

FILED
OFFICE OF THE CITY CLERK
OAKLAND

REDEVELOPMENT AGENCY AND THE CITY OF OAKLAND

2009 APR 30 PM 6:43

AGENDA REPORT

TO: Office of the City/Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: May 12, 2009

RE: **A City Ordinance Authorizing The Sale Of (1) 2100 Telegraph Avenue In The Central District Redevelopment Project Area For \$7,000,000, (2) The Oakland Coliseum Intercity Rail Parking Lot At 73rd Avenue In The Coliseum Redevelopment Project Area For \$500,000, And (3) Vacant Land Located At The Southeast Corner Of 73rd Avenue And International Boulevard In The Coliseum Redevelopment Project Area For \$290,000, To The Redevelopment Agency; And**

An Agency Resolution Authorizing the Purchase Of (1) 2100 Telegraph Avenue In The Central District Redevelopment Project Area For \$7,000,000, (2) The Oakland Coliseum Intercity Rail Parking Lot At 73rd Avenue In The Coliseum Redevelopment Project Area For \$500,000, And (3) Vacant Land Located At The Southeast Corner Of 73rd Avenue And International Boulevard In The Coliseum Redevelopment Project Area For \$290,000, From The City Of Oakland

SUMMARY

The City of Oakland Redevelopment Agency ("Agency") is proposing to purchase 2100 Telegraph Avenue (APN 008-0648-016-03) for \$7,000,000, the Oakland Coliseum Intercity Rail Parking Lot located at 73rd Avenue (APNs 041-3901-007-03 and 041-3901-007-05) for \$500,000, and vacant land located at the southeast corner of 73rd Avenue and International Boulevard (APNs 040-3317-048-13 and 040-3317-032) for \$290,000 for a total price of \$7,790,000 in cash. This action is taken to provide the City of Oakland ("City") with almost \$8 million in funds anticipated in the Fiscal Year ("FY") 2008-2009 mid-cycle adopted budget, while providing key properties to the Redevelopment Agency of the City of Oakland for future development.

FISCAL IMPACTS

The Agency anticipates receiving proceeds from its Central District TA Bond Series 2009T (taxable) to pay for the acquisition of Telegraph Plaza prior to June 30th 2009. Funds will be located in Central District TAB Series 2009T (Fund TBD), Capital Improvement Project – Economic Development Organization (94800), Central District Site Acquisition (Project T314430). Funds are available for the purchase of the Intercity Rail Platform Parking lot and

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the 73rd Avenue and International Blvd. lot in the Coliseum Area Redevelopment Project TAB Series 2006T in Fund 9456, Capital Improvement Project – Economic Development Organization (94800), Land Acquisition Project (Project T315820). Proceeds from the property sale will be deposited as follows: \$4.84 million to Fund 2310 (LLAD)-Org 90591(Citywide Activities, in Non-Departmental), Non-project; \$2.95 million to Fund 5500 (Municipal Capital Improvement)-Org 90591 (Citywide Activities in Non-Departmental), Non-project.

BACKGROUND

Telegraph Parking Plaza

The City of Oakland owns an approximately 74,000 square-foot parcel at 2100 Telegraph Avenue that is occupied by Telegraph Plaza, a 351-space public parking garage. In July of 2008, the Agency entered into an Exclusive Negotiation Agreement (ENA) with the Hahn family and Avant Housing to determine the feasibility of developing a mixed-use project. However, the protracted downturn in the regional commercial real estate markets and the national credit crisis made it infeasible to start a mixed-use project at the Property and the ENA expired.

The Agency would like to acquire the garage from the City with the intent to redevelop the Property in the future. At this time, the Agency has not identified a developer or a specific project for the Property. However, once local and regional market conditions improve, the Agency will seek development proposals for the site.

Coliseum Intercity Rail Platform Parking Lot

The City of Oakland owns the parking lot at the western end of 73rd Ave. at the Union Pacific Railroad tracks. The lot totals approximately 35,010 s.f. and provides 35 parking spaces for the AMTRAK and Capitol Corridor Rail service which is operated by the BART/Capitol Corridor Joint Power Authority (BCCJPA) The purchase of the lot will allow the Agency to control a sizable parcel that may be improved for parking, or otherwise redeveloped, as the Agency will determine in the future.

International Boulevard Bus Plaza Property

The City lot, located at the southeast corner of 73rd Ave. and International Blvd., was purchased by the City to remove the blight of the site's billboards. By acquiring this site, the Agency will be able to utilize it in support of the International Blvd. Streetscape project or for another purpose identified by the Agency.

KEY ISSUES AND IMPACTS

In order to render the Properties available for redevelopment, ownership of the Properties will need to be conveyed from the City to the Agency. The Agency is the entity responsible for promoting redevelopment in the Central District and Coliseum District project areas and for entering into Disposition and Development Agreements (DDA) with developers.

SUSTAINABLE OPPORTUNITIES

Economic: The Agency plans to use these sites for future projects to stimulate growth in the respective redevelopment areas. The project contractor is typically required to have 50% of the work hours performed by Oakland residents, and 50% of all new hires are to be Oakland residents. The projects will improve neighborhood conditions and make the neighborhood area more attractive to current and prospective residents, tenants and businesses that can provide employment within Oakland. Any project is typically subject to City and Agency program goals for Local and Small Local Business Enterprises and other standard programs.

Environmental: The acquisition of the Telegraph Parking Plaza site area is expected to contribute to smart growth by stimulating neighborhood infill development. The contractors for future infill projects will be required to make every effort to reuse clean fill materials and use recyclable concrete and asphalt products. The acquisition of the Oakland Coliseum Intercity Rail Platform will assist with the City's commitment to be more corridor-oriented, making it easier to move around on public transportation. The acquisition of the 73rd Avenue and International Boulevard site will clean up the blight in the area.

Social Equity: These neighborhoods where the Properties are located have suffered from illegal dumping, blight and an absence of new construction for an extended period of time. The proposed acquisitions will provide a positive stimulus to neighborhoods which are improving and where new construction is both welcomed and important to continued neighborhood growth and stability.

DISABILITY AND SENIOR CITIZEN ACCESS

Seniors and people with disabilities will benefit from the improved design, access and housing that the future projects will provide.

RECOMMENDATIONS AND RATIONALE

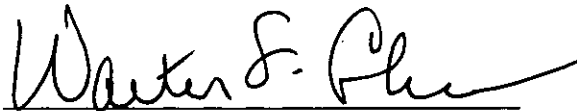
This action will allow the City to meet its goal to balance the Fiscal Year 2008-2009 budget. It is therefore recommended that the City approve the immediate sale and Agency approve the immediate purchase of the three sites.

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ACTION REQUESTED OF THE CITY COUNCIL

Council is requested to adopt the City ordinance authorizing the sale and the Agency is requested to adopt the Agency resolution authorizing the purchase of three sites from the City for a price not to exceed \$7,790,000.

Respectfully submitted,



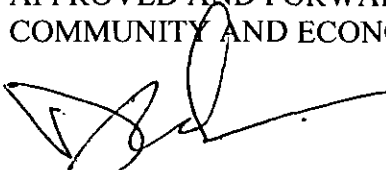
Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by: Gregory Hunter, Deputy Director
Economic Development and Redevelopment

Reviewed by: Frank Fanelli, Manager
Real Estate Division

Prepared by: Ava M. Jourdain, Real Estate Agent
Real Estate Division

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the City/Agency Administrator

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INTRODUCED BY COUNCILMEMBER _____

APPROVED AS TO FORM AND LEGALITY

Al Lewis

City Attorney

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

A City Ordinance Authorizing The Sale Of (1) 2100 Telegraph Avenue In The Central District Redevelopment Project Area For \$7,000,000, (2) The Oakland Coliseum Intercity Rail Parking Lot At 73rd Avenue In The Coliseum Redevelopment Project Area For \$500,000, And (3) Vacant Land Located At The Southeast Corner Of 73rd Avenue And International Boulevard In The Coliseum Redevelopment Project Area For \$290,000, To The Redevelopment Agency

WHEREAS, the City of Oakland (the "City") owns approximately 1.66 acres of real property located at 2100 Telegraph Avenue in the Central Redevelopment Project Area, known as the Telegraph Parking Plaza Garage and more fully described in Exhibit A ("Property 1"); and

WHEREAS, the City owns approximately 35,000 square feet ("s.f.") of real property located at the terminus of 73rd Avenue west of San Leandro Street in the Coliseum Redevelopment Project Area, known as the Intercity Rail Platform Parking Lot, and more fully described in Exhibit B ("Property 2"); and

WHEREAS, the City owns approximately 7,000 s.f. of real property located at the southeast corner of 73rd Avenue and International Boulevard in the Coliseum Redevelopment Project Area, more fully described in Exhibit C ("Property 3"); and

WHEREAS, the City Council has adopted Ordinance No. 11602 C.M.S., which establishes procedures for sale of City owned surplus real property; and

WHEREAS, California Health and Safety Code Section 33220 authorizes any public body, with or without consideration, to sell property to a redevelopment agency to promote redevelopment projects; and

WHEREAS, the Redevelopment Agency of the City of Oakland (the "Agency") desires to purchase Properties 1, 2, and 3 (collectively the "Properties") from the City for redevelopment purposes; and

WHEREAS, appraisals of the Properties have established the fair market value of Property 1 at \$7,000,000, Property 2 at \$500,000, and Property 3 at \$290,000; and

WHEREAS, the City is the Lead Agency for this project for purpose of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

WHEREAS, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; now, therefore,

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

Section 1. In accord with Section 6 of Ordinance No. 11602 C.M.S., it is determined to be in the best interest of the City to sell the Properties by negotiated sale to the Agency, since the Properties need redevelopment, are located in redevelopment project areas and the Agency is responsible for promoting redevelopment in Oakland's redevelopment project areas.

Section 2. The City Council hereby authorizes the conveyance of the following properties to the Agency: Property 1 for \$7,000,000 in cash, Property 2 for \$500,000 in cash and Property 3 for \$290,000 in cash, and the acceptance of payments for the Properties from the Agency.

Section 3. The City Administrator, or his designee, is authorized to execute Quitclaim Deeds conveying the Properties, and to negotiate and execute any and all other documents necessary to effectuate the sale of the Properties.

Section 4. Proceeds from the sale of the Properties will be deposited as follows: \$4.84 million to Fund 2310 (LLAD)-Org 90591(Citywide Activities, in Non-Departmental), Non-project; \$2.95 million to Fund 5500 (Municipal Capital Improvement)-Org 90591 (Citywide Activities in Non-Departmental), Non-project.

Section 5. The City Council has independently reviewed and considered this environmental determination, and the City Council finds and determines, based on the information in the staff report accompanying this Ordinance, that this action complies with CEQA because this action on the part of the City is exempt from CEQA pursuant to Section 15061(b)(3) (no possibility of significant environmental impact), Section 15183 (projects consistent with a General Plan), Section 15301 (existing facilities), and Section 15308 (actions of regulatory agencies for protection of the environment) of the CEQA guidelines.

Section 6. The City Administrator, or his designee, shall cause to be filed with the County of Alameda a Notice of Exemption and an Environmental Declaration (California Fish and Game Code Section 711.4) for this action.

Section 7. The Manager, Real Estate Services is hereby authorized to take any and all actions necessary, consistent with this Ordinance, to complete the sale of the Properties.

Section 8. The Purchase and Sales Agreement and all other documents necessary for the purchase of the Properties shall be approved as to form and legality by the City Attorney's Office and a copy shall be filed with the Office of the City Clerk.

Section 9. This Ordinance shall become effective immediately upon final adoption if it receives six or more affirmative votes; otherwise, it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

DATE OF ATTESTATION: _____

Exhibit A

Telegraph Parking Plaza Garage

The subject property is located within the Central District Redevelopment Project Area on the northeast corner of Telegraph Avenue and 21st Street. The property consists of one parcel acquired for a future mixed-use project site.

Assessor Parcel Number:
Total Size:

008-0648-016-03
72,398 square feet more or less

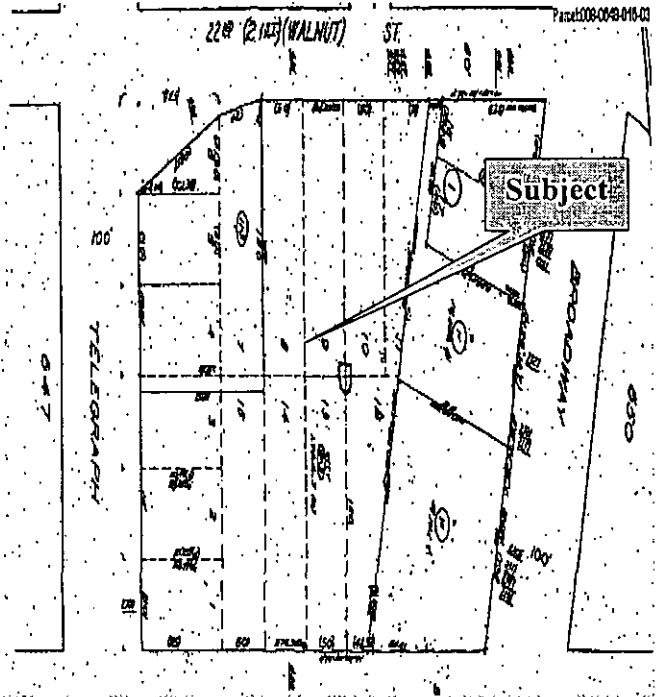
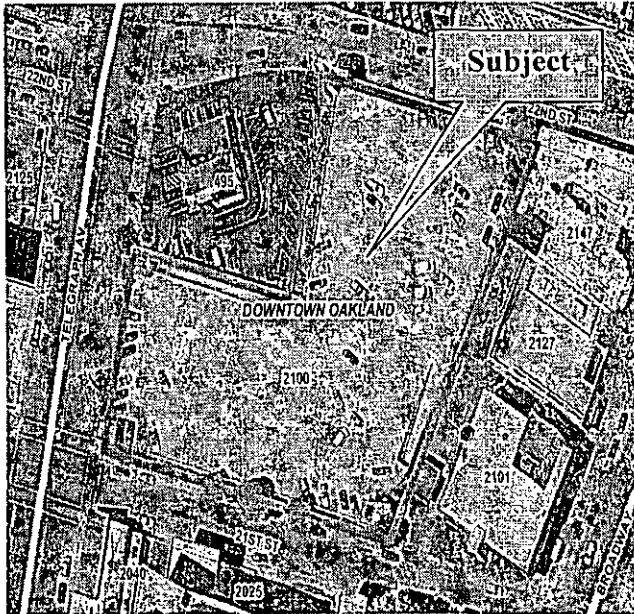


Exhibit B

The Oakland Coliseum Intercity Rail Parking Lot at 73rd Avenue

The subject property is located within the Oakland Coliseum Redevelopment Area at the terminus of 73rd Avenue, west of San Leandro Street. The property consists of two parcels containing a parking lot and access ramp built for use with the Amtrak Capitol Corridor passenger service.

Assessor Parcel Numbers: 041-3901-007-03 and 041-3901-007-05
Total Size: 35,010 square feet more or less

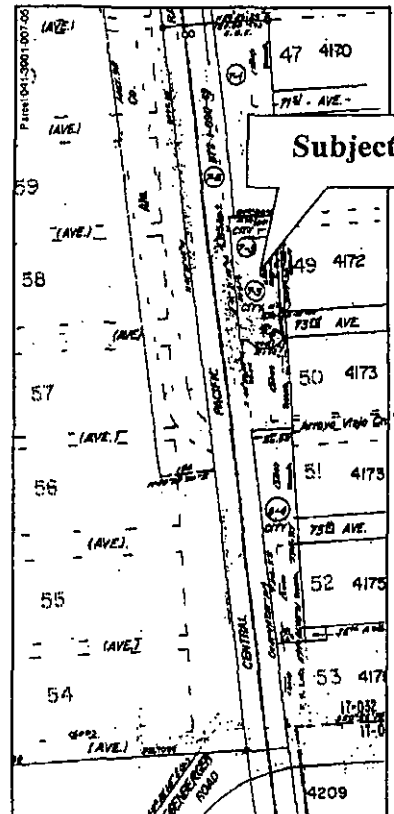
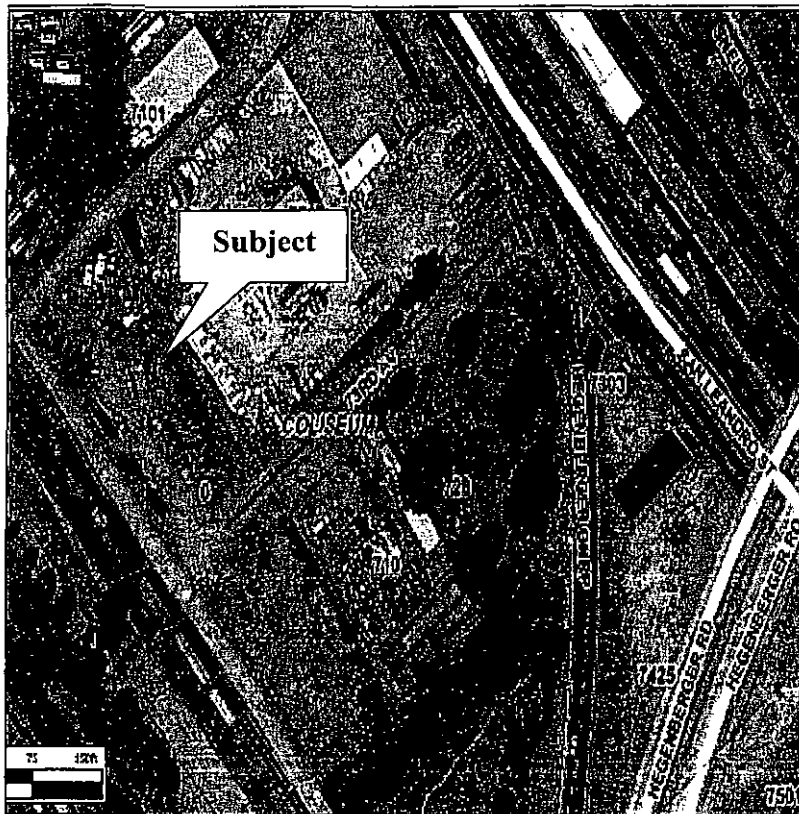
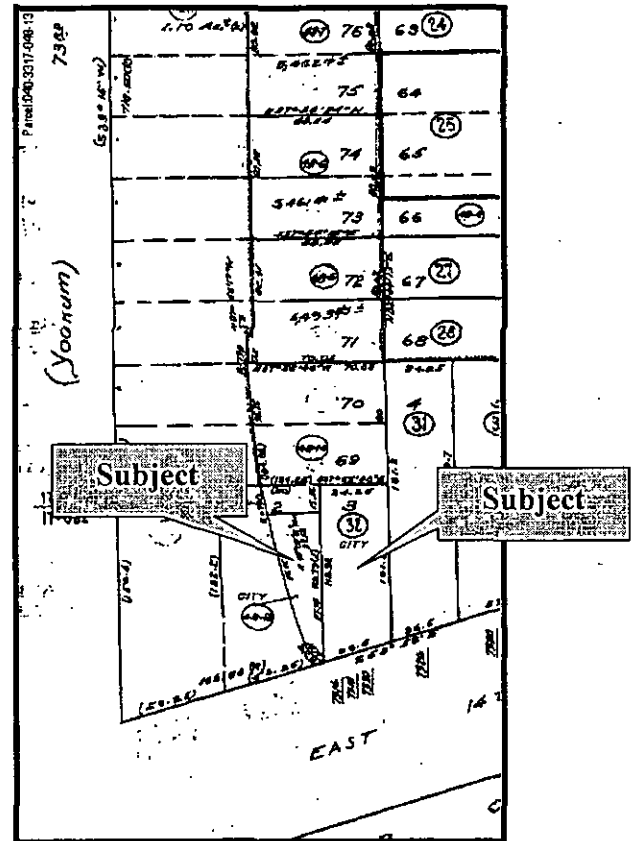
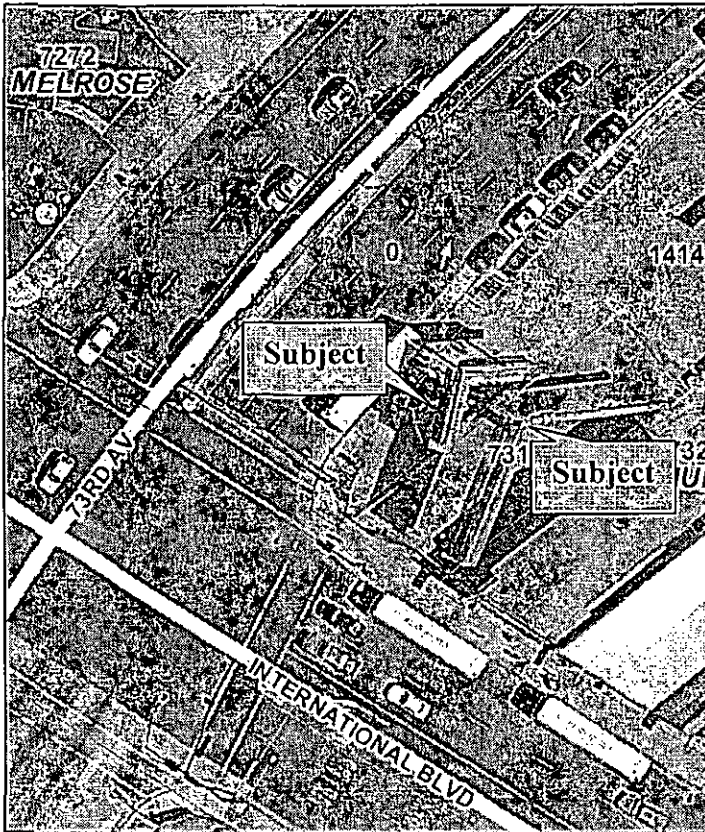


Exhibit C

Vacant Land Located At the Southeast Corner of 73rd Avenue and International Blvd

The subject property is located within the Oakland Coliseum Redevelopment Area on the southeast corner of 73rd Avenue and International Boulevard. The property consists of two parcels acquired for a future streetscape project.

Assessor Parcel Numbers: 040-3317-048-13 and 040-3317-032
Total Size: 7,158 square feet more or less



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NOTICE AND DIGEST

A CITY ORDINANCE AUTHORIZING THE SALE OF (1) 2100 TELEGRAPH AVENUE IN THE CENTRAL DISTRICT REDEVELOPMENT PROJECT AREA FOR \$7,000,000, (2) THE OAKLAND COLISEUM INTERCITY RAIL PARKING LOT AT 73RD AVENUE IN THE COLISEUM REDEVELOPMENT PROJECT AREA FOR \$500,000, AND (3) VACANT LAND LOCATED AT THE SOUTHEAST CORNER OF 73RD AVENUE AND INTERNATIONAL BOULEVARD IN THE COLISEUM REDEVELOPMENT PROJECT AREA FOR \$290,000, TO THE REDEVELOPMENT AGENCY

This Ordinance authorizes the City Administrator to sell surplus City-owned Property to the City of Oakland Redevelopment Agency.

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Approved As To Form And Legality:



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION NO. _____ C.M.S.

AN AGENCY RESOLUTION AUTHORIZING THE PURCHASE OF (1) 2100 TELEGRAPH AVENUE IN THE CENTRAL DISTRICT REDEVELOPMENT PROJECT AREA FOR \$7,000,000, (2) THE OAKLAND COLISEUM INTERCITY RAIL PARKING LOT AT 73RD AVENUE IN THE COLISEUM REDEVELOPMENT PROJECT AREA FOR \$500,000, AND (3) VACANT LAND LOCATED AT THE SOUTHEAST CORNER OF 73RD AVENUE AND INTERNATIONAL BOULEVARD IN THE COLISEUM REDEVELOPMENT PROJECT AREA FOR \$290,000, FROM THE CITY OF OAKLAND

WHEREAS, the City of Oakland (the "City") owns approximately 1.66 acres of real property located at 2100 Telegraph Avenue in the Central District Redevelopment Project Area, known as the Telegraph Parking Plaza Garage and more fully described in Exhibit A ("Property 1"); and

WHEREAS, the City owns approximately 35,000 square feet ("sq. ft.") of real property located at the terminus of 73rd Avenue west of San Leandro Street in the Coliseum Redevelopment Project Area, known as the Intercity Rail Platform Parking Lot and more fully described in Exhibit B ("Property 2"); and

WHEREAS, the City owns approximately 7,000 s.f. of real property located at the southeast corner of 73rd Avenue and International Boulevard in the Coliseum Redevelopment Project Area, and more fully described in Exhibit C ("Property 3"); and

WHEREAS, appraisals have established the fair market value of Property 1 at \$7,000,000, Property 2 at \$500,000, and Property 3 at \$290,000; and

WHEREAS, the Redevelopment Agency desires to purchase Property 1, Property 2, and Property 3 (collectively the "Properties") from the City for redevelopment purposes; and

WHEREAS, California Health and Safety Code (the "Code") Section 33220 authorizes any public body, with or without consideration, to sell or convey its property to a redevelopment agency to promote redevelopment projects; and

WHEREAS, Code Section 33391 authorizes a redevelopment agency to purchase any real property within a survey (project) area or for purposes of redevelopment; and

WHEREAS, the Agency proposes to acquire all three Properties for land banking purposes, and intends to hold them while the Agency develops a plan for their re-use; and

WHEREAS, the acquisition of the Properties will reduce blight and prevent further deterioration of the land and improvements in the Central District and Coliseum Redevelopment Project Areas; and

WHEREAS, the requirements of the California Environmental Quality Act of 1970 ("CEQA"), the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; and

WHEREAS, the funding for the acquisition of Property 1 is available from Central District Tax Allocation Bond Series 2009T (Taxable), Capital Improvement Project – Economic Development Organization (#94800), Central District Site Acquisition (Project T314430); and

WHEREAS, the funding for the acquisition of Properties 2 and 3 is available from Coliseum Area Redevelopment Project TAB Series 2006T in Fund 9456, Capital Improvement Project – Economic Development Organization (#94800), Land Acquisition Project (Project T315820); now, therefore, be it

RESOLVED: That the Redevelopment Agency hereby authorizes the purchase and acceptance from the City of Property 1 for the purchase price of \$7,000,000, Property 2 for the purchase price of \$500,000 and Property 3 for the purchase price of \$290,000, with said purchases contingent on final City adoption of an ordinance authorizing the transactions and upon satisfaction of any preconveyance conditions imposed by the Agency Administrator or his designee; and be it

FURTHER RESOLVED: That \$7,000,00 will be allocated from Central District Tax Allocation Bond Series 2009T (Taxable) Bond Fund (TBD), Capital Improvement Project – Economic Development Organization (94800), Central District Site Acquisition (Project T314430) and \$790,000 will be allocated from the Coliseum Area Redevelopment Project TAB Series 2006(Taxable) Bond Fund (9456), Capital Improvement Project – Economic Development Organization (94800), Land Acquisition Project (Project T315820); and be it further

FURTHER RESOLVED: That the Agency Administrator is authorized to negotiate and execute, modify, amend and extend purchase and sale contracts and other documents necessary for the purchase of the Properties, including an acceptance of the Properties from the City, consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: The Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines, based on the information in the staff report accompanying this Resolution, that this action complies with CEQA because this

action on the part of the Agency is exempt from CEQA pursuant to Section 15061(b) (3) (no possibility of significant environmental impact), Section 15183 (projects consistent with a General Plan), Section 15301 (existing facilities), and Section 15308 (actions of regulatory agencies for protection of the environment) of the CEQA guidelines; and be it

FURTHER RESOLVED: That the City Administrator, or his designee, shall cause to be filed with the County of Alameda a Notice of Exemption and an Environmental Declaration (California Fish and Game Code Section 711.4) for this action; and be it

FURTHER RESOLVED: That all documents related to these transactions shall be reviewed and approved by Agency Counsel prior to execution, and copies will be placed on file with the Agency Secretary; and be it

FURTHER RESOLVED: That the Agency Administrator, or his designee, is hereby authorized to take whatever other action is necessary with respect to the acquisitions consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

AYES-KERNIGHAN, NADEL, QUAN, DE LA FUENTE, BROOKS, REID, KAPLAN, AND
CHAIRPERSON BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland, California

Exhibit A

Telegraph Parking Plaza Garage

The subject property is located within the Central District Redevelopment Project Area on the northeast corner of Telegraph Avenue and 21st Street. The property consists of one parcel acquired for a future mixed-use project site.

Assessor Parcel Number:

008-0648-016-03

Total Size:

72,398 square feet more or less

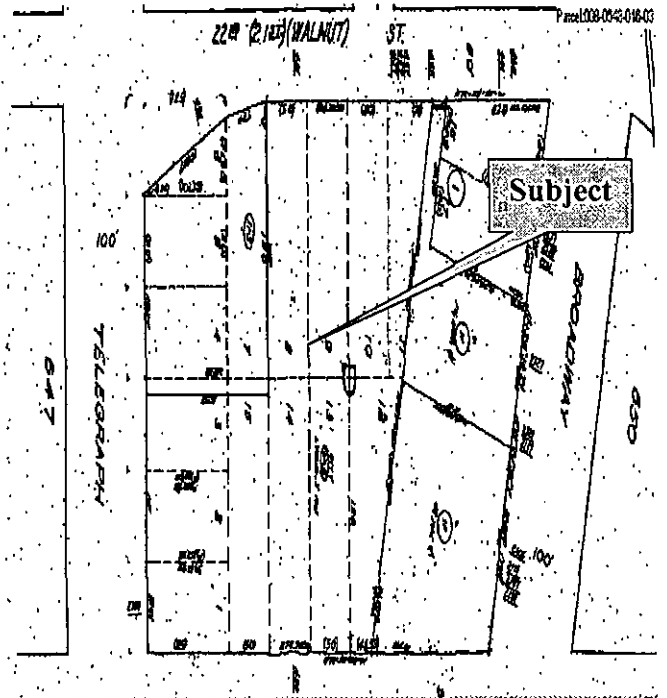
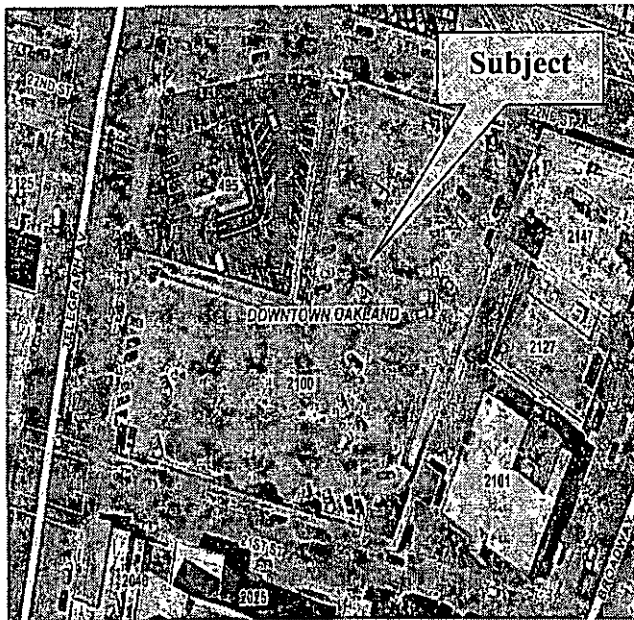


Exhibit B

The Oakland Coliseum Intercity Rail Parking Lot at 73rd Avenue

The subject property is located within the Oakland Coliseum Redevelopment Area at the terminus of 73rd Avenue, west of San Leandro Street. The property consists of two parcels containing a parking lot and access ramp built for use with the Amtrak Capitol Corridor passenger service.

Assessor Parcel Numbers: 041-3901-007-03 and 041-3901-007-05
Total Size: 35,010 square feet more or less

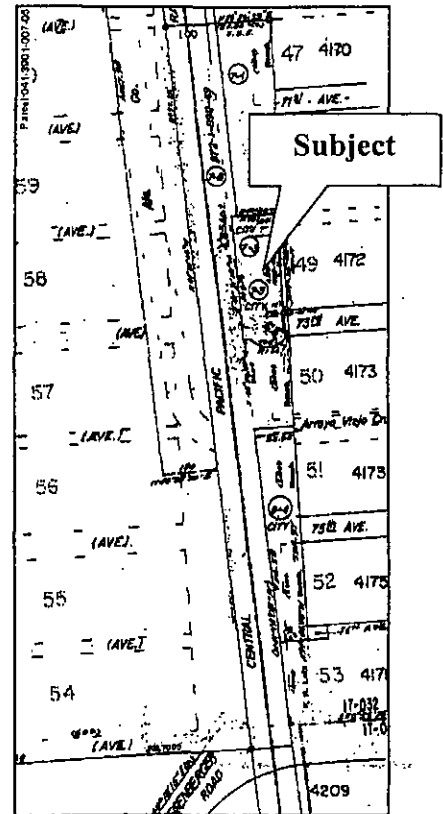
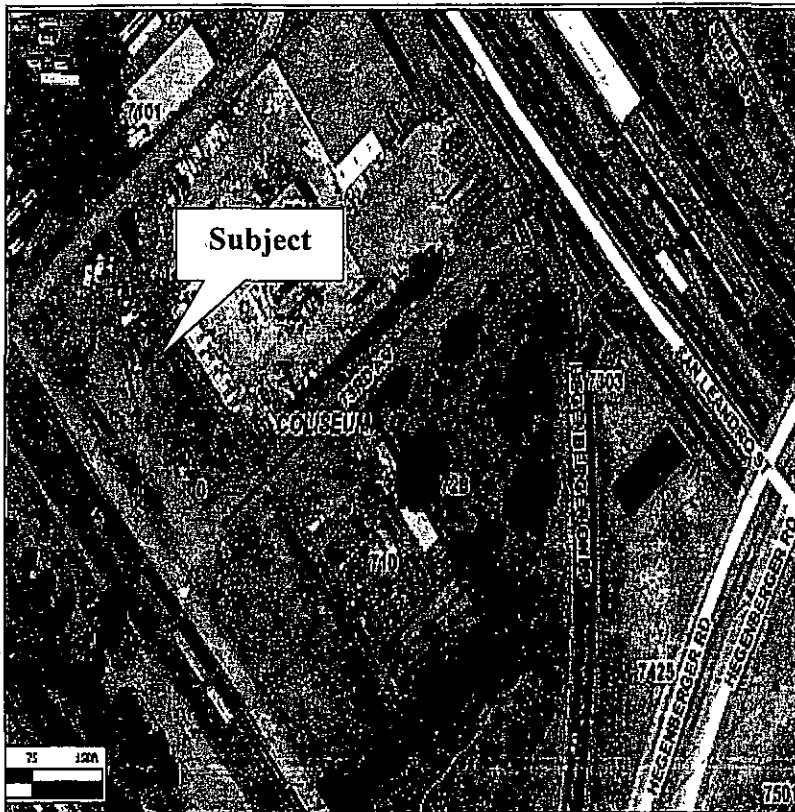


Exhibit C

Vacant Land Located At the Southeast Corner of 73rd Avenue and International Blvd

The subject property is located within the Oakland Coliseum Redevelopment Area on the southeast corner of 73rd Avenue and International Boulevard. The property consists of two parcels acquired for a future streetscape project.

Assessor Parcel Numbers: 040-3317-048-13 and 040-3317-032
Total Size: 7,158 square feet more or less

