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Approved as to Form and Legality:

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. 86030 C.M.S.

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**A Resolution Authorizing The City Administrator or Designee to Negotiate and Execute An Exclusive Negotiating Agreement With OliverMcMillan-SUDA Uptown Oakland, LLC, or a Related Entity, For Development of a Mixed-Use Project on City-Owned Property located at 1911 Telegraph Avenue; and Authorizing an Exclusive Negotiating Period of One Year and One Optional Six-Month Administrative Extension Relying on an Exemption from California Environmental Quality Act ("CEQA") Review Pursuant to Section 15262, Section 15306 and Section 15061(b)(3) of the CEQA Guidelines**

**WHEREAS**, the City of Oakland (the "City") owns approximately 1.06 acres of vacant property located at 1911 Telegraph Avenue (the "Property"); and

**WHEREAS**, in October 2014, the City issued a Request for Proposals (the "RFP") for development of the Property, including a residential, retail and hotel component; and

**WHEREAS**, the City received eight (8) proposals and a selection committee reviewed the proposals and conducted interviews with six (6) teams for the purpose of selecting a development team to recommend to the City Council to enter into an Exclusive Negotiating Agreement ("ENA") with the City for development of the Property; and

**WHEREAS**, a team comprised of Oliver McMillan, Commune Hotels + Resorts, and Strategic Urban Development Alliance ("SUDA") submitted a proposal to develop a mixed-use project on the Property consisting of a 27-story residential tower with 330 units (with 15 percent of the units to be affordable to low and moderate income households), a seven-floor boutique hotel with 168 rooms, 56,450 square feet of retail and 283 parking spaces on the Property (the "Project"); and

**WHEREAS**, Oliver McMillan and SUDA have formed OliverMcMillan-SUDA Uptown Oakland, LLC (OM-SUDA), a Delaware limited liability company established by Oliver McMillan and SUDA for the purpose of developing the Property, and to which Commune Hotels + Resorts (collectively with OM-SUDA, the "Developer") will be admitted at a later time; and

**WHEREAS**, OM-SUDA anticipate that Commune Hotels + Resorts, a hotel developer partner, will be admitted to OM-SUDA or a related entity, during the ENA term; and

**WHEREAS**, OM-SUDA proposes to acquire, by sale or long term lease, the Property from the City for development of the Project; and

**WHEREAS**, the City Council selected the Developer as the prospective developer for the Property and OM-SUDA desires to dedicate time for the preliminary study and exclusive negotiations of the proposed Project, with the understanding that such study and negotiations do not constitute a binding commitment on the part of the City to OM-SUDA or the proposed Project for the Property; now, therefore, be it.

**RESOLVED:** That the City Administrator (the "City Administrator") or her designee is authorized to negotiate and enter into an Exclusive Negotiating Agreement ("ENA") with OM-SUDA, or a related or affiliated entity, for the purposes of studying and evaluating the feasibility of the development of the proposed Project, for retail, residential, hotel and other uses, and conducting California Environmental Quality Act ("CEQA") review; and be it

**FURTHER RESOLVED:** That the exclusive negotiating period shall be for twelve (12) months from the date of the approval by Council of the execution of the ENA, with the option by the City Administrator or designee in her sole discretion to extend said period by an additional six (6) months; and be it

**FURTHER RESOLVED:** That the City shall require a \$25,000 nonrefundable Project Expense Payment from OM-SUDA to reimburse the City for third party expenses; and be it

**FURTHER RESOLVED:** That the \$25,000 nonrefundable Project Expense Payment from OM-SUDA will be appropriated to Miscellaneous Capital Project Fund (5999), Central District Redevelopment (85245), in a new Project to be established; and be it

**FURTHER RESOLVED:** That the ENA shall be reviewed and approved as to form and legality by the City Attorney's Office prior to execution; and be it

**FURTHER RESOLVED:** That the City finds and determines, after independent review and consideration, that the authorization to enter into the ENA with OM-SUDA 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 her designee shall cause a Notice of Exemption from CEQA requirements to be filed with the County of Alameda; and be it

**FURTHER RESOLVED:** That the City Administrator or her designee is further authorized to negotiate and enter into other agreements and take whatever action is necessary with respect to the ENA and the Project, consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, MAR 01 2016 2016

**PASSED BY THE FOLLOWING VOTE:**

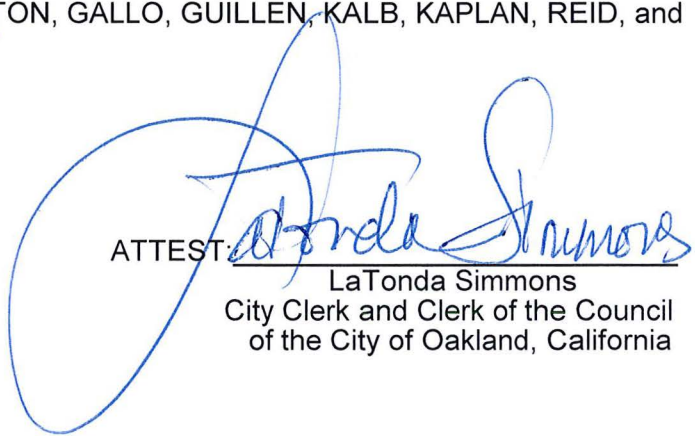
AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON McELHANEY — 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



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