

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2016 MAY 12 PM 7:36

APPROVED AS TO FORM AND LEGALITY:

BY: 
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL
ORDINANCE NO. 18375 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 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, the Redevelopment Agency dissolved on February 1, 2012; and

WHEREAS, the Oakland Redevelopment Successor Agency ("ORSA") was established as the successor agency to the Agency pursuant to Health and Safety Code Sections 34171(j) and 34173, and all of the Agency's authority, rights, powers, duties and obligations were transferred by operation of law to ORSA, including the Agency's rights and interests in the UCOP Garage, the PSA, and the OPA; and

WHEREAS, on October 15, 2014, pursuant to the Long Range Property Management Plan and Health and Safety Code Section 34191.5, 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 be 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 tenants and debt financing for the Project; and

WHEREAS, SKS has requested to extend the current purchase closing deadline set forth in the PSA to be consistent with the OPA deadlines, which are being extended; 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, desires to extend the purchase deadline set forth in the PSA; now, therefore,

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

SECTION 1. The City Council hereby authorizes an amendment to the PSA to (1) extend the date for closing the sale of the UCOP Garage by two years, from June 25, 2015, to June 25, 2017, conditioned on SKS making a deposit of \$200,000 into an escrow account, and (2) grant an option to SKS to extend the new closing date by an additional 24 months to June 25, 2019, by making an additional deposit of \$100,000 into escrow by June 25, 2017. The amendment of the PSA is contingent on a corresponding extension of the development deadlines in the OPA.

SECTION 2. \$100,000 made pursuant to the terms of the amended PSA, currently held in escrow, \$200,000 due upon execution of this amendment and \$100,000 due if SKS elects to exercise a second extension option, may be released to the City immediately upon payment and deposited to the Central District Projects Fund (5610), Downtown Organization (85425) for allocation and appropriation to future parking development within the Central District. The value of all deposits shall be credited toward the purchase price of the UCOP Garage unless SKS is found to be in default of the Agreement.

SECTION 3. The City Administrator or her designee is authorized to negotiate and execute a PSA amendment and take whatever action is necessary with respect to the UCOP Garage and the amendment to the PSA consistent with this Ordinance and its basic purposes.

SECTION 4. 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 5. 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, JUL 05 2016, 2016

PASSED BY THE FOLLOWING VOTE:

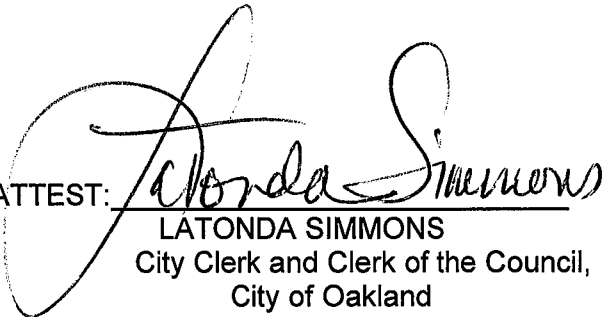
AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, ~~KAPLAN~~,
REID AND PRESIDENT GIBSON McELHANEY - 7

NOES-

ABSENT- Kaplan - 1

ABSTENTION-

Introduction Date
JUN 07 2016

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

Date of Attestation July 11, 2016

**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

This Ordinance authorizes an amendment to a Purchase and Sale Agreement with SKS Broadway, LLC, for the sale of the UCOP Garage at 409 12th Street to extend purchase deadlines.
