$46 million of additional funding from Alameda County Measure BB funding to the City (consisting of \$41 million for roadway infrastructure and \$5 million for truck parking improvements) at the former Oakland Army Base (the "ACTC Grant"); and

WHEREAS, the total sources of construction funding for completion of the Public Improvements Project totals approximately \$240.3 million, consisting of the \$176.3 million TCIF grant, the \$46 million ACTC Grant, and \$18 million from Land Sales Proceeds; and

WHEREAS, the City will have expended all of the TCIF grant funds on the Public Improvements Project by the August/September 2016 timeframe; and

WHEREAS, the ACTC Grant funds will not be available for disbursement to the Public Improvements Project until later this year and in subsequent fiscal years; and

WHEREAS, the City has not yet realized \$12.5 million of the City's \$18 million of Land Sales Proceeds allocated to the Public Improvements Project; and

WHEREAS, the City wishes to keep the Public Improvements Project moving after the TCIF grant funds run out, and avoid a situation where the Project is delayed or stopped and needs to be re-bid, which likely will result in increased costs to the City; and

WHEREAS, up to \$53.2 million in the form of interim bridge financing consisting of \$12.2 million to be repaid from Land Sales Proceeds, and up to \$41 million to be refunded from ACTC Measure BB grant funding disbursements (collectively "Bridge Funding") will be required to keep the Public Improvements Project moving when TCIF grant funding runs out; and

WHEREAS, the City has identified options to obtain the Bridge Funding to meet critical cash flow needs for the completion of construction of the Public Improvements Project at the Base, which options could include, among other alternatives: (1) obtaining loan(s) secured by City-owned land at the Base or an assignment of the City's right to receive rents from such City-owned land; (2) providing an option to a developer to acquire development rights to the North Gateway area of the Base if the City and two West Oakland recyclers fail to close escrow on such property; and (3) negotiating for an Army Base ground lease tenant(s) to prepay a discounted present value of the tenant(s)' long term ground lease rent to the city (herein "Potential Bridge Funding Sources"); now, therefore

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS
FOLLOWS:**

Section 1. That the City Council, based upon its own independent review, consideration, and exercise of its independent judgement, hereby finds and determines, on the basis of substantial evidence in the entire record before the City, that none of the circumstances necessitating preparation of additional CEQA are present and the City can rely on the Previous CEQA Documents and the 2012 OARB Initial Study/Addendum.

Section 2. That the City Administrator, or his/her designee, is hereby authorized to negotiate and execute, without returning to City Council, any agreements and related documents as necessary or appropriate to obtain the Bridge Funding from any or all of the Potential Bridge Funding Sources (including, without limitation, any deeds of trust or assignment of rents on or from City-owned land at the Base to secure any City repayment obligations) in an amount not to exceed Fifty-three million, Two-Hundred Thousand Dollars (\$53,200,000) in order to compete funding of the Public Improvements Project in accordance with this Ordinance, or to otherwise effectuate the purpose and intent of this Ordinance and its basic purpose.

Section 3. That the City Administrator is authorized to appropriate and allocate Land Sales Proceeds it receives from the sale of the Property toward repayment of any obligation executed to obtain the Bridge Funding.

Section 4. That the City Council finds and determines that this action complies with CEQA and the Environmental Review Officer is directed to cause to be filed a Notice of Determination with the appropriate agencies.

Section 5. That all documents related to this transaction shall be reviewed and approved by the City Attorney's Office prior to execution.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2016

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL-WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID,
AND PRESIDENT GIBSON McELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California