

CITY OF OAKLAND
SUPPLEMENTAL AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2008 MAY -1 PM 2:44

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: May 13, 2008

RE: Supplemental Report Regarding Negotiations With Brian Collins and Hemmat and Dokhanchy Associates For Proposed Development of Their Property Located Between West Grand Avenue and 20th Street On The West Side of Mandela Parkway For A Resolution and Ordinance As They Relate to the Equivalent Exchange of Land Located Near The Intersection Of West Grand Avenue And 20th Street Between The City of Oakland And Brian Collins And Hemmat and Dokhanchy Associates Without Compensation

SUMMARY

Per the Public Works Committee request at the April 8th meeting, Real Estate staff is providing a written report as to discussion and negotiations regarding future development of the triangular shaped parcel owned by Brian Collins, Hemmat and Dokhanchy Associates located at the Intersection of West Grand Avenue and Mandela Parkway in West Oakland.

BACKGROUND

On April 10, 2008 Real Estate Staff meet with the property owners to present the concerns and issues raised at the Public Works Committee of April 8, 2008 as well as to discuss the future development of the property.

Prior to November of last year, the Collins/Hemmat property was occupied by lease with a trucking company for truck parking. The trucking company was evicted by the owners in November, 2007, after complaints were made and code violation notices were received by the property owners. Since the eviction of the trucking company, the property has been cleaned, and the chain link fence surrounding the property has been repaired to reduce future illegal dumping on the property.

The owners stated during our meeting of April 10th, that the property is currently unoccupied. Staff presented that the use of the property for truck parking was not desirable to the West Oakland community and did not represent the highest and best use for the property.

Staff raised the issue of future development for the location with the owners. The owner's response was that without resolution of the main issue of total land area, it was difficult to proceed with specific development plans or proposals for the location. The property was available for sale, as one

Item: _____
Public Works Committee
May 13, 2008

owner is a licensed real estate broker, but the issue of unresolved land area has been an impediment to a sale. The property is not currently listed for sale.

The owners are knowledgeable real estate developers, and have successfully purchased and remodeled several properties within the City of Oakland. Successful development projects by the owners include the Cal Arts Building at 1972 San Pablo Avenue and the major award winning renovation of 1715 -1721 Broadway in downtown Oakland.

The property owners stated it is their intention to consult with the West Oakland community regarding any proposed development, but had not done so because of the unresolved land area issue. The property is currently zoned M-30, and the General Plan is Business Mix. The highest and best use for development of the property would be determined based on the zoning, general plan designation, the land area available with consideration for the limitations imposed by the triangular shape of the property, the demand in the neighborhood and a valid market study.

KEY ISSUES AND IMPACTS

The property owners have evicted the trucking firm that occupied the site, and stated that they have no intentions of leasing the property to any tenant that will negatively impact the site or community. The owners have made continued efforts to keep the site clean and reduce illegal dumping by repairing the fence surrounding the property.

The property owners are successful developers in the City of Oakland and have several developments where they have acquired blighted buildings, remodeled and renovated and returned the property to the market place.

The unresolved issue of the total land area of the property in question has been a limiting factor in any proposed development of the site and will remain so until resolved. The owners are willing to present any future development plans before concerned community groups and stakeholders for discussion once the property area is finalized. The owners are knowledgeable real estate investors and will take the necessary steps for successful future development of the property in Oakland.

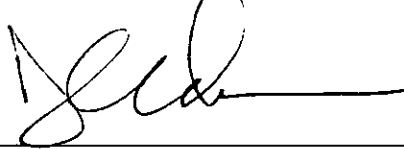
RECOMMENDATION

Staff recommends that the Committee accept the recommendation of the Agenda Report and forward it to City Council for adoption of the proposed resolution for vacation of right-of-way and an ordinance approving an acquisition of right-of-way.

ACTIONS REQUESTED OF THE COUNCIL

It is requested that the Council approves the resolution relinquishing City ownership of an unimproved portion of Peralta Street and ordinance to accept ownership of an improved portion of Mandela Parkway through an equivalent exchange of land without compensation, as presented in the main staff report.

Respectfully submitted,



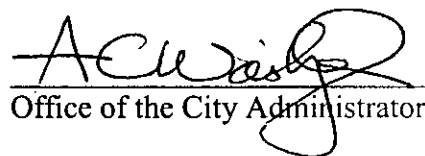
Dan Lindheim
Director
Community and Economic Development Agency

Reviewed by:
Gregory Hunter
Deputy Director
Economic Development and Redevelopment

Reviewed by:
Frank Fanelli
Manager of Real Estate Services Division
Community and Economic Development Agency

Prepared by:
William Wilkins
Supervising Real Estate Agent
Community and Economic Development Agency

APPROVED FOR FORWARDING TO
THE PUBLIC WORKS COMMITTEE:



Office of the City Administrator

Item: _____
Public Works Committee
May 13, 2008