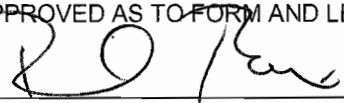


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2012 APR 17 AM 10:44

APPROVED AS TO FORM AND LEGALITY


DEPUTY CITY ATTORNEY

ORDINANCE NO. 13114 G.M.S.

AN ORDINANCE AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH SUNFIELD DEVELOPMENT, LLC, FOR THE SALE OF PROPERTY AT FOOTHILL BOULEVARD AND SEMINARY AVENUE FOR \$6,000 FOR DEVELOPMENT AS A RETAIL SHOPPING CENTER, AND ALLOCATING \$150,000 FOR REMEDIATION OF THE SITE

WHEREAS, the City owns eleven contiguous vacant parcels of land located at the southwest corner of Foothill Boulevard and Seminary Avenue (the "Property"), consisting of 1.69 acres, as more particularly described in the staff report accompanying this Ordinance; and

WHEREAS, the City purchased the Property from the Redevelopment Agency of the City of Oakland in 2012 for development purposes; and

WHEREAS, on September 4, 2009, a Notice of Development Opportunities ("NODO") was issued to solicit development proposals for the Property; and

WHEREAS, of the three proposals received in response to the NODO, the City's review panel awarded the highest number of points to the proposal submitted by Sunfield Development, LLC ("Sunfield"); and

WHEREAS, Sunfield has proposed to develop approximately 26,950 square feet of new neighborhood-serving retail uses with 73 off-street parking stalls; and

WHEREAS, a reuse value analysis undertaken by Keyser Marston Associates, Inc., concludes that, based on a financial feasibility analysis of the proposed project, the fair reuse value of the Property is nominal; and

WHEREAS, staff is recommending that \$150,000 be allocated as an allowance to Sunfield to pay for remediation costs; and

WHEREAS, a Disposition and Development Agreement ("DDA") will set forth the terms and conditions under which the City will sell the Property to Sunfield and by which Sunfield will construct improvements on the Property; and

WHEREAS, the City Council has adopted Ordinance No. 10142 C.M.S., which establishes procedures for the sale and lease of City-owned property which is not surplus; and

WHEREAS, the sale of the Property to Sunfield for development and operation as a neighborhood-serving commercial retail center will further the health, safety, and general welfare of the residents of the City of Oakland by improving access to local goods and services and bringing a pharmacy and wellness services to the East Oakland community; and

WHEREAS, the development of the Property will eliminate physical blight, bring a vacant property to productive economic use, and act as a catalyst for the Foothill Seminary commercial district, and will generate financial benefits for the City from property taxes, business license, sales taxes, and utility taxes; and

WHEREAS, given the financial feasibility of the proposed project and the need to make the project work, the sale of the Property to Sunfield at a nominal cost of \$6,000 is necessary; now, therefore

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

SECTION 1. The City Council hereby authorizes the conveyance of the Property to Sunfield Development, LLC, or an affiliated entity approved by the City Administrator, for the price of \$6,000, in return for an agreement by the developer to develop and operate the Project as a neighborhood-serving commercial retail center.

SECTION 2. The City Council further allocates \$150,000 available from the Funding Agreement advance from the Central City East project area within the Central City East Capital Fund (5640) as an allowance to the developer for environmental remediation of the Property.

SECTION 3. The City Council hereby authorizes the City Administrator or her designee to negotiate and execute a Disposition and Development Agreement with Sunfield Development, LLC, or an affiliated entity approved by the City Administrator, for the sale and development of the Property consistent with the terms of this Ordinance, as well as negotiate and execute grant deeds and any other agreements or documents as necessary to convey the Property to Sunfield upon the satisfaction of any preconveyance conditions imposed by the City Administrator or her designee.

SECTION 4. Pursuant to Sections 1 and 8(c) of Ordinance No. 10142 C.M.S., the City Council hereby finds and determines that it is in the best interest of the City to sell the Property by negotiated sale to Sunfield at its fair reuse value given the need to redevelop the Property for the benefit of the community.

SECTION 5. All agreements associated with the Property and the project shall be reviewed and approved as to form and legality by the Office of the City Attorney prior to execution by the City, and shall be placed on file with the City Clerk.

SECTION 6. The City Council finds and determines that the sale of the Property and the project are exempt from the California Environmental Quality Act (“CEQA”) pursuant to Section 15332 of the CEQA regulations (in-fill exemption).

SECTION 7. The City Administrator or her designee is hereby authorized to file a notice of determination with the Office of the Alameda County Recorder and the State Office of Planning and Research, and to take any other action necessary in furtherance of the Project consistent with this Ordinance and its basic purposes.

SECTION 8. The record before this Council relating to this Ordinance includes, without limitation, the following:

- A. All staff reports, decision letters and other documentation and information produced by or on behalf of the City, including without limitation the Planning Commission Report, and all notices relating to this Ordinance and the DDA;
- B. All oral and written evidence received by City staff and the City Council before and during the consideration of this Ordinance, including without limitation the Planning Commission consideration of general plan conformity;
- 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, including, 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 9. The custodians and locations of the documents or other materials which constitute the record of proceedings upon which the City Council’s decision is based are respectively: (a) the Office of Neighborhood Investment, 250 Frank H. Ogawa Plaza, 5th floor, Oakland CA; (b) Planning and Neighborhood Preservation Department, Planning Division, 250 Frank H. Ogawa Plaza, 3rd floor, Oakland CA; and (c) the Office of the City Clerk, 1 Frank H. Ogawa Plaza, 1st floor, Oakland, CA.

SECTION 10. The City Clerk is authorized and directed to retain a copy of the Final Report in the record of proceedings for this Project, which shall be maintained by the City Clerk.

SECTION 11. The recitals contained in this Ordinance are true and correct and are an integral part of the Council’s decision.

SECTION 12. 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, MAY 15 2012, 2012

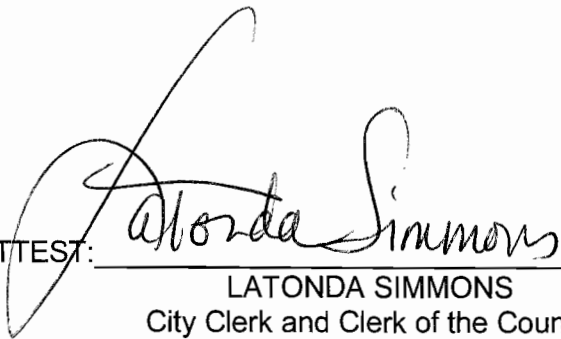
PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, ~~DE LA FUENTE~~, KAPLAN, KERNIGHAN, NADEL, SCHAAF,
AND PRESIDENT REID - 7

NOES- De La Fuente - 1

ABSENT- 0

ABSTENTION- 0

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

Introduction Date APR 30 2012

AN ORDINANCE AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH SUNFIELD DEVELOPMENT, LLC, FOR THE SALE OF PROPERTY AT Foothill Boulevard AND SEMINARY AVENUE FOR \$6,000 FOR DEVELOPMENT AS A RETAIL SHOPPING CENTER, AND ALLOCATING AND APPROPRIATING \$150,000 FOR REMEDIATION OF THE SITE

NOTICE AND DIGEST

This Ordinance authorizes the sale of City-owned real property located at Foothill Boulevard and Seminary Avenue to Sunfield Development, LLC, for \$6,000 for development of a neighborhood commercial retail center on the site. This Ordinance also authorizes the City Administrator to negotiate and enter into a Disposition and Development Agreement with Sunfield Development LLC for this transaction, and makes associated findings with respect to the California Environmental Quality Act (CEQA) and other matters.